

Annual economic forecast

Babson says things will get better in '82

Economic conditions and the status of public sentiment in the closing weeks of 1981 stand in stark contrast to those of the 1980. A year ago, overall business was still trending upward. Moreover, there was hopeful expectancy that the change in the nation's leadership would lead to an alleviation—and ultimately a resolution—of problems which had been gnawing at the core of the economy. Now, as 1982 gives way to 1983, the economy is stricken by a recession and there is a rising tide of anxiety that the Reagan prescription will produce further harsh dislocations.

Reagan Administration's efforts to shore up the foundation of the economy. It must be remembered that not all of the provisions of the Economic Recovery Tax Act of 1981 are yet in effect. In addition, pessimism with respect to fundamental and long-term considerations is not justified when one gives due weight to the fact that at least some progress has already been made in slowing inflation and lowering interest rates. Yet much more improvement must be attained on both fronts before their dangers are genuinely subdued, and this is a task which undoubtedly will take a good deal of time—and dogged persistence—to accomplish. The backlash of both counts in 1980 attests to the alacrity of

hand-aid type solutions. The true severity of the current recession can also be better evaluated by taking into account the postponement of business capital equipment investment as well as its becoming evident that the benefits of liberalized depreciation under the tax legislation would not commence until Jan. 1, 1982. During 1981, industrial activity has been kept on a subpar basis. Hence, it is only reasonable to assume that we shall have some catch-up buying as 1982 progresses. Of course, the high level of interest rates also served to stifle business equipment demand, but these promise to be a less inhibiting factor in the year ahead. Indeed, interest rates

have already worked down to levels that are appreciably less prohibitive to borrowers. 1982—Even recessions in expansion. Judging from the behavior of various key economic indicators, the last quarter of 1981 will prove to be the low point for the year's business performance. After an unexpectedly vigorous advance for the first three months, the economy suddenly wilted during the ensuing two quarters and then slumped sharply to close out the year immersed in a genuine recession. Thus, we have slipped into recession twice in consecutive years. Yet, unlike 1980's credit-restrained, fostered economic drop, which began and ended within that year, the recession of 1981

will likely carry over into early 1982. Even so, due to the severity of the nosedive during the past three months and given the decline in interest rates, there may be only a downward shading of economic activity during the first quarter, followed by a flat performance. After an unexpectedly vigorous advance for the first three months, the economy suddenly wilted during the ensuing two quarters and then slumped sharply to close out the year immersed in a genuine recession. Thus, we have slipped into recession twice in consecutive years. Yet, unlike 1980's credit-restrained, fostered economic drop, which began and ended within that year, the recession of 1981

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Monday saw a changing of the guard

New faces take reigns of local government



Mayor Frankie Hughes took the oath of office and the reigns of city government at Monday night's meeting of the city council. — Mercury photo.

Several new faces stepped into leadership positions in local government this week, as swearing-in ceremonies were the order of the day Monday. Amidst promises of working "hand in hand" with the city council, Mayor Frankie Hughes presided over his first council meeting from the Mayor's chair. Hughes captured nearly 90 percent of the vote in the November election and defeated 20-year incumbent William Power by a surprising 2:1 margin. He is now faced with implementing his campaign promises of striving to provide an environment conducive to economic growth in the community. Hughes stated during the campaign that one of his immediate priorities was the updating of city services in the city in order to make Carlisle "competitive" in the area of attracting new industrial development.

District Judge Jack Arnold put on his black robe and sat on the opposite side of the bench in Nicholas District Court for the first time Monday morning. The 31-year-old Cynthiana attorney was another big surprise in the November election as he crushed incumbent Wayne



District Judge Jack Arnold put on his robe and took the bench for the first time in Nicholas County District Court Monday morning. — Mercury photo.

It's down to business for new mayor, council

City council met for the first time this year Monday night. It was chaired by a new mayor, Frankie Hughes, and three new members, Clifton Vaughn, Carl-mell Lester and Charles Fay. Old members, Tommy Vaughn, Clarence Curt and Bobby Barnett, rounded out the six member council. The meeting room was filled with visitors and family members of the new administration. The mayor welcomed everyone, and with a smile on his face said, "I'm glad to be sitting here (in the mayor's seat)."

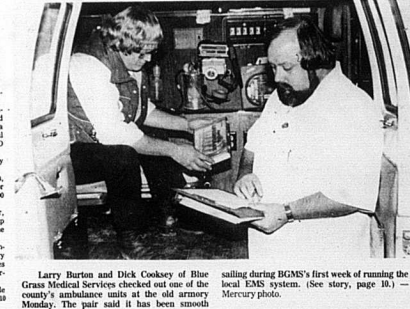
Jimmy Street was the only non-returning member of the past council present. He expressed his thoughts on working with the council for the last two years, and wished the mayor good luck in his term. Council discussed everything from the monthly meeting right, to the possibility of repairing or buying a new water tank at the city lake. All the discussion and votes came

following the swearing-in ceremonies conducted by attorney Billy Hopkins, and a 15-minute closed session to discuss employee firing. A blanket acceptance vote carried to hire the following for two years: City Clerk/Treasurer Mary Tapp, City Superintendent Gayle Vandine, Water Works Superintendent Clarence Buzard, Stockton Wood to be retained on contract as City Attorney. Visitors who brought business before the council were:

Margaret Hunter, county coordinator for the Community Center. She requested \$1,200 for gas and maintenance on the Center's van for a year. It travels about the mines a day which includes a trip to Paris where nine special school. Council granted request which it has done for several years. Roger Curt of OVC Telecommunications appeared as a request of council member Bobby Barnett after receiving complaints from cable tv customers in Carlisle. Curt reported that money has been allocated for improving service to its customers. Curt said a satellite receiver station is going to be erected at the city lake with completion in March. At that time the following will be offered: Channel 11, Atlanta; a 24-hour sports channel, ESPN; and a movie channel or Showtime.

John Burke, local Kentucky Utilities manager, who wishes to see Carlisle and Nicholas County form local industrial authority to boost economic development. He made a presentation on employment and personal income in the county, and the urgent need for growth. Bluegrass Area Development District in Lexington is willing to aid in the formation of a local Industrial Authority. Burke, who made the same presentation to the fiscal court, was instructed by Mayor Hughes to check on a possible joint meeting of the council and the court and a Bluegrass AID representative in the near future.

Bob Curt was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health. Clark, 75, was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health. Clark, 75, was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health. Clark, 75, was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health.



Larry Burton and Dick Cookey of Blue Grass Medical Services checked out one of the county's ambulance units at the old Army Mercurys photo. The pair said it has been smooth sailing during BGM's first week of running the local EMS system. (See story, page 10) — Mercury photo.

Clark is named Democrat chairman

Emory Clark was elected to head the local Democratic party at a meeting of the county executive committee Saturday afternoon. Clark, 75, was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health. Clark, 75, was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health. Clark, 75, was elected chairman of the party to fill a vacancy created when Paul Fry resigned the position Dec. 7 due to ill and failing health.

Mrs. Walter Horvath, county vice-chairman, had been filling in as acting chairman since Pyle's resignation last month. Democratic bylaws state that the chairman and vice-chairman must be different sex. Clark said Monday that the selection came as a total surprise to him, but that he would do his best to fulfill the duties of the office. Mrs. Horvath said Monday that Clark should "see a street light" to the party in the county. Members of the executive committee "see Clark, page 10"



Inside . . .

- A fat and run accident in front of the county jail resulted in the arrest of a Carlisle man. (Page 7)
- It was swarming in time in Nicholas County Monday, and pictures of the new public officials dominated the inside of this week's Mercury.
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