

Warped

By Scott McCullar



# Reagan cites reasons for Soviet grain sales

**United Press International**  
DES MOINES, Iowa — President Reagan, hinting at possible record grain sales to the Soviets this year, said Monday that sanctions against Moscow and Warsaw might be lifted because "martial law may be relaxing" in Poland.

In remarks prepared for the National Corn Growers Association, Reagan also blamed the current recession on his predecessors, who followed a "reckless course of fiscal insanity that had us careening toward catastrophe."

Reagan, repeating a theme sounded last week, also appealed for trust that his economic recovery program will take hold, and urged his farm audience to reject the "doom-criers."

The president cited an improved situation in Poland to explain the apparent contradiction between tough sanctions against U.S. technology being used to build a Soviet gas pipeline to Western Europe and his decision last week to extend a grain sales accord with the Kremlin.

"There is still no cause to cele-

brate in Poland," Reagan said, who imposed some economic curbs on both Moscow and Warsaw after the crackdown on the Solidarity labor movement.

"I am, however, somewhat encouraged by indications martial law may be relaxing — that life will improve for the Poles and the sanctions can be removed," he said.

"Indications are that we will sell a record volume of grain to the Soviet Union this year," the president said, adding the extension of the grain agreement means "we will be able to sell large quantities" of corn and other grain during the next year.

"The granary door is open and the exchange will be cash on the barrelhead," he said.

His address came with the farm industry in its worst slump since the Depression, a decline one industry analyst said has left farmers "frustrated and hostile."

After the speech, Reagan was to fly 40 miles to the 500-acre farm of Donald Dee and his sons, Allan and Eric, for a meeting on the grain decision and

farm prospects with farmers. Tuesday morning he will go to Hartford, Conn., to address a Knights of Columbus meeting before returning to Washington.

Reagan also used the speech to deliver a bitter attack on past leaders, saying:

"We believe the unbearable interest rates, the suffocating inflation, the recession that has gripped our land for too many months, was bought about by government leaders afraid to trust the American people," he said.

"They were caused by 40 years of taxing and spending, by disintegrating faith caused by abandoned promises, and by a reckless course of fiscal insanity that had us careening toward catastrophe."

"Despite most of the doom-criers abroad in our land," Reagan told the farmers, "I believe most of America shares your faith."

And he reiterated: "This administration does not have, nor will we have, a grain embargo on the Soviet Union."

# Deficit closer to Congress' budget estimate: official

**United Press International**  
WASHINGTON — This year's budget deficit will be closer to the estimates of the Congressional Budget Office than that of the administration, Commerce Secretary Malcolm Baldrige said Monday.

Baldrige, appearing on ABC's "Good Morning America" program, said the fiscal 1983 deficit will be about \$20 billion to \$30 billion above what the Reagan administration has predicted, moving it more in line with the figures from the congressional office.

The administration's revised deficit estimate of about \$115 billion, issued last week, has been called too optimistic by

some. Similarly, the administration generally calls the congressional office's estimate of \$140 billion to \$160 billion too pessimistic.

"I think the CBO estimate for just this year is probably as close as you can get," Baldrige said. "I think they're too pessimistic for next year."

Deficit spending forces the government to borrow money that otherwise would be available for loans to businesses and consumers, and thus puts pressure on interest rates. President Reagan has blamed persistent high interest rates for delaying the economic recovery he has promised.

While Baldrige said the administration's mid-year economic review issued Friday has been "unfairly accused of trying to be a prediction of all time," he disagreed with the report's growth rate prediction.

"The report assumes a growth rate in the last half of the year in the (gross national product) of about 4.5 percent," he said. "That's possible if interest rates come down dramatically."

"It looks like they're coming down, but not that steeply. So the growth rate will probably be less for the last part of this year than the report said."

Baldrige said the growth rate could reach 4.5 percent at the end of the year, but not for the

entire final six months. "I suppose somewhere around 3 percent to 3.5 percent at the present interest rates is in the ballpark," he said.

He said the lingering recession will not cause the administration to change its economic policies, and added that under those policies, inflation, taxes, interest rates and the rate of federal spending have fallen.

"We are between the recession and coming out of it," the secretary said, echoing Reagan's remarks at his press conference last week.

Baldrige made no mention of unemployment figures, which have been stubbornly high.

## Problem said to be worsening

# UN warns of acid rain

**United Press International**  
NAIROBI, Kenya — In Scotland and Pennsylvania, the rain sometimes contains more acid than table vinegar.

In Poland's Katowice industrial area, freight and passenger trains are limited to a speed of 25 miles per hour on tracks rotted by acid rainfall.

The Acropolis in Greece has suffered more damage in the past 20 years because of acid rain than in all the centuries since it was built.

Some 20,000 lakes in Sweden are ecologically dead or dying because of the acid that falls from the skies, while all the fish in an 8,000-square-mile area of southern Norway have died for the same reason.

Evergreen forests in Germany have died mysteriously and some of Brazil's lush tropical rain forests have shriveled away from acid rain.

The problem of acid rain has

become critical in developed countries around the globe and, according to a recent meeting of the governing council of the United Nations Environment Program (UNEP) in Nairobi, the situation is probably the most serious and challenging problem facing developed countries in the next decade.

Acid rain means literally that it rains acid. It is formed from industrial wastes, especially sulphur dioxide, spewed into the atmosphere.

These pollutants combine with water vapor, sunlight and oxygen to form sulphuric and nitric acids. These acids are washed out of the atmosphere by rainfall and return to Earth turning lakes and reservoirs into killers.

Even heavy metals in the soil are dissolved by this acid rain and seep into water supplies. There have also been cases of

acid snow and acid hail.

In the past decade the problems have become critical. Industrialized areas have been "exporting" acid rain to "clean" areas at an alarming rate. Bitter feuds have developed among countries.

Canada receives four times more sulphur and 11 times more nitrous oxide from the United States than it returns. Britain, western Europe, East Germany and Poland are the main cause for the devastation of Swedish and Norwegian lakes.

One supposed cure for acid rain has only succeeded in spreading it.

On the recommendation of some environmentalists, power plant and industrial smoke stacks were built higher in the hope that harmful emissions might disperse in the atmosphere. The greater height instead has caused acid rain to fall as far away as 1,200 miles from

its source. With the increased use of coal as an energy source in many industrialized countries, the expected amount of acid rain is expected to increase.

Already the United States dumps 26 million tons of sulphur dioxide into the air every year while in Europe 70 million tons finds their way into the atmosphere.

The United Nations Environment Program was set up in 1972 but little has been done to alleviate the problem. "In the course of the decade we have seen unfold a series of complications," said British scientist Martin Holdgate. "It is not as simple as we thought."

One European delegate said: "It is a problem whose implications are expected to worsen in the years to come. Perhaps governments should issue warnings before any rainfall, something like 'walking in the rain can be hazardous to your health.'"

# Several big banks lower prime rate

**United Press International**  
NEW YORK — Citibank, Chase Manhattan, Chemical Bank and Morgan Guaranty Trust, responding to the Federal Reserve's discount rate cut, Monday lowered their prime lending rate a half point to 15 percent — the lowest level in 20 months.

The rest of the industry was expected to follow.

Mellon National Bank of Pittsburgh late Friday lowered its base charge along with the small Southwest Bank of St. Louis to 15 percent following the Fed's second reduction in two weeks of its loan rate for member banks.

The 15 percent prime rate is the lowest since Nov. 5, 1980, when the business loan rate was at 14.5 percent.

The prime rate reduction, the second within two weeks from 16.5 percent, also resulted from the Fed's report of an \$800 million decline in the nation's money supply in the latest statistical week.

The money supply growth rate has come down to Fed targets within recent weeks and set the stage for the interest rate declines. As a result, the Fed cut its discount rate to 11 percent Friday. It previously had reduced this charge a half point to 11.5 percent on July 19.

While short-term rates are expected to continue falling over the near term, analysts are uncertain how long the trend will last because the government has to borrow heavily to cover record budget deficits.

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## Proposed tourist attraction nothing but a pile of rocks

**United Press International**  
BEDFORD, Ind. — The highly touted authentic-style pyramids for which the federal government contributed \$700,000 are no more than a pile of rocks and the project's director says that's all they ever will be.

The rocks piled up about 5 miles north of Bedford are supposed to be a tourist attraction and a shot in the arm for the Indiana limestone industry.

But so far the heaps of stone don't even come close to looking like the pyramids they were ballyhooed to become.

And they never will, says Merle E. Edington, who directs the project.

Sen. William Proxmire, D-Wis., has awarded the project his Golden Fleece award for foolish use of about \$700,000 in taxpayers' money.

The Indianapolis Star reported in its Sunday editions that there is no plan to shape the unkempt hunks of stone into two gleaming symmetrical pyramids and a miniature Great Wall of China as depicted in an artist's conception of the project.

Edington, president of the Bedford Chamber of Commerce, said the piles are stacked in the simplest way to get the stone up in the air where tourists can see, without going to the expense of cutting, forming and mortaring the exhibit — located

on a 20-acre site. "I'm not going to smooth it up," he insisted. "That wasn't the intention. Never was."

Quarry companies around the city of 14,000 donated the land and the waste limestone.

So far, all the site has is a rock-pile and an old railroad caboose to be used for a souvenir shop. Construction was suspended a year ago.

A 151-square-foot base of the Egyptian style pyramid is in place along with three tiers of a Mexican style pyramid, which Edington says he hopes will be finished by Sept. 4.

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