

Babson's business and financial forecast

For 1983

By Babson's Reports Inc. **Wallsey**
Hills, Mass., December 23, 1982. The transition from recession to a moderate recovery was expected for the year now drawing to a close. In economic conditions we had envisioned for the year now drawing to a close, the nation's value of goods and services produced, in 1973 dollars, the real gross national product (planned) 1.1 percent from the level of the final 1982 quarter and virtually matched the quarter-to-quarter change which had led the American economy in that final three months of 1982. There was modest improvement in the spring

weeks, but the summer of 1982 proved to be a period of no growth and the final quarter probably was only slightly better. In short, while the 1981-82 downturn of the real GNP was substantially bottom in the first quarter of 1982, the remainder of the year was essentially flat and failed to experience the moderate recovery anticipated.

However, the recession continued to plague the industrial sector of the economy for the year, causing layoffs which kept the unemployment rate close to the 12 percent mark. The consequent adverse effect upon public confidence kept consumers spending from making the show of strength needed to lift business back to normal. Also, the continuing dampening in

industrial production resulted in increased idle manufacturing facilities and progressively heavy idling of plants in business capital spending plans which, together with the malaise in retail trade, did much to forestall an economic recovery.

Basic improvements presage improvement in 1983. In view of the relatively low level of unfavorable economic reports throughout 1982, it is understandable that public sentiment is lacking in enthusiasm concerning prospects for 1983 business conditions. The staff of Babson's Reports, however, feels that a more hopeful view is in order. The apprehension which is so rampant at this time, based upon the inability of

the economy to throw off the yoke of the recession, overlooks the hand— but vital — improvements which have taken place over the past year. These latter holdings more in line with current demand, and consequent relief of strained working capital position; and strenuous efforts have been made to trim overhead and operating costs. All told, the economy is more on a sounder foundation than it has been in a number of years, even though it is still far from robust. Hence, 1983 business should be better than is generally perceived at this time.

1983 — slow but steady improvement. Although some underlying improvement has occurred, Babson's does not expect the economy to really back

quickly and vigorously in 1983 as was the case following our post-World War II recession. A gradual but steady economic upturn will likely occur in the year ahead. However, the tempo of business will be noticeably stronger over the second half of the year, and the final quarter will exhibit the best vitality of 1983.

Many readers of this Forecast will undoubtedly question our intrinsic hopeful perspective, considering the malaise in so many of the nation's major manufacturing industries and the pitiful state of the agricultural community. In some cases their related regional economies. "3 a r d times" extend back several years —

— see Babson's year —

DEC
30
1982

The Carlisle Mercury

115th year, No. 52

Carlisle, Kentucky 40311, Thursday, December 30, 1982

25 cents per copy

Home energy Applications taken Jan. 3

Pending Congressional approval, the state's Home Energy Assistance Program will receive about \$11 million in federal funds to help low-income Kentucky households pay winter fuel bills.

Benefit payments ranging from \$100 to \$200 per household, are to be provided energy assistance to 100,000 or more Kentucky households, said state Human Resources Secretary Buddy Adams.

The Home Energy Assistance Program will have two components, Adams said. The regular component will pay benefits to low-income households with at least one member who is elderly or receiving benefits based on total disability. The crisis component will help people who may lose their home heating source because they lack money for heating costs.

Local Department for Social Insurance offers statewide will begin taking applications for regular Home Energy Assistance benefits on Jan. 3. The application period will end on Jan. 14, or sooner if funds allowed for the regular component run out, Adams said. Half of the program's benefits dollars will be allocated to the regular component.

To qualify for regular Home Energy Assistance benefits, a household must have at least one member who is at least 60 years old or receiving benefits based on 100 percent disability. These benefits can be from Social Security, Supplemental Security Income, Medicaid, Aid to Families with Dependent Children based on incapacity, Black lung, railroad retirement, veteran's benefits, worker's compensation, private insurance or other sources.

Crisis benefits. Kentuckians may apply for crisis benefits beginning Jan. 17 at local Social Insurance offices. The application period will end when funds run out.

One-half of the state's Home Energy Assistance funds, plus any funds remaining from the regular component, will be allocated for the crisis component.

To qualify for crisis Home Energy Assistance, a household must be financially unable to meet energy costs on the date of application and for at least 15 days after. Age and disability standards do not apply to crisis applicants.

Eligibility. Adams said some eligibility standards for Home Energy Assistance apply to both components of the program and include these requirements:

— The household's principal residence must be in Kentucky.

— The household must be responsible for its heating expenses, or subject to income in rent, shelter or utility costs due to home energy costs.

— The household must own or be purchasing the principal residence, or renting housing unaided by government funds.

— The household's total gross income must not exceed these amounts: one person, \$600 maximum monthly income; two persons, \$800 maximum monthly income; three persons, \$900 maximum monthly income; and four or more persons, \$900 maximum monthly income. Irregular and seasonal income will be averaged. These payments are not counted as income: federal, state or local agency payments that must be spent for specific purposes; payments made by others on the household's behalf; health, rehabilitation expenses; various incentive payments; supplemental medical insurance premiums; and other federal payments or benefits that, according to law, must be excluded as income.

— The household must have no more than \$1,000 in liquid resources during

the month of application. This does not include automobiles, household and personal belongings, prepaid burial policies, cash surrender of insurance policies, principal residence and real property.

A household may receive benefits through only one Home Energy Assistance Program component. Benefit amounts are based on family size and income, and the type of heating fuel used. Most benefits will be paid by two-party check payable to the household and the utility company, fuel vendor or landlord, Adams said. When a household buys fuel from more than one source, benefits can be divided between two vendors.

Adams suggested that persons applying for the Home Energy Assistance Program bring these items with them to local Social Insurance offices. The most recent utility bill or a landlord's statement that heating costs are included in rental payments and identifying the type of fuel used; the Social Security numbers of all household members; proof of household income including check stubs, benefit checks, award letters for direct deposit slips, and proof that benefits are received based on total disability if disability is claimed.

School board to have special meeting

The Nicholas County Board of Education will have a special called meeting on Jan. 2 at 8 p.m., at the school board offices.

The purpose of the meeting, a letter of notification to the Mercury said, is to discuss any and all legal business that might come before said board.



The Reese and Patsy Smoot dinner. Nicholas County Judge-Executive Reese Smoot and Patsy Jodt, a diner at Garretts Restaurant last Thursday. Employees of the courthouse offices, county employees, wives and husbands were invited, totalling about 60 persons. The menu was old country ham, fruit salad, au gratin potatoes, green beans, homemade apple and chocolate pie, coffee and tea. — Mercury photo.

'83 quota cut Won't offset burley surplus

By Bennett Roach

Due to overproduction this year a national marketing quota of 66 million pounds for 1983 "will not put out of the woods" in the belief of Joe McDaniel, president of the Burley Association.

Instead of the 66 million pound quota projected for 1983, provided the 3 percent reduction goes through, the basic quota should be down to 512 million. According to calculations by the Burley Tobacco Growers Cooperative Association, under the formula in

the 1935 act of Congress. Due to overproduction this year a national marketing quota of 66 million pounds for 1983 "will not put out of the woods" in the belief of Joe McDaniel, president of the Burley Association.

McDaniel and others at the Dec. 15 quota hearing at Lexington suggested that the law be changed to allow for larger reductions. Even with the maximum cut of 3 percent next year's production of anything near a normal output "could only add to the present overproduction," said McDaniel. "As the situation stands, with only a 3 percent reduction, the quota would still be appreciably in excess. We figure it would be 138 million pounds over."

It is regrettable that the Secretary of Agriculture is stymied by not being allowed to reduce the quota any year by not more than 3 percent, McDaniel told USDA representatives at the quota meeting.

Kim Moran suffers injuries in auto wreck

Kimberly Smoot Moran, 22, Route 3, Carlisle, was reported to be out of intensive care and improving at Good Samaritan Hospital in Lexington Tuesday, after suffering serious internal injuries in an auto wreck on Christmas Day in Fleming County.

The Moran automobile was rounding a curve on Ky. 105 about four miles north of Owens. State Police reports said, when her car was struck head-on by another vehicle driven by William E. Robinson, 26, of Route 2, Valsburg, Robinson and a passenger in his car, Theresa Weber, 21, of Morehead, were treated for minor injuries and released at the Fleming County Hospital.

According to state police reports, the Robinson car was northbound, lost control in the curve and hit the Moran vehicle about 1:15 a.m., Saturday, Dec. 23.

The accident is being investigated by State Trooper Bill Irvin of the Morehead post.

In an unrelated incident Monday, Dec. 28, a vehicle driven by Daniel F. Howard, 19, Spring Street, Carlisle, tore down five panels of plank fence on the Wagner-Nelson farm on the Old Paris Pike.

Sherry's reports said Howard lost control of his car at about 11:45 p.m.

"It is alarming also to note that imports into the U.S. of foreign-grown burley are at an historic high of 209,646,000 pounds," McDaniel added. "But in the last six months between April and October there was an increase of 28 million pounds in such imports."

With all elements of the tobacco business represented among the 200 or so persons attending the quota meeting, nobody registered opposition to the general sentiment for the maximum cut next year.

When a call was made for anybody against the cut to stand up, nobody stood. The invitation for such a showing was offered by Frank E. Goodman, executive secretary of the Burley and Dark Leaf Tobacco Export Association.

Meanwhile at Lexington last week, with returns from sales before the market shut down for the holidays, the Burley Association's total receipts under loan reached 106,563,062 million pounds. Alvin R. Blockley, executive secretary-treasurer, said it was the largest total volume taken since 1957.

New Year's office closings

Most federal, state and local offices will be closed Friday and Saturday. Some will also be closed Thursday.

Sally Watkins' Circuit Clerk's office will close at noon Thursday and will be closed on Friday and Saturday.

The PVA office will be closed Thursday and Friday. The Sheriff's office will be closed all day Friday and Saturday.

The post office will be closed on New Year's Day and Saturday. The lobby will be open.

State offices will be closed on both Thursday and Friday. The Carlisle Mercury office will be open as usual Friday.



Nursing Home Christmas party. A Christmas cheer was one of the Christmas pagant events presented to the residents of the Johnson-Madern Nursing Home at Christmas time. Some of those who sang were Hob Hester, Mary Catherine Knappke, Brenda Lawrence, Jack Conley, Howard R. Allison Jr., Mary Goy, Lela Allison and Bill Campbell. Others are hidden from the camera. — Mercury photo.

BEST COPY AVAILABLE