

Nation's urban officials meet, discuss economy

NEW ORLEANS, La. (AP) — Officials from the nation's cities and towns set their sights Sunday on bolstering their local economies through a 30 percent cut in defense spending and an overhaul of the weighty federal mandates that eat away at their budgets.

Members of the National League of Cities, in their annual meeting here, put forth a \$10 billion economic recovery plan that emphasizes transportation funds, community development programs and an aid package to troubled urban areas.

It also asks for reform of federal entitlements and a 30 percent cut in defense spending, not to exceed \$200 billion, with 60 percent of the savings going to federal debt reduction and the remainder going into city aid.

The NLC's board of directors gave the plan to representatives of President-elect Clinton's transition team in a private Saturday meeting, and "they felt the proposals were realistic," said Orlando, Fla., Mayor Glenda Hood, president of the NLC.

"The feasibility of moving ahead with these, we were told, was there," Hood said. "They've already begun talking about these initiatives. We were assured discussions were being conducted at the highest level."

Clinton representatives at Saturday's meeting were Henry

Cisneros, former mayor of San Antonio, and Gene Sperling, a leader of Clinton's economic strategy team. Neither was immediately available Sunday for comment.

Paramount among the concerns of local government officials is reform of entitlements, which require either no annual appropriation by Congress or appropriations according to an established law or program rule.

Such programs include Medicare and Medicaid, food stamps, foster care services and payments to civil service retirement or disability funds.

"Pass along with those burdens some of the resources needed to do the job," said Los Angeles Mayor Tom Bradley. "All we ask of any administration in Washington is give us a chance to be a partner. If we send taxes to Washington, we'd like to get some of them back."

As a candidate, Clinton proposed a Rebuild America program that would put funds into transportation, a national information network, environmental technology for cleanups and recycling, and defense economic conversion. He also pledged funds for rebuilding city infrastructures, creating inner-city investment networks, hiring more police officers and creating a National Police Corps for fighting crime.

Under fire Sarajevo suburb struggles to survive siege

SARAJEVO, Bosnia-Herzegovina (AP) — Cut off from the rest of the city and exposed for seven months to close-range Serb gunfire, the high-rise suburb of Dobrinja has become Sarajevo's state-of-the-art example of siege survival.

In a desperate plight during heavy fighting last summer, Dobrinja remains one of the most dangerous areas of the capital.

About 10,000 of the 12,000 housing units have been damaged. The death toll has climbed from 72 in July to 230.

Instead of unraveling, the tight-knit community has improved medical care, food supply and public services so dramatically that some people now sneak in from outside.

"It seems a bit strange, because we're still on the front line," said Srebren Dizdar, a community spokesman. "But people feel more secure here, because it's better organized."

The only route in and out is in easy range of Serb snipers and machine gunners. Visitors speed into a bunkered basement parking garage to check in with sentries. Residents can leave only with special permission, and those who don't return on schedule risk having their apartments given away to newly arrived refugees.

"It's too dangerous to run a commuter service back and forth," Dizdar said.

So infrequent is contact with Sarajevo that "people there treat me like an endangered species when I visit," said Dobrinja resident Bozana Benic, 40.

Developed as part of Sarajevo's preparations for the 1984 Winter Olympics, Dobrinja now has an estimated 45,000 residents, including about 8,000 refugees from elsewhere, Dizdar said.

“These people are fighting for survival. They're very serious about their problems. You don't hear a lot of talk, talk, talk. They act.”

— Hajir Dobrinja doctor

Some people from other parts of Sarajevo try to move to Dobrinja, sometimes slipping in at night, he said, because they believe the food supply is more equitably distributed.

"There's no black market," Dizdar said. "In the city it's almost everywhere, and people look after themselves. We've proved that there will be a fair share. Everyone gets the same amount."

Dr. Youssef Hajir, head of Dobrinja's hospital, took refuge in

the suburb when Serbs overran his neighborhood at the start of the war. He's been so impressed by the people that he wants to stay after the war.

"These people are fighting for survival," Hajir said. "They're very serious about their problems. You don't hear a lot of talk, talk, talk. They act."

Dobrinja had no hospital before the war. Hajir single-handedly opened one in a storefront when he saw so many wounded people with no way to get to Sarajevo hospitals.

"I saw many people die," Hajir said. "I began an operation with my bare hands. I had to improvise everything."

On June 17, when more than 200 Dobrinja soldiers and civilians were wounded, Hajir said he performed 27 operations in one day, with only local anesthetic.

The hospital now has 11 doctors, 46 nurses, 30 beds, ample supplies of medicine and sophisticated equipment, much of its provided by U.N. relief officials. The hospital appears cleaner, more modern and more efficiently run than its larger counterparts in central Sarajevo.

The community government has divided the suburb into sectors and assigned leaders for each street and each high-rise entryway.

"This all developed during the war," Dizdar said. "We were just a sleepy suburb before. We didn't have any sort of government."

Professors study GNP

By Mark Harms
Staff Reporter

The gross national product figures released by the federal government may not accurately reflect the country's economic output, according to a study by two economics professors at the University of Nebraska-Lincoln.

Associate professor Scott Fuess and assistant professor Hendrik Van Den Berg said GNP figures had shown economic growth, despite the feelings of many Americans that they were not economically better off than they used to be.

The two-year study, which was published in the October issue of The Economist magazine, shows two major reasons why growth in the GNP numbers does not match actual economic growth.

One of the reasons, Van Den Berg said, stems from the entrance of women into the work force.

Because women now do less cooking, cleaning, sewing and other household chores, he said, families spend more money to have those things done.

The money spent for those services, Van Den Berg said, shows up in the GNP, but families do not gain economically.

For example, he said, a microwave meal costs more than a traditionally prepared one. That extra money paid for such meals shows up as growth in the GNP, but the person who eats the microwave meal is not really better off.

The other reason GNP numbers are not matching actual output, Van Den Berg said, is because of steady growth in what economists call transaction activities.

Transaction activities, he said, are services such as police and fire protection, national defense and government bureaucracy.

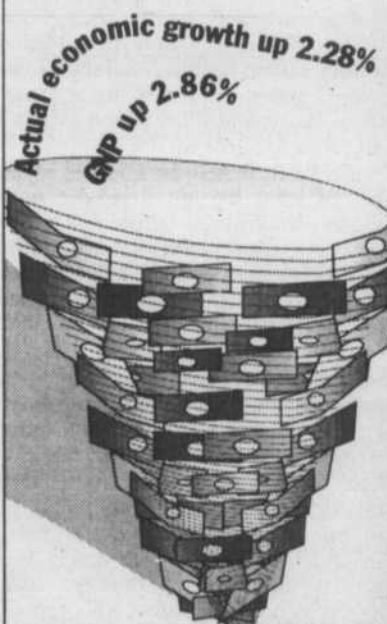
Van Den Berg said the continual expansion of such programs had increased GNP figures.

While those services are needed, he said, their growth does not necessarily reflect overall economic improvement.

With the study, Fuess and Van Den Berg systematically estimated transaction activities and household expenses, then removed them from GNP calculations and came up with "actual output," Van Den Berg said.

GNP vs. actual economic growth

The gross national product figures may not accurately reflect the country's economic output, according to a study by two economics professors at UNL. The following compares the two from 1983 to 1989 and reflects how they differ over time:



Scott Maurer/DN

From 1983 to 1989, he said, the GNP figure increased 2.86 percent, while actual economic growth was 2.28 percent.

Since 1950, he said, GNP numbers have consistently overestimated economic growth by about half a percentage point.

Van Den Berg said he and Fuess now were researching more recent economic figures.

Living standards in 1990 and 1991 may have stagnated or declined, Van Den Berg said, despite small increases in GNP figures.

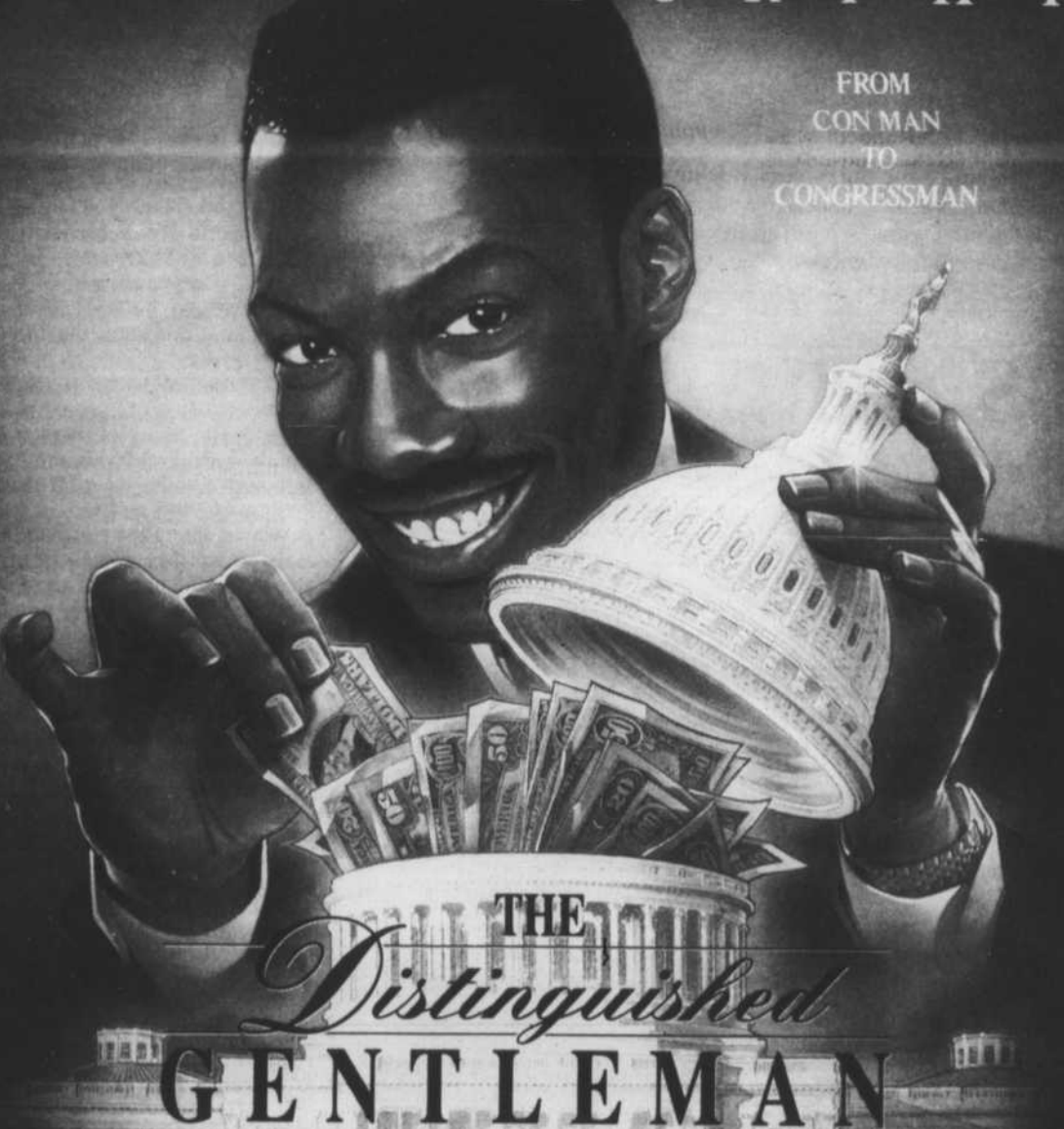
"We may have, in the past two years, been suffering real declines in the economy," he said.

Van Den Berg said the study had been the subject of a lot of national attention, including an article written for Forbes magazine.

"Hopefully, this will generate movement toward alternative ways to measure GNP to better reflect the standard of living in the country," he said.

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