

## Local businessmen say stock market crash unlikely in 1979

by Charlot Denmon

The Great Crash of 1929—can it happen again? There is much speculation among economists today if the stock market crash in 1929 and the 10 year Depression which followed can happen again or if Americans have learned a lesson.

Four Back Mountain professional men who lived through that period of 50 years ago do not believe so. Although there are some similar comparisons between economic conditions today and those of 50 years ago, these men believe regulations placed on the stock market and on banks after the Great Crash and Great Depression will prevent the same thing occurring.

"Today we have a recession with inflation," said Fred Malkemes of Dallas, retired realtor and insurance man. In '29 we had a recession with deflation.

"I was at the University of Pennsylvania's Wharton School in Philadelphia when the crash occurred," said Malkemes. "I graduated in the spring of 1930 and had a job waiting for me in real estate.

"But there were a lot of people out of work. Then the WPA program was introduced and a lot of people got work under the program. The purpose of the WPA was to hire men to do community projects under an appropriation from the Federal government.

"Many municipal officials and others made fun of the WPA but there was some good work completed.

"There were no food lines in the Back Mountain, but there were in the city. People back here lost jobs and things were tough but I don't think that they were as strapped as some areas.

"Of course this area depended on anthracite coal and because of limited income people weren't spending money for as much coal as usual. There was a cutback in jobs.

"All prices dropped, which hasn't occurred today. And in '29 people were buying stock for 10 or 15 percent of the market value so when things got bad, it had to be sold. Today with the regulations that can't be done—you have to have at least 80 percent of the cash. I hardly think that the stock market will crash but something has to happen. Every thing is spiraling out of sight.

"Everybody felt the crash even if they didn't have stock. People in the Back Mountain planted gardens. It seemed everybody had a vegetable plot in their backyard.

"Families helped one another out. There were a lot of vacant houses because people moved in together and pooled what they had. Real estate went way down.

"Rents and price of property went way down and as a result taxes went down. There was a run on the banks until President Roosevelt declared a bank holiday. Eventually people got about 40 percent of their money back from the banks. Today with the depositor insurance, people shouldn't lose their money."

Frederick Eck, retired banker, who lives in Shavertown, said he

had been with the bank for six months when the Crash occurred.

"Our financial reports showed a loss in money and bank officials decided an employee would have to be dropped. I was being trained for a management position so they kept me on and laid off an employee who had been there for three or four years.

"People lost their jobs and couldn't make the payments on their homes. They were losing them and the bank had a lot of them on their hands. The bank had so many on its hands that they were willing to let the owners pay only the interest. Only when the bank examiners insisted, did the bank repossess the houses and when they sold them it was at a loss.

"People were glad to get any kind of a job. The son of a prominent family was working in a large city. He lost his job and returned with his family to the Back Mountain. He applied for a job in the bank which paid only \$100 monthly—considerably less than he made in the metropolitan area.

"Everyone was scrambling to live and earn enough to take care of their families. There was no industry in the Back Mountain but the farmers had a relatively steady income.

"One businessman raised vegetables and offered potatoes for sale for 15 cents or 20 cents per bushel to get a little cash.

"But the Back Mountain was better off than other areas. Prior to assuming the position with the bank I had worked in a coal company.

Because they didn't have the money people weren't buying coal so the coal company had to lay off 20 employees."

Dr. F. Budd Schooley of Dallas wasn't in the area in 1929 but he settled in Dallas and opened his practice in 1932.

"In 1932 the country had hit rock bottom," said Schooley. "Most people had lost their shirt. Those playing the stock market on the 10 percent margin lost everything.

"It wasn't quite as bad in this area. The Noxen Tannery was the salvation of many for a while. The tannery had a contract with shoe companies which kept it going. Later they lost their contract and had to close the doors.

"It was in the early '30's that the WPA and welfare was started. To work on the WPA, you had to go on welfare.

"The borough had sidewalks put in from Dallas to Fernbrook but the borough lost some wonderful opportunities.

"The PWA, funded by the federal government, was pleading for municipalities to submit requests for projects. We could have had sewers, new schools, a municipal building but officials settled for shoulders along the Harveys Lake

Highway.

"Arthur Rainey of Dallas headed the welfare program.

"From 1930-1940 to 1950-1960, there was a 28 percent population increase in the Back Mountain. But there was never any community planning although it was evident there would be growth back here.

"Everybody was hit hard. There were sheriff's sales until the government declared a moratorium. Taxes were a problem—the little man struggled to pay his taxes while the big property owners didn't pay any at all.

"It was a period of difficulty but it also was a period of opportunity. During that time the borough could have purchased the Old Raub Hotel for seven or eight thousand dollars, but turned it down. It could have been a great municipal building with plenty of parking.

"The Back Mountain wasn't hit as hard as some areas but it had tough times. Business failed, such as a Grand Union Store and a hardware store.

"People were proud and didn't want to go on relief. There was a master carpenter working for 50 cents an hour.

"It was tough in 1932 just going into practice. I borrowed money to

start and I took a lot of produce and chickens in payment for calls. I was glad to accommodate—it was food for the table.

"There was more good neighbor spirit than today. It's interesting to look back but then it was tough. I still have money on my books from that period.

"At that time office calls were \$2 and house calls \$3. Maternity fees were \$25. Poor people paid me even if it was only a dollar or two a month, but some of the 'big shots' never did."

Fred Dingle of Trucksville said that he had just started in the First National Bank of Wilkes-Barre in 1929.

"There were runs on the bank in the early '30s but President Roosevelt declared a bank holiday and closed all the banks. After that the people calmed down. Many got jobs through the WPA or PWA.

"Another stock market crash—it will never happen; neither will another depression," said Dingle.

All four men agreed—they doubt another depression but they do believe a recession, difficult as it might be, is the answer to the inflationary economic conditions of today. They agree that something has to happen.

## Five seek 3 slots on board

by Charlot Denmon

With Nov. 6 and Election Day less than a week away, interest appears to be mounting in the campaigns for school directors in Dallas and Lake-Lehman School Districts.

In the Dallas District there are five nominees for the three seats on the board which will become vacant at the end of this year. In the Primaries all candidates cross-filed with Harry Lefko the only incumbent running for re-nomination. Directors Harry Swepton and William Dierolf chose not to run.

Lefko, Dr. Mahmoud Fahmy and C. Russell Havey received the nomination on the Republican ticket. Fahmy, Frank J. Michael and Joseph A. Gorko, Jr. were high nominees on the Democratic ticket.

Fahmy, who received the highest total of votes on both tickets, is a resident of Shrine Acres, Dallas. He has had three children in the Dallas School District.

Fahmy is professor of education at Wilkes College. He believes that his experience in education and the fact that he has served on the district's Long Range Planning Committee and Citizens Advisory Committee gives him excellent background experience for the position of school director.

On more than one occasion he has stressed his idea of providing quality education at the lowest reasonable cost to taxpayers. Two issues Fahmy believes to be of utmost importance are quality of teaching in the classroom and community involvement in the overall program of the school district.

Havey, a resident of Dallas Township, is vice president of Royer Foundry. He also is married and has two children attending Dallas Junior High School. He has been a member of the Citizens Advisory Committee and when his son and daughter were in the elementary grades, Havey was actively involved in the PTO. He served as president of the PTO for one term.

In Havey's opinion quality education is of prime importance. Four areas needing consideration, according to

Havey, when trying to provide quality education are teachers, facilities, policy, and of great importance, taxation.

Havey points out that he is a conservative.

Lefko has served on the Dallas school board for 12 years. He is a sales representative for Westinghouse. He has three children, all of whom graduated from Dallas High School.

According to Lefko, quality education is and always has been his primary objective. He also is concerned about the high millage and is very definitely in favor of reassessment throughout the Back Mountain.

Lefko believes that he has done a respectable job as a board member during his tenure on the board. He believes his experience as a director will enable him to do an even better job in the future.

Michael, who is on the Democrat ticket with Fahmy and Gorko, is a native of Dallas where he presently resides with his wife and six children.

Five of his students are in Dallas Schools while the oldest is graduated and attending College Misericordia.

Michael is self-employed in the excavation contracting business and is active in the Big Brothers of Wilkes-Barre. This is Michael's first venture in politics.

He is concerned about the continued millage increases necessary in education today and wants to seek ways to save money. Michael is convinced that the district is providing good education but believes that it is important to try to hold the line on taxes.

Gorko, also running on the Democrat ticket, lives in Dallas Borough. The son of Mr. and Mrs. Joseph Gorko, he graduated from Dallas High School in 1978 and is a student at Wilkes College. Gorko is not married but he does have a brother in the Dallas Junior High School.

According to Gorko, he is not a member of any specific organization but is active in community affairs. He strongly believes that residents should have more to say about decisions made by the school board.

He also believes people should become involved in school affairs and be ready to speak up. Gorko

said that he would serve as the voice of the people and be willing to have anyone contact him with opinions.

There are three seats open in Lake-Lehman School District which elects school directors by region—one seat open in each region.

In Region I which covers Harveys Lake, Noxen and Lake Township Republican Allan Sorchik, RD 1, Noxen, will oppose Carl A. Stine, RD 1, Harveys Lake, Democrat.

Sorchik, native of Loyalville, lives on the border of Noxen and Lake Township. He is married and is employed by State Equipment Company of Wilkes-Barre.

Sorchik said that he is concerned with improving the education of the children in the district. He believes the students need more guidance especially when preparing of their future following graduation. He also believes that someone has to care about the students and the district and become involved. Sorchik said that he has the time to devote to the district and its problems.

Stine recently completed a 20-year career in the U.S. Air Force. He was born and raised in the Bloomsburg area and graduated from the former Roaring Creek Valley High School.

He and his wife have four children, three of them in Lake-Lehman schools and the fourth still at home.

According to Stine, now that he is living in the community and paying taxes, he wants to know what is going on in the school and what his taxes are paying for. He also commented that he is interested in his children receiving a good education and knowing which way they're headed after completing their education.

Republican Gilbert D. Tough, incumbent, Lehman Township, is opposed by W. Dana Sutliff of Bloomingdale, who was nominated on the Democrat ticket. They are nominees from Region II which includes the middle and southwest districts of Lehman Township and Ross Township.

Tough is a native of the area, having been born at Hayfield farm. The Toughs have two children, Linda Pineno, and Gary.

Both are graduates of Lake-Lehman. Tough also graduated from Lehman High School and is vice president of operations at Blue Cross, Wilkes-Barre.

Tough said that he believes he has contributed a great deal to the business and financial operation of the district as well as to the curriculum program. He pointed out that during his term he has seen an improvement in the curriculum as well as other programs of the school.

Tough said that he first became involved with the school district through the Citizens Advisory Committee. Tough decided to run for re-election because he is concerned about quality education for the students. He also is interested in continuing to work for more improvement and progress throughout the entire district.

Sutliff, a Republican, received the nomination on the Democrat ticket. Born and raised in Bloomingdale, he graduated from Huntingdon Mills High School. He owns and operates the Sutliff Furniture Stores in Bloomingdale which he purchased from his grandfather 20 years ago; and also the one on Memorial Highway in Dallas which he opened 17 years ago, 11 of those years in its present location.

The Sutliffs have two children, Dana and Donna, both graduates of Lake-Lehman High School.

Sutliff's entrance into politics this year marks a first for him. He decided to run for school director because he was unhappy with the operation of the district's school system. He indicated that he believes the expenditures are way out of hand and people cannot afford additional expense.

He said that he was unable to obtain information that he wanted. He also wants to see a dollar's worth of service for every dollar spent.

Sutliff said that he believes taxpayers should have more representation in the school program than at present and he would be a representative of the people.

In Region III Donald J. Jones, Republican is opposed by Casimer Kuznicki on the Democrat ticket. Region III covers

(Continued on P. 22)



WETTING IT DOWN—Members of the Luzerne Volunteer Fire Dept. play a stream of water on the property of the Ruggles Lumber Co. Tuesday evening as they battle the blaze. (Photo by Mark Moran)



UP IN SMOKE—Visibility is pretty bad for these Luzerne fireman as they battle the fire at the Ruggles Lumber Co. in the borough. (Photo by Mark Moran)



GIVING THE WORD—A Luzerne fireman responds to a passerby during the general alarm blaze at the Ruggles Lumber Co. Tuesday night. (Photo by Mark Moran)