

# World and Nation

## Central bank to raise interest rates

**From Associated Press reports**  
**WASHINGTON** — Federal Reserve Chairman Alan Greenspan said Tuesday that the central bank will keep up its inflation-fighting efforts by pushing interest rates higher to combat what he termed a troubling acceleration in price pressures.  
 Greenspan, in his semiannual report to Congress on monetary policy, said the Fed expects "to support continued economic expansion while putting in place conditions for a gradual easing in the rate of inflation over time."  
 He added, however: "Let me stress that the current rate of inflation, let alone an increase, is not acceptable, and our policies are designed to reduce inflation in coming years."  
 Since last March, the Fed has been nudging up interest rates in an

attempt to slow economic growth and avoid a flare-up of inflation. Those efforts intensified last week after a report on prices at the wholesale level showed a 1 percent increase during the month of January, equivalent to a compounded annual inflation rate of 12.7 percent.  
 Prices at the consumer level in 1988 increased by 4.4 percent, the same pace as during the previous year and a rate that Greenspan considers worrisome.  
 "With the economy running close to its potential, the risks seem to be on the side of a further strengthening of prices pressures," the Fed chairman said. "In these circumstances, the Federal Reserve remains more inclined to act in the direction of restraint than toward stimulus."  
 Greenspan said the Fed's always-

challenging task of charting monetary policy has been made more difficult by the unprecedented combination of an aging economic recovery, financial failures in the savings and loan industry, rising levels of corporate debt and the large trade and budget deficits.  
 "We have never confronted a situation that is exactly comparable to what we are in at this particular stage," he said.  
 Greenspan said the problems are so large "that it very significantly skews policy toward reducing the budget deficit and making certain that inflation does not accelerate."  
 "It's clear to me that much of the problems that we are confronted with could be assisted in an extremely positive way by a very expeditious and significant cut in the deficit," he

said.  
 Congressional leaders met with President Bush on Tuesday to discuss budget and deficit-reduction plans, but legislators still were hoping the administration would provide more details on where it believes spending can be reduced.  
 Greenspan said he remained optimistic that an agreement could be reached.  
 "We cannot take the risk of not resolving it," he said. "The degree of risk of allowing this whole process to fester is unacceptable."  
 Analysts said that while Greenspan's testimony before the Senate Banking Committee demonstrated an ongoing commitment to the fight against inflation, financial markets had hoped for something even stronger.

## North trial opens to conflict as lawyers present arguments

**From Associated Press reports**  
**WASHINGTON** — Oliver North's criminal trial opened Tuesday with the prosecutor portraying North as a liar who placed himself above the law, but with North's lawyer defending him as a patriotic Marine who obeyed unflinchingly the orders of his commander-in-chief.  
 North, now retired from the service, listened intently as prosecutor John Kecker told the jury the defendant had lied time and again to his president and to Congress about the Iran-Contra affair.  
 Chief defense lawyer Brendan Sullivan countered that North, a former top National Security Council aide, worked in a secret world where "he always acted with the approval of his superiors; he acted always with the best interests of his country."  
 Thus the two sides squared off for the oft-delayed first trial to come out of the Iran-Contra affair, a trial that may take as long as five months to complete.  
 The first testimony comes this morning when Rep. Lee Hamilton, D-Ind., the former chairman of House Intelligence Committee, takes the stand.

### News in Brief

Salvador's leftist rebels offered Tuesday to lay down their weapons if the armed forces are sharply cut, the police force reorganized and next month's presidential elections postponed by at least four months.  
 The Farabundo Marti National Liberation Front presented its revised proposal on the second day of talks with delegates from 13 political parties seeking ways to end El Salvador's nine-year civil war.  
 The front's offer attempted to address a major stumbling block in the talks — the constitutional requirement that President Jose Napoleon Duarte leave office by June 1 — by proposing an interim president.  
 The proposal appeared to be aimed at neutralizing El Salvador's rightist-dominated military, which has warned publicly it might seize power in a coup if Duarte does not step down as scheduled.  
 The revised proposal came as guerrillas in El Salvador attacked the country's principal army base and an engineering detachment, leaving eight dead and 17 injured. The war has taken 70,000 lives, most of them civilian.  
**System to aid alien processing**  
 BAYVIEW, Texas — The Immigration and Naturalization Service on Tuesday began erecting tents inside the fence of a minimum-security prison under a plan to speed up processing of aliens and to jail those denied political asylum.  
 The Catholic Bishops of Texas charged that they foresaw "the creation of the largest concentration camp on U.S. soil since the incarceration of Japanese-Americans during World War II — a shameful page in our history."  
 State Department officials began making recommendations on asylum applications here under a plan announced Monday to deal with an influx of Central American immigrants and speed up the weeding out of "frivolous" claims.  
 Under the plan, applicants will get an answer as early as the same day and will be subject to immediate arrest and detention if denied asylum.  
 Before Tuesday, applications could take weeks to process, and aliens were released on their own recognizance while they awaited appeals or deportation.

## Soviets urged to delay ties with Israel

**From Associated Press reports**  
**NICOSIA, Cyprus** — A senior Palestinian official urged the Soviet Union on Tuesday not to restore ties with Israel before Washington and the Jewish state support an international Middle East peace conference with the PLO.  
 Yasser Abed-Rabbo, a member of the Palestine Liberation Organization's ruling 15-man Executive Committee, also accused Washington of stalling in a dialogue with the PLO to gain time for Israel to crush a 14-month-old Palestinian uprising in the occupied West Bank and Gaza Strip.  
 "Washington is pushing Moscow into an unconditional resumption of ties with Israel, offering in return only promises of a wider Soviet role in the Middle East," Abed-Rabbo said in an interview from the PLO's headquarters in Tunis.  
 "We don't believe the Soviets will fall into this trap," he said.  
 Abed-Rabbo made his comments as Soviet Foreign Minister Eduard Shevardnadze was visiting Middle

East capitals in a major initiative to break the stalemate in the Middle East peace effort and assert Moscow's influence in the region.  
 Shevardnadze's 10-day, five-nation tour — the highest-ranking Soviet mission in the region in nearly 20 years — underlined Moscow's increasing credibility in the Arab world following the Soviet Union's military withdrawal from Afghanistan and its efforts to moderate the PLO's policies.  
 Abed-Rabbo said PLO chief Yasser Arafat would ask Shevardnadze about the possible restoration of Israeli-Soviet ties — broken after the 1967 Middle East war — in a meeting Wednesday in Cairo.  
 "We believe any resumption of Soviet-Israeli ties should be linked to the convening of an international conference, attended by the PLO," he said.  
 Israel and the United States have rejected PLO participation in any such forum.  
 Abed-Rabbo is also deputy leader

of the Marxist Democratic Front for the Liberation of Palestine and headed the Palestinian side in negotiations with the United States that began in December. He said he still had no idea when the U.S.-PLO dialogue, suspended after President Bush took office last month, would resume.  
 Washington lifted its 13-year ban on public dealings with the PLO after Arafat explicitly recognized Israel and renounced terrorism.  
 U.S. officials said the talks were suspended because the new administration wanted to review U.S. policy in the Middle East. But Abed-Rabbo

said this was "nothing but a pretext."  
 "The reality is that Washington is trying to gain time for Israel to crush the uprising in the occupied territories so the pressure for a Middle East peace settlement will ease."  
 "But they're ignoring a reality which even the Israelis are slowly accepting: that it's impossible to suppress the uprising and return to the situation that existed before the uprising was launched."  
 At least 380 Arabs and 15 Israelis have been killed since the uprising against Israeli rule began Dec. 8, 1987.

### RHA

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major issues of the race. "I think some good issues were brought out by both of us," she said. "But when you go door-to-door you pick up lots of little things that are more important to students than the big issues of the campaign."

But she needs to familiarize herself with the office of RHA president before she can concentrate on the issues, Jackson said. "I'll be getting more familiar with the inner office and working on the transition with Jimmy," she said. "Then it'll be more clear what needs to be done."  
 Smith said he would continue to be involved in RHA, possibly as a liaison between RHA and student government. He also could look into several positions in student government, Smith said.  
 But whether or not he holds the liaison position would depend on Jackson, he said. "I'm not in a position to ask for anything now," he said. "I think Liz and I are ready to start working now."

### Leslie has her own apartment



Leslie was too tired to drive to the campus computer room.

### Moreen lives in Granville Towers



Moreen has access to Granville's computer room 24 hours a day.



Leslie locked herself out of her apartment. Luckily she had a spare key.



If Moreen has a problem at Granville, there's always someone on duty to help her.



Last week Leslie lost three pounds, this week she gained seven.



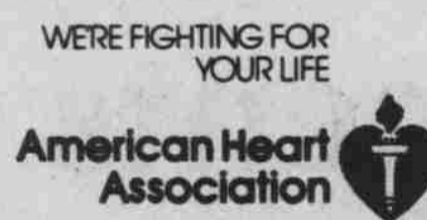
Granville offers balanced, nutritional meals. They also provide diet and vegetarian meals.



With no time for housework, Leslie sometimes finds things that she can't explain.



Moreen has weekly maid service at Granville, as well as full-time maintenance.




# WANTED:

Candidates to fulfill the following descriptions:  
**CHANCELLOR'S UNDERGRADUATE AWARDS CEREMONY**  
 Wednesday, April 12, 1989  
 Morehead Building 3:00 p.m.  
 Nominations are now being accepted from all members of the University community for the following student activities awards:

Name of Award	Nature of Recipient	Primary Area of Achievement
Algernon Sydney Sullivan Award	Senior — one man, one woman	humanitarian contribution
John Johnson Parker, Jr., Medal	Senior — man or woman	student self-governance
Frank Porter Graham Award	Senior — man or woman	improving quality of life of University community through principles of equality, dignity and peace among men
Irene F. Lee Award	Senior woman	character, scholarship, leadership
Walter Spearman Memorial Award	Senior man	character, scholarship, leadership
Jane Craige Gray Memorial Award	Junior woman	character, scholarship, leadership
Robert B. House Distinguished Service Award	any undergraduate	unselfish commitment through service to the University and the surrounding community
International Leadership Award	any undergraduate	international awareness and understanding
Jim Tatum Memorial Award	any undergraduate	athletics plus extracurricular activities
Ernest H. Abernathy Prize	any undergraduate	student publications
Ferebee Taylor Award	Senior — man or woman	recognizes the principle of honor as one of the University's most hallowed ideals
J. Maryon Saunders Award	Senior — man or woman	preservation and enhancement of loyalty and good will between the University, its students, alumni and friends
Cornelius O. Cathey Award	any undergraduate	greatest contribution to the quality of campus life or the efficacy of University programs for students
Albert & Gladys Hall Coates Award	any undergraduate	recognizing service through the Student Congress

Nomination forms are available at the Union Desk, Y Building and the Office of Student Affairs (01 Steele Building). The deadline for nominations is Wednesday, March 1, 1989.  
 For further information contact Lee Marks, Dean of Students Office, 966-4041



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