

Home loans to end?

United Press International
WASHINGTON — Homebuilders and financial thrift institutions say the Federal Reserve Board's latest decision to boost sharply interest rates may mean an end to home loans and home building.

January producer prices surged ahead at the fastest pace in five years, and the Federal Reserve Board reacted to that inflation signal Friday by boosting interest rates in a renewed effort to restrict borrowing.

The action stunned the nation's homebuilders and thrift institutions. "We are surprised and dismayed by the Federal Reserve Board's action," said Merrill Butler, president of the National Association of Home Builders.

He urged Congress to release low-interest mortgage money and lift restraints on tax-exempt mortgage bonds in order "to counter what may become the deepest housing recession in 30 years."

business

Federal reserve losing members

United Press International
NEW YORK — The defection of two big Pennsylvania banks from the Federal Reserve System underscores a problem that has existed since the Fed was founded in 1913. Fed Chairman Paul Volcker made an eloquent appeal to Congress early this month for legislative action, without which he said "the stream of member banks withdrawing will reach flood proportions."

In the last quarter of 1979 and early January, Volcker said, 69 banks with about \$7 billion in deposits gave notice of withdrawal from Fed membership. This takes in the period following the Fed's "Saturday night massacre" of Oct. 6, 1979, when a policy change imposed stringent reserve requirements on member banks.

Pittsburgh's Equibank and National Central Bank of Lancaster, Pa., with assets of more than \$3 billion between them, withdrew from the system in January, citing the high costs of membership. Volcker called the withdrawal — the largest ever — "especially significant" in that it shows large institutions are prepared to take what is by any reckoning a significant step in switching from a national to a state charter.

At the end of 1979, there were 5,459 banks in the Fed System representing about 70 percent of deposits in the nation's 14,000-plus commercial banks. Volcker said 670 banks with more than \$71 billion in deposits are considering withdrawal. The primary concept behind the Federal Reserve Act of 1913 was con-

rol over the monetary aggregates to prevent the "boom and bust" cycles that characterized the economy during the last century and early 1900s.

Perhaps because of American fear of a European-style central bank the Fed was formed as a sort of "banker's bank," nominally owned by its members for which it provides services and to which it pays dividends. Membership in the Fed, mandatory for banks with a national charter and voluntary for state-chartered in-

stitutions, confers check-clearing, currency services and access to the discount window for loans. Many small banks obtain these through large correspondent banks.

Almost from its earliest days, the Fed claimed that the membership concept hampers it in performance of duties that Volcker said it is "properly held accountable for progress in dealing with inflation and other economic problems that beset us."

Professor George J. Benston, University of Rochester, says a study of Fed membership during the Great Depression of the 1930s found an exception to this state of

"A relatively greater nonmember bank failures rate, a proportionate increase in member and deposits of member banks," Benston said. Membership peaked in 1951 when it included 49 of all commercial banks.

is using the system to virtually reclaim its original self-sufficiency. Mason Dixon, which derives its name from the famous line which crosses the farm, runs 1,700 head of dairy cows and produces 4,000 gallons of milk a day. The Waybrights utilize every possible advancement of technology to increase productivity and lower costs.

The methane conversion system is composed of chief executives of 192 companies with \$1.5 billion in assets. "Both share a corporate culture that uncritically regards big government as good and regulation for protection as bad," said the report which was conducted over a 10-month period. The chamber has 80,000 members, 1,200 employees and a budget of \$30 million while the Roundtable

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McDONALD'S INTRAMURAL HIGHLIGHTS

At University Drive At Manor East Mall



Hughes Hall's Christi Niemeyer, a freshman microbiology major, attempts to beat out a throw at first base during the Hughes-Kruegar dorms I.M. softball game.

Wild Bunch Douses Wild Bunch II

The Wild Bunch overwhelmed Wild Bunch II in an intricate battle in CoRec AB slow pitch. In the top of the first inning the Wild Bunch scored three (3) when Jimmy Thompson hit a home run, bringing in Bretchen Goetz from third base and Kathy Melliner from first. A pop fly to center by Jill Hardy put WB II up to bat.

WB II closed the inning with 2 pop flies to left field and a runner out on first.

The second inning was hard on the Wild Bunch with a consecutive pop to left field, a runner out at first and a strike-out. WB II put Mary Bryant on second and Ron Pettit on first by singles before ending the inning with three infield flies, two to center and one to third base.

WB's Rob Robinson managed a home run before his team took the outfield for the bottom of the third to raise the score to 4-0. WB II got Doug Dedeker on second and Doug Noah on third before popping the third out to deep center.

The bottom of the fourth saw the games' first walk as Linda Welsh of WB II took base. The fifth inning followed the previous patterns. In the bottom of the sixth WB II's Rusty Russel hit a homer, rounded the bases and was called out for not touching third base. WB II got on the move and using singles and double hits scored three legitimate runs as Ron Pettit, Linda Welsh, and Jim Pennington crossed the home plate. WB II had a man on first and third when Mary Tyler Johnson hit a pop fly to center.

Not to be undone the Wild Bunch geared up its batting machine and went completely through its batting roster to score 8 runs, including 2 home runs by Bobbie Cochran and Rick Chamberlin. Other scorers were Steve Robinson, Gretchen Goetz, Kathy Melliner, Tommy Thompson, Paula Gortz, and Todd Lott.

WB II could not come back and ended the game in the bottom of the seventh 12-3.



Ron Bottoms, an Industrial Distribution major, pitches a horseshoe toward the stake during an opening match of I.M. horseshoes. Ron may come by the I.M. office for a "Be our Guest" card, good for free food at McDonald's.

Sports Shorts

Rainouts: If your game of slowpitch softball is rained out, contact the IM office after 2:00 p.m. the next day. As many games as possible will be rescheduled. This is important because the rescheduled game may be that next night. Keep up with your play schedules.

Weigh-in: Entries for wrestling will be taken Monday, February 25 at the weigh-ins in the Men's Locker Room in G. Rollie White from 10:30-11:30 p.m. This is the only time entries will be taken. Teams may weigh-in together as a team.

Soccer: Look, Ma, no hands! It's IM soccer - the fancy footwork, handball team sport. Entries open today, February 18, and close Tuesday, February 26. So get moving and find your teammates. There'll be fancy stepping than at a jitterbug marathon.

Frisbee: Ahs do, tea-sips do it, guys and gals and dogs do it. They all play frisbee! The annual IM frisbee contest will be March 1. Competition will include maximum time aloft; throw, run, and catch; distance throw; golf frisbee and free style. Enter today, February 18, or on before Tuesday, February 26. More information available in the IM office, De Ware Fieldhouse.

Fast Pitch: If you like baseball and a fast pace, then IM fast pitch is for you. Entries open today, February 18 and close Tuesday, February 26. Play begins Saturday, March 1.

Racquetball: Racquetball singles opens for entries today, February 18 and close February 26, Tuesday. Schedules will be posted Thursday, February 28 and play begins March 3. Games are to 21 points, match to two games with an 11 point tie breaker. So warm-up your racquet and come out swinging!

snip & clip

Entries Opening:
Soccer Monday, February 18
Frisbee Monday, February 18
Fast Pitch Softball Monday, February 18
Racquetball Singles Monday, February 18

Entries Closing:
Tennis Tuesday, February 19
Wrestling Weigh-in Monday, February 25
9:10-30 p.m. Men's Locker Room GRW

Official's Clinics:
Soccer Tuesday, February 19
7 p.m., G.R.W. 267
Fast Pitch Sunday, February 24
11 a.m., Penberthy Intramural Complex

Special Events:
Basketball Team Thursday, February 28
Captain's Meeting 5:15 p.m., Rudder Theater

In the Swimming Pool:
Pool hours through March 1 are posted as follows:
Outdoor Pool - Mon. through Friday 12 noon - 1:30 p.m.
Indoor Pool - Mondays & Wednesdays 6 p.m. - 7 p.m.
Tuesdays & Thursdays 6 p.m. - 10 p.m.
Saturdays & Sundays 1 p.m. - 3 p.m.

Spotlight on Sports

Riddle: Why is March the Magic Month?
It is because of the Penberthy Celebration of Sports which will be held March 21-23 at the Penberthy Intramural Complex. Entries open March 3 (Monday) and close March 18 (Tuesday). Divisions are men's, women's, and co-rec. Entry fee is \$35 per team. Awards will be given to members of the top two teams in each division. Call the Intramural office at 845-7826 for more information.

Acknowledgments

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