

# Old devil interest rates will decline — eventually

FOR SALE signs are popping up on suburban front lawns faster than dandelions in spring. Take a drive through a subdivision on a Sunday afternoon. Numerous "open house" signs beckon the passing motorist.

Homeowners, discouraged by three years of a sluggish economy, are looking to make a move. They are showing their faith in the economy in a concrete way by trying to swap their houses for larger houses.

As a result, the housing business has been booming. For the first six months of 1983 the Western Wayne Oakland Board of Realtors reports a 64.5-percent sales gain over 1982.

BUT IN THE past few weeks, home sales have slowed from a June peak. In July the real estate board reported sales of 995 homes, which was a 31.5-percent increase over July 1982 but nearly a 20-percent drop from June 1983.

What happened?

It's that old tyrant — high interest rates. During the past three years, mortgage rates on conventional loans hit a peak of 17-plus percent. In May that bottomed out at 12.5 percent. Currently, the mortgage rate on a conventional loan is up to about 14.5 percent.

Economists estimate that the 2 percent increase in mortgage interest rates will eliminate about 900,000 potential buyers on an annual basis. A 2 percent hike means that sales of existing homes will drop by 550,000 units and new homes by 320,000.

Thomas A. Duke Jr., president of Metro Multiple Listing Service, puts it another way.

"Someone buying a home with a \$50,000, 30-year mortgage will discover 1 percent interest is nearly equivalent annually to an added month's payment of principal and interest," he said. "It pushes housing costs up about \$500 a year and increases total payout over the life of the mortgage by nearly \$15,000."

Multiply his figures by two to estimate the effect



**Nick Sharkey**

of the 2 percent interest rate hike since May.

SINCE NO ONE seems to like higher interest rates, why do we have them when it appears that the economy is turning around?

The problem is that the Federal Reserve Board (Fed) believes the economy may be picking up too quickly. It is the Fed's job to regulate the nation's banks so that a delicate balance is maintained. The economy should grow (employment) but not grow too fast (inflation). When the Fed wants to put the brakes on the economy, it raises interest rates to its member banks.

Many economists believe that the greatest source of high interest rates is a large federal deficit. The deficit is at about \$200 billion per year now.

Realtors locally have launched a campaign to encourage a limit on federal spending. This, they reason, will mean lower interest rates. Lower rates mean more people will buy houses.

IT IS DOUBTFUL the Realtors will be successful. The most conservative administration in Washington, D.C. in 20 years has only increased the federal deficit.

Not to worry. Economists for Citibank maintain that we are only going through a "summer stumble." Mortgage rates are expected to ease to about 13 percent in the fourth quarter of this year and to average about 12 percent in 1984.

If that's true, there will be some changes in the old subdivision come spring. Be ready to greet an influx of new neighbors.



# Slides show the seaway is shrinking

SHOW ANY student a map of the Great Lakes region and ask him or her how it was discovered. Chances are the student will draw a direct line down the St. Lawrence River, through Lake Ontario to Lake Erie, then north to lakes Huron, Michigan and Superior.

Not so. The upper St. Lawrence River was a series of difficult rapids. Niagara Falls, between Erie and Huron, was impassable for sailing ships.

The French explorers actually paddled up the Ottawa River and emerged into Lake Huron's Georgian Bay first.

Niagara Falls barred navigation for three centuries until the Canadians built the Welland Canal around it in 1829. The St. Lawrence wasn't conquered until the 1950s when the International locks of the St. Lawrence Seaway opened America's industrial and agricultural heartland to world commerce.

THAT DOORWAY is in danger of closing in the 1990s and '90s, warns U.S. Rep. Carl Pursell, R-Plymouth.

The reason: When the St. Lawrence locks were built, most ships were in the 200-to-300-foot class. The St. Lawrence locks are 860 feet long, as are the Welland locks. They can handle a ship of 730 feet in length.

But many modern ships are 1,000 feet long. Pursell points out. They can't be accommodated by the Poe locks at Sault Ste. Marie, which is 1,200 feet long, but not by the shorter Welland Canal and International locks.

Writing about shipping is difficult because numbers dance around on paper. The best way to grasp the situation is to see Pursell's 18½-minute slide presentation.



**Tim Richard**

The 2nd District congressman is making the rounds of Michigan with it now, during the congressional lull. Our newspaper office had first crack at it, and we can promise you a fascinating lesson in political economy, as well as some stunning pictures.

Chambers of commerce, service clubs, Leagues of Women Voters, Business and Professional Women — any group with an interest in whether this region prospers or degenerates to a waist-high economy can arrange a showing by calling Pursell's district office in Plymouth at 455-8830.

WHAT PURSELL is pushing is modernization of the Seaway estimated at \$1.1 billion. If the numbers seem big, consider it's only half the cost of the SENTA program and would serve agricultural and mining states as far west as Montana. Canada's portion would run even more because it has more international locks and the Welland Canal.

The goal is to make the International Seaway and Welland Canal locks 1,000 feet long and to construct a two-way system on the International Seaway.

It's fitting that a southeastern Michigan congressman should be leading the effort. The House leader in the '50s was Rep. George Dondero of Royal Oak. A canal in the International Seaway is fittingly named for him.

THE COST may be higher if we fail to modernize the seaway. If shippers must use smaller craft, then the ocean-going tonnage is exports, and you can see what Montreal. If our International Seaway locks are only one-way, then ships get stacked up on the St. Lawrence like cars on the Lodge at 5 p.m. That worsens our competitive situation compared to the Mississippi River.

If you've looked at our balance of payments lately, you know how terrible. Consider that two-thirds of the seaway tonnage is exports, and you can see how vital a modern seaway is, not only to our heartland but to the economic health of the entire nation.

# Loret Ruppe: sacrificial lamb of '84?

NEXT YEAR'S state election already has all the earmarks of a real yawner.

Democrat Carl Levin will face whomever the Republicans can muster in the U.S. Senate race.

Indications are that Loret Ruppe, director of the Peace Corps and wife of one of last year's Republican losers, Phil Ruppe, can have the honor of being the Republican standard bearer, if she wants it.

Why are Republicans so eager to recruit a woman who is almost a decade older than Chris Chabot, the Kansas City TV anchorwoman considered over the hill and replaced at 38?

Well, although they use the same methods of attracting an audience, politics and TV newscasting are different games.

WHAT'S WASHED UP in one field of entertainment is charisma in another, and it's easy to see why Republicans are pushing for Loret, who is about the most charismatic person Republicans have these days.

She is also a woman, and some Republicans are trying to convince their ranks that a woman candidate will enable the party to recapture some of the women voters who deserted in rebellion against Richard Headlee and/or the Reagan Administration.

Apparently out of contention is Phil Ruppe, a six-term congressman who is an able enough person — knowledgeable, energetic, intelligent and persevering. But he is like an umbrella on an overcast day. You could leave him behind and you wouldn't miss him until you needed him. He has no magnetism.

He lost the Republicans' 1982 shot at capturing a U.S. Senate seat by being defeated by Democratic Sen. Don Riegle. There is no reason to think his chances would be better against Levin.



**Bob Wisler**

THE ONLY other Republican who has expressed interest publicly in running against Levin has been James Dunn, a former U.S. representative from the Lansing area. He is about as well known as the car parker at the London Chop House.

He has the same kind of problem that Phil Ruppe has. He has all the persuasiveness, image and drawing power of a cigar store Indian.

So it's back to Loret Ruppe. She may indeed decide to become the Republican candidate, given assurances of funding and backing by the national Republican party.

But the way things are shaping up, she will be the Republicans' version of the sacrificial lamb, much in the same manner that Elly Peterson and Lenore Romney were when they were tapped by the Republican Party to run against the highly respected Philip A. Hart.

Loret Ruppe, for all of her charm and capability, is in the position of trying to shovel sand against the tide. The numbers are against her and the Republicans.

Because of the economy and demographics, Democrats are in the majority in elections. More women vote than men, and women are becoming increasingly disconcerted by Republican policies nationally. The gender gap is one which will not be addressed simply by having a woman candidate, especially an heiress whose public life began only a few years ago when she was appointed Peace Corps director by President Reagan.

AND FINALLY there is Carl Levin. In his first term of office he has demonstrated the kind of intellectual honesty, passionate concern for people and high regard for principle that was displayed for so many years by the late Phil Hart.

If the Republicans couldn't convince voters that it was time to turn Don Riegle out of office, they will have one whole of a problem convincing anyone that Carl Levin should be replaced.

# Women in top ranks of athletes

WHEN THE names of the greatest all-around athletes of this century are discussed, the name of Jim Thorpe, the great Fox and Sac Indian, is usually the first one mentioned.

Thorpe stamped his name indelibly in the record books by winning the Olympic decathlon with record-breaking times and distances. And even today, he is considered by many as one of the greatest of all football players.

But when one praises Thorpe, the name of another great athlete often is overlooked — and unjustly, because she was one of the best of all-around women athletes.

MENTION BABE Didrickson Zaharias today and few of this generation will recognize it. But just as Thorpe tops the male section of the records, so did Zaharias top the women.

In fact, she went one better than Thorpe. She

moved from track and field events to the nation's golf courses and there established herself as one of the best women golfers of her time.

Sports leaders in the early '30s even figured she should be allowed to compete in the tournaments that had been men's exclusive competitions.

Many critics, including Grantland Rice, the famed sports writer of that day, once challenged male golfers to let her compete. His plea on her behalf was ignored. So she stands alone as one of the greatest of all women athletes.

ALONG ABOUT the same time, Glenna Collet Vare, a member of Philadelphia society, was among the top women golfers, and she ruled the ranks when others tried valiantly to conquer her.

In checking over the great women athletes of our time, Marion Ladewig of Grand Rapids must rank near the top of the list.



**the stroller**  
**W.W. Edgar**

Starting as a softball pitcher, she was introduced to bowling by Bill Morrissey, then owner of the largest bowling center in western Michigan. He guided her to ranking as the greatest woman bowler who ever lived.

Ladewig dominated the all-star competition for 12 years and was thought to be unbeatable until the 1950s began to take their toll.

She still competes in some top events and always is considered the all-time Queen of the Lanes.

She won every honor open to women in bowling, and today she is part owner of the bowling center in her home town.

WITH SUCH athletes as Babe Zaharias and Marion Ladewig, women have played a great role in sports during the past decades. Each year they take a stronger hold on the fields that once were almost exclusively held by men.

Fortunately, Detroit and Michigan are developing women in sports, especially in bowling.

Among them is Mary Mohacski, the former teacher who has been named Detroit bowling queen for the seventh time. She also will represent the United States in the world tournament next month in Venezuela. She will follow in the footsteps of Elvira Toeper, who also was a seven-time queen.

So, men, step aside. Women are taking a stronger hold in the world of athletics each year.