

Predictions for economy do not include recession

WASHINGTON (AP) — Peering into the future and predicting where the \$5 trillion U.S. economy is headed has never been an easy job, but it has gotten a lot tougher lately.

Chagrined economists have watched in horror as the government last month made revision after revision in data on past performance that they use for coming up with their prognostications.

The net result was that the U.S. economy was not nearly as weak during the spring as first believed. Consumers spent at double the pace first reported, employment growth was much stronger and the overall economy, rather than limping along at an anemic annual growth rate of 1.7 percent from April through June, actually grew at a healthy 2.7 percent rate.

As a consequence of all the revisions, the gloom-and-doom forecasts of a month ago that a recession was imminent have been tossed out the window. Replacing them is the new upbeat assessment that the economy will continue cruising ahead at a healthy clip for the rest of the year.

While there are plenty of red faces accompanying the

sudden turn-about in forecasts, a lot more is at stake than the reputations of high-paid analysts employed by major banks and investment houses.

Government officials from the White House to the Federal Reserve depend on accurate economic data in setting economic policy. Wrong statistics can produce policies that throw tens of thousands of people out of work needlessly or kick the economy into an inflationary spiral.

Many private economists say the problem lies in major budget cutbacks in the statistic gathering agencies during the Reagan years.

"The problem with the statistics has gotten worse because they don't have enough money to do a proper job," Michael Evans, who heads a Washington economic consulting firm said. "Some day, policy mistakes based on bad statistics will end up sending the country into a recession."

Some economists believe the country may face a resurgence of inflation six months down the road because of decisions that the Federal Reserve made in June and July based on the bad statistics.

Cooperation eases debt woes, says Japanese prime minister

MEXICO CITY (AP) — Solving developing nations' foreign debt problem requires close collaboration between debtors and creditors, Japan's Prime Minister Toshiki Kaifu said Monday.

"The problem of the accumulated foreign debt cannot be solved if close

collaboration between the parties involved — that is, the debtor and creditor countries — is not achieved," Kaifu said in a written statement released when his plane landed at the Mexico City airport.

Kaifu's visit is the first to Mexico by a Japanese head of state since

1980. "My country and the region to which Mexico belongs can take advantage of this occasion to reaffirm their mutual political will to continue contributing to the peace, stability and development of all countries of the world," Kaifu said.

He was to meet with President Carlos Salinas de Gortari later Monday.

During his two-day visit, Kaifu is expected to announce the January release of the first half of a \$2 billion loan Japan has pledged to Mexico under the Brady Plan for debt relief in developing countries.

The prime minister is also expected to formalize Japan's offer of \$1.2 billion in aid for pollution control in Mexico City.

Some of the money will be used for electric trains to lessen traffic congestion and cut smog, said Mario Moya Palencia, Mexico's ambassador to Japan.

Mexico City bus wreck kills at least 5, injures 25

MEXICO CITY (AP) — A commuter bus careened off a road into a canyon near Mexico City on Monday, killing at least five people and injuring at least 25 others, the government news agency Notimex said.

Excessive speed and overloading were blamed for the early morning accident, the agency said.

Among the injured, who were taken to a nearby hospital by ambulance and helicopter, was bus driver Noe Hilario, a Red Cross spokesman told the agency.

The bus rolled over a 150-foot cliff on the highway between Mexico City and the suburb of Naucalpan in the adjoining state of Mexico.

Racial tension fills NYC mayor race

NEW YORK (AP) — The slaying of a black teen-ager by a gang of whites has brought racial tensions to the surface in New York's mayoral campaign, dividing the two leading Democrats — one black, one white.

The Aug. 23 death of 16-year-old Yusuf Hawkins ended months in which the issue of race was rarely raised.

"This touches the exposed nerve of the city," said Richard Wade, a graduate professor of urban history at City College. "It politicizes the racial question. All other issues suddenly are less important."

Hawkins' shooting in the mainly white Bensonhurst section of Brooklyn recalled the 1986 killing of a black man chased to his death by whites in the city's Howard Beach section.

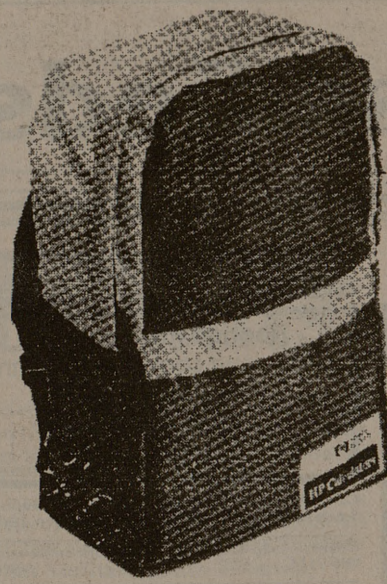
Both cases sparked outrage. But this killing came just three weeks before the Sept. 12 primary in which Mayor Edward I. Koch, whose critics call him racially insensitive, faces Manhattan Bo-

rough President David Dinkins, who would be the city's first black mayor.

"The Koch voters and the Dinkins voters have very different perceptions of where the city is and where it is going. This will tend to magnify those differences," said Lee Miringoff, director of the Marist College Institute for Public Opinion.

Koch already has drawn fire under the spotlight: While he decried the killing, he also criticized black protest marches held in Bensonhurst, saying they raised tensions.

"It's just as wrong to march into Bensonhurst as it would be to march into Harlem after that young woman in the jogging case," Koch said. He was referring to the rape of a white jogger by a gang of blacks in April.



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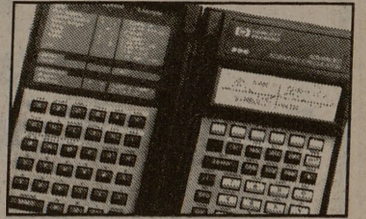
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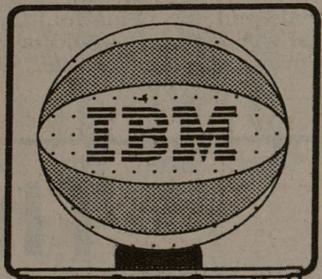
Sept.	19	8:30 P.M.	510 Rudder Tower
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	10	8:30 P.M.	601 Rudder
	17	8:30 P.M.	302 Rudder Tower
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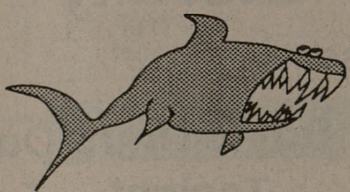
"Take No Survivors" Basketball Tournament

Registration will open September 5th and close September 19th at the Micro Computer Center from 9:00a.m. - 6:00p.m. Look for registration tables at Sbis Dining Hall the 12th - 14th. Registration fee - \$15 per team.

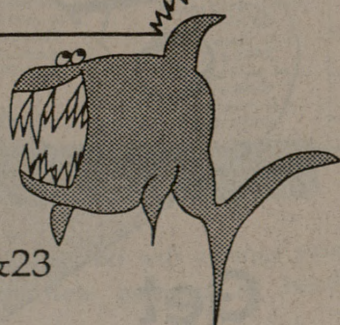


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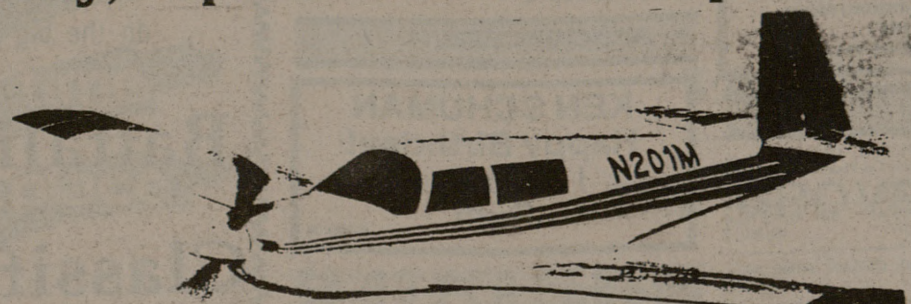
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