

Warped

by Scott McCullar



Indicators show decline for two straight months

United Press International
 WASHINGTON — In the most serious signal of economic slowdown since the recession's end, the government reported Wednesday that its index of leading indicators dropped 0.8 percent in July following a large decline in June.
 It was the first time in two and a half years that there has been two straight months of decline of any size in the sensitive economic barometer. The overall 2.1 percent setback in June and July was the largest in an even longer time, since September and October of 1981.
 The report reinforced the impression among most economists that the first half of the year was the final encore for impressive economic growth and that business is now settling down to something closer to average.
 A few economists, however, see the threat of a new recession.
 A separate report Wednesday showed that the burden of import competition weighed more heavily than ever on American business. The trade deficit in July soared to a record \$14.1 billion as Americans,

encouraged by a summer strengthening of the dollar's spending power, unleashed an unprecedented appetite for imports.
 Commerce Secretary Malcolm Baldrige said slower growth forecast by the leading indicators might help shrink the trade deficit a little in future months but not enough to keep 1984 from nearly doubling last year's red ink in trade.
 "The \$73.8 billion deficit for the first seven months of this year already exceeds the \$69.4 billion shortfall for all of 1983," the previous annual record, he noted.
 Baldrige's department estimates each billion in sales lost to foreigners could support 25,000 American jobs.
 White House spokesman Larry Speakes said the decline in the leading indicators signaled some moderation ahead in economic activity that should help ease upward pressure on interest rates.
 Speakes emphasized the figures had been on the rise for two years since the recession ended and said other statistics show "the economy

remains strong and growing for the foreseeable future."
 Private economist Jerry Jasinowski, speaking for the National Association of Manufacturers, said, "The second decline in the leading indicators in as many months confirms that the economy will slow in the second half."
 "Although we may see some bounce back in economic activity in the fall the economy is on a glidepath toward 4 percent growth by the end of the year."
 The gross national product expanded at more than twice that pace in the first half.
 In another report, the department said July sales of new houses were unchanged from June's strong pace, the second consecutive month without the kind of decline the housing industry has been worrying about.
 While sales remained at a 630,000 unit annual rate, above last year's total production of 623,000, the average price of a new house fell by \$2,200 to \$95,600.
 But new housing construction has been tapering off.

Auto workers union selects GM, Ford for strike targets

United Press International
 DETROIT (UPI) — The United Auto Workers Wednesday selected both General Motors Corp. and Ford Motor Co. as strike targets in 1984 negotiations — only the second time in 14 years the union has picked dual targets.
 UAW President Owen Bieber said both firms were chosen because the union was dissatisfied with contract proposals delivered Tuesday that did not address the UAW's twin goals of job security and substantial wage increases.
 Bieber said he would lead both bargaining teams today when talks resume, and would participate in "shuttle bargaining" until the contracts at GM and Ford expire Sept. 14.
 "We are telling them to start all

over with haste because there are only 16 days left," Bieber told a news conference.
 The last time the union picked two strike targets was in 1970, when both GM and Chrysler Corp. were selected. The union narrowed its selection to GM on the night before the contract expired. The result was a 67-day strike that was not only the costliest in automotive history but also regarded as a major contribution to a national economic downturn.
 The selection of dual targets came on a unanimous vote by the UAW's 25-member International Executive Board at a meeting in a hotel across from Ford World Headquarters in suburban Dearborn.
 Bieber said the board gave him the power to select a single target as

talks progress. He would not speculate on the chances of a strike.
 "Thank God that is not the decision I have to make today," he said.
 On Tuesday, GM and Ford presented the union with proposals that did not address job security for union members who have been plagued with layoffs in the last few years of the automotive recession.
 GM offered workers lump sum payments of \$600 in the first year of a contract and \$300 in the second year, but no payment in the third year. Ford's proposal said workers would have to be satisfied with current profit-sharing plans in lieu of wage raises.
 Workers two years ago agreed to \$4 billion in concessions at the two firms that included wage and benefit freezes.

Health care costs to rise to \$1.9 trillion

United Press International
 BOSTON — United States health costs will double every six years until reaching \$1.9 trillion by 1999 because people only want changes that don't affect their own health care, a review of health surveys concluded Wednesday.
 Despite recent efforts to slow the skyrocketing cost of medicine, the federal government predicts the cost of health care will increase \$50 billion a year, going from \$322 billion in 1982 to \$1.9 trillion by 1999.
 "The problem that appears to lie at the heart of the matter is that Americans have much more ambivalent feelings about controlling health-care costs than is generally recognized," the report said.
 The report — published in the New England Journal of Medicine — is a summary of 15 national public opinion surveys that found a surprising degree of agreement among the respondents.
 The study reached four conclusions:

- Both the public and elected officials see rising costs as the nation's No. 1 problem in health care. However, neither rank the issue as very high on a list of the most important problems facing the nation.
 - Americans are deeply disturbed by the sharply rising prices of their health care, particularly the increasing cost of a stay in the hospital or a visit to a doctor. However, most are not troubled by the growing share of the nation's economy that is devoted to health care. Most believe that society currently spends too little rather than too much for such services.
 - Although most Americans believe the country's present health-care system is inefficient, however they're generally satisfied with their individual care.
 - Three out of four people believe doctors bear a major responsibility for the nation's rising health-care costs, and two out of three say they are beginning to lose faith in doctors. But in general doctors maintain a unique credibility with the public.
- The report was compiled by the Robert Wood Johnson Foundation in Princeton, N.J., the nation's largest health philanthropy foundation, which provides \$60 million a year to support health and medicine in the United States.
 "The challenge ahead is for government to put together a package of reforms that will significantly reduce the rate of increase of health spending without dramatically changing the way people receive their medical care," said Drew E. Altman, the foundation's vice president and a co-author.

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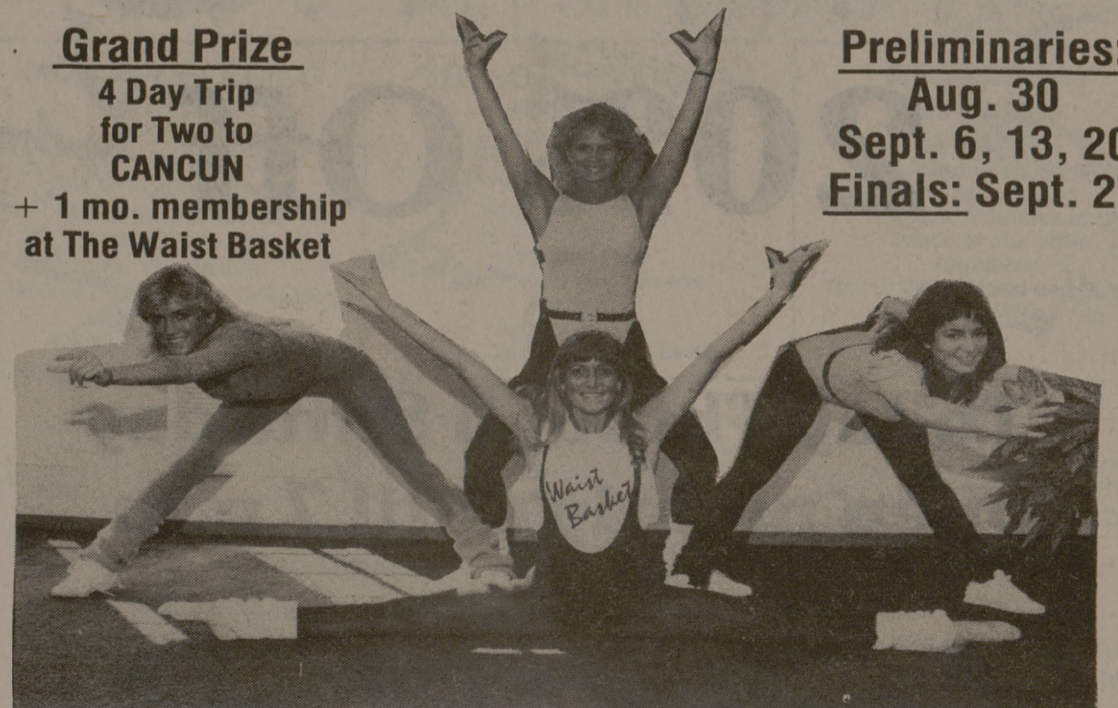
Correction

The Battalion incorrectly reported Monday the rehearsal schedule for the Texas A&M Women's Chorus. The chorus rehearses three mornings and one evening each week. The Battalion regrets the error.

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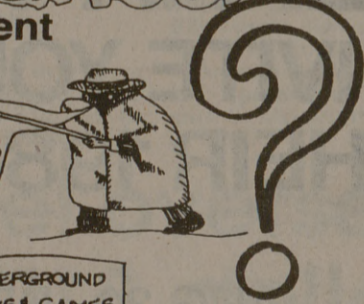
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THE UNDERGROUND

SBISA Basement

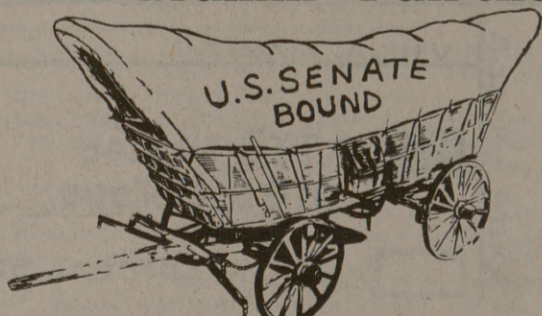
FOLLOW ME INTO THE UNDERGROUND FOR A TASTE TREAT SO GOOD IT SHOULD BE ILLEGAL



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| UNDERGROUND DELI & STORE OPEN MON - FRI 7:30 AM - 10:30 AM LUNCH 10:30 AM - 11:45 PM | UNDERGROUND SNACKS & GAMES OPEN MON - FRI GAMES - 7:30 AM - 10:00 PM SNACKS - 11:00 AM - 10:00 PM SUNDAY 4:00 PM - 10:00 PM |
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