

'mini-recession' felt in two-county area

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ment in Luzerne County at least, was because of several recent labor disputes, plus a drop back in the apparel industry. "The apparel industry is the only one giving us any trouble," he told NNI, and "if nothing unforeseen happens, we look forward to the future. We're looking healthy," he concluded.

Industrial Growth

Herbert Axford, a regional industrial representative for a 10-county area with the Pennsylvania Department of Commerce, admitted that consumer spending might be slightly down.

"People aren't buying things like maybe television sets and automobiles," Mr. Axford told NNI, "and as a result some of these concerns are a little slack because they were stocked to over capacity in the first place," he continued.

"One day everybody thinks business is good, then the next day they think business is lousy," the Commerce Department representative lamented. "It's a state of mind on the part of the consumer

brings on these recession periods."

Speaking generally, Mr. Axford said things look good to him. "The new Metro Life plant is the best thing that ever hit Scranton," he told NNI Friday. "There is tremendous industrial activity in Lackawanna County, and elsewhere in Northeastern Pennsylvania."

Concerning the stock market, Mr. Axford said that he thought people were naturally curtailing their spending. "The stock market is certainly a criteria as to what business is going to do," he continued. "Mr. Nixon's idea is don't spend so much money for capital improvement."

The banks are calling on people for more collateral because of the condition of the stock market, the industrial representative explained. "If the market would show a continued rise, I think people would begin to spend again."

During the last three days last week, the New York Stock Exchange showed a substantial increase, from its seven-year low early in the week, gaining a total of 69.28 points, or nearly 11 percent. Monday the market gained another 9 points, but at Tuesday's closing showed a decrease of about one point.

Penn State Report

In a report from business analysts at Pennsylvania State University, a sound trend was indicated, with only a few signs of letdown in Luzerne County economy. On the whole, the local economy is withstanding the national decline in economic activity rather well, the report said. The extent to which checking accounts are being used in the area suggest that business conditions generally continue to be quite brisk.

The weakness, if there is any, according to the report, is occurring in activities of manufacturing industries. Always short in comparison with the average workweek of factories in other parts of the state, the average for this area during the first quarter of 1970 fell to 36.2 hours, two percent below the comparable quarter for 1969.

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Bankers Optimistic
Bankers in the greater Scranton-Wilkes-Barre area were generally optimistic about present and future business trends.

Frank Hemelright, chairman of the board of Northeastern National Bank and Trust Co. told NNI that "there appears to be no indication of recession in the area, and perhaps there will be none." Unemployment looks steady at less than six percent, the banking executive continued. "Bank deposits have been holding up very well, and there is a good demand for loans."

Additionally, "people are taking care of their loans," Mr. Hemelright said. "Those who think money is tight often don't realize that sometimes the banks are fairly well loaned up in their ratio of loans to deposits," he explained.

"We have noticed fewer home loans in Scranton," the banking official indicated, "but this is more than made up with the home loans in the suburbs."

Earl Phillips, investment officer at the United Penn Bank, Wilkes-Barre, followed the Scranton banker with agreement. He indicated that he can see no sign of any recession with people paying their loans as good as ever before. He added that home loan trends remain steady and that bank deposits are holding firm.

Robert V. Horger, Scranton National Bank president, told NNI that he agrees that the area

is experiencing a slight recession. "I think we have a mini-recession," he said bluntly. "But I hasten to add that I think we have weathered the worst of it, and that it has been caused by forces beyond the area."

The banker said that he thought the stock market decline has depressed the attitude of the people, though it was his opinion that the economy was sound.

"We see some slowness in the repayment of loans . . . somewhat slower than they have been. But we certainly see nothing alarming," he continued. "We must keep our cool and weather the storm."

The bank executive said that he thought the key question was the attitude of the consumer. "If people become pessimistic about the stock market, about the economy, and lose faith in their government over the Cambodia and Vietnam situations, then I think the economy would be in some difficulty. If the consumer continues to earn and spend, then our economy locally should prosper and we will be over what I hope is this mini-recession," Mr. Horger said.

The banker indicated that at his bank home loans are down in number, because of the lack of new construction. "But deposits are higher than a year ago, and loan demands generally are high, above last year," he indicated.

"Some of our customers say they do have some slow-pay

McAuley Guild ends year's social events

College Misericordia's McAuley Guild-Parents' Association is sponsoring a dinner-dance June 13 at the Fox Hill Country Club in West Pittston. Neil V. Dwyer, Kingston, general chairman, announced that reservations are to be made at the college by June 9 with Robert J. Gower, director

of development, who is coordinator and treasurer of the association.

Cocktails will be served at 6:30 with dinner at 7:30.

Bobby Baird's Orchestra will play for dancing. Mr. Gower said members are cordially invited to bring guests to the year-ending social.

accounts; and they are apprehensive. Money is so expensive, and this is true of some of the larger, triple A concerns. People are not rushing to pay their bills as they used to," Mr. Horger said.

Banks are being charged erroneously with tight money and high interest rates, according to Mr. Horger. "The real problem is that Uncle Sam is not able to balance the budget, and then comes out for new money. On refunding old issues he continues to give higher and higher interest rates. The result is that Uncle Sam is constantly increasing the interest rate and taking

more money out of circulation to keep his debt position in line."

Though maintaining that he is optimistic the economy will continue to grow, Mr. Horger said, "the most dire prognostication is that we are heading towards a depression. But I don't believe that." The gross national product is too high, he suggests, "and experts tell us that the demand for money is going to double in the next five years." Where the money is going to come from, Mr. Horger says, remains a mystery. "This is going to force interest rates higher and higher," he concedes. "This is a good time to be a saver."

BALLOON LANDS IN DALLAS

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Dallas, Pennsylvania. Your finders, Carol and Barbara Cartier. P.S. Visit Beautiful Pennsylvania.

Learning that the Cartier family, who moved to Dallas years ago from Burlington, Vt., had spent the weekend wondering why the balloon was sent and did it really cruise here in just five days, a Post reporter decided to call Hastings, Mich., and find out.

A very thrilled Mrs. Miller explained that the balloon was one of 450 released to celebrate Youth Day during Michigan Week. The balloons were passed out to the children on Main Street in Hastings, a town of 7,000, to release all during the day, May 23. So far only eight of the balloons have been accounted for. Several traveled 15 or 20 miles, one went to Detroit, one landed in Ontario, Canada, and one came to Dallas.

Mrs. Miller, executive director of the Campfire Girls, was helped with her project by the Campfire Girls and members of Tri-Hi-Y, a senior YMCA program. The idea to promote hospitality in Michigan occurred to Mrs. Miller because she loves to work with children and thought that the town's children would love the idea of sending miniature messages out into space in a balloon.

So that explains how one tiny party balloon, possibly released by a Campfire Girl in Michigan, journeyed across the United States and came into the hands of a Girl Scout and a Brownie in Dallas.

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