

BUSINESS REVIEW



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The Beginning of a Comeback

Changing Times in Pennsylvania Towns

ABOUT THIS ISSUE

For most of the 64 per cent of Americans who live in the metropolitan areas, small towns seem worlds away, places to hop over in airplanes or to bypass on super highways. But ties between metropolis and small towns may be very close indeed. Small towns and their rural hinterlands provide much of the raw material and food stuffs that support the big urban complexes. Perhaps more important, however, decline in small towns has provided much of the population surge behind the growth in the nation's metropolitan areas. Has the decline in small towns ended? Have the easy social and business ways of life in small towns been altered by the increased mobility and communication of this era?

This issue of the *Business Review* is devoted to articles covering several facets of the changing environment of small towns in the rural areas of the Third Federal Reserve District. In "Beginning of a Comeback," the new-found strength in rural labor markets is discussed. "Changing Times in Pennsylvania Towns" reflects impressions of life in small towns today. These impressions, based on visits to a few towns and discussions with townspeople, may give a more complete picture of rural conditions than could be obtained by statistical analysis alone.

BUSINESS REVIEW is produced in the Department of Research. Evan B. Alderfer is Editorial Consultant; Ronald B. Williams is Art Director. The authors will be glad to receive comments on their articles.

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Too often, rural areas are looked upon as regressive parts of the Third Federal Reserve District. It is true that these areas have been adversely affected by declines in farming and mining employment, but they are now experiencing . . .

The Beginning of a Comeback by Anne M. Clancy

With national attention intensely focused on urban growth and growing pains, economic problems in rural and small-town America have received scant attention. Yet, rural areas have important ties with the growth and problems of metropolitan America—both by contributing workers to big city growth and by offering an alternative for some to the metropolitan way of life.

Urbanization, however, has not left small towns untouched. Towns within commuting distance of the city have been swallowed by the outward expansion of large urban complexes. Those towns closest to the city have become suburbs, joined to the central city by continuous strips of urban land development, and identifiable only as political jurisdictions. Other small towns, somewhat further out, remain separated from the city by farmland, but nonetheless act as residential havens for city workers.

A still greater number of rural and small-town communities are physically isolated from the city. Different from their metropolitan sisters that may depend upon proximate cities for jobs and income, these towns rely to a much greater extent on their own economy. These areas, which form the major focus of this article, have experienced the greatest share of the economic trouble of the small towns.

THE TROUBLE IN SMALL TOWNS

Amid the numerous cross-currents of change in the nation's economy, at least one trend has been stable—the movement of labor out of extractive industries, such as mining and agriculture, into processing and service industries. Although yielding benefits nationally in terms of increased productivity and income, this movement has pulled the economic rug from under

DEFINING TERMS

The terms "small town," "rural areas," and "non-metropolitan areas," are used synonymously throughout this article. In most cases they refer to non-metropolitan counties of the Third District. The Third Federal Reserve District, an area covering most of Pennsylvania, New Jersey and all of Delaware, is composed of 60 counties—35 of them are classified as non-metropolitan and 25 are classified as metropolitan. In some cases it has not been feasible to obtain information on the Third District. Each such instance has been noted, and figures on the 49 non-metropolitan counties of the three district states, a slightly larger but comparable area, have been used.

The Bureau of the Census' definition of standard metropolitan statistical areas (SMSA) was used to distinguish between metropolitan and non-metropolitan counties. An SMSA is a county or group of contiguous counties which contains a city or pair of cities of 50,000 inhabitants or more. Any county that did not meet the SMSA definition was considered non-metropolitan.

many small towns whose livelihood had been derived from these resource-based industries. In part because of the need for vast quantities of land, extractive industries are located in rural areas. But the processing and service activities that have grown to replace them in the nation's economy have tended to concentrate in the city. Change, therefore, has left substantial slack in the demand for labor in rural areas.

The toll taken by the decline in extractive industries during the 1950's in rural and small town areas of the Third District is exemplified by the changes that have occurred in rural areas of Pennsylvania, shown in Chart 1.¹ Together, employment in mining and agriculture declined by 49 per cent between 1950 and 1960. Moreover, the stagnant position in other industries did not alleviate the slack in demand for labor.

¹ Comparable data for the 1950-1960 period are not available for New Jersey and Delaware.

This weakness in demand caused unemployment. In 1960, unemployment in rural areas of the District averaged 12.5 per cent—nearly twice the metropolitan rate of 6.5 per cent. Since wages increase slowly, if at all, when unemployment is high, weakness in demand for labor also contributed indirectly to poverty in rural areas.

But the fortunes of rural areas in the Third District appear to have brightened in the sixties. Decline in extractive industries slackened. Furthermore, metropolitan costs and tight labor markets made rural areas more attractive locations for processing and service industries. In the sections that follow, we detail the past decline and recent offsetting increases in the demand for labor in rural areas of the District.

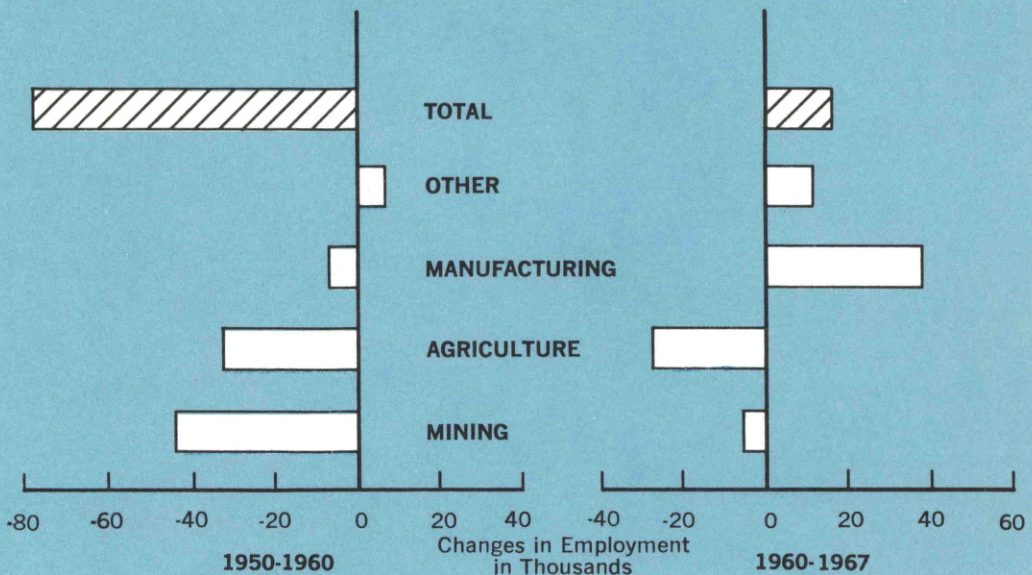
THE LAND-BASED DECLINE

Fall of the farm. The farm work force has be-

CHART 1

SLACK IN DEMAND FOR AGRICULTURAL AND MINING EMPLOYMENT IS BEING TAKEN UP BY OTHER SECTORS . . .

Bars represent changes of employment for Pennsylvania's rural areas for the two periods 1950-60 and 1960-67. The decline in agriculture and mining is being offset by increase in other sectors of the economy.



Source: Pennsylvania Statistical Abstract 1969

come a minority because of more efficient farming methods. Scientific techniques have increased farm output. In dairying, for example, output of milk per cow has grown over 50 per cent since 1950, largely because of careful cross-breeding of animals and improved nutrition. New plant strains have led to an equally significant increase in grain output per acre.

Expanded use of farming equipment has increased the productivity of agricultural workers. Thus, while total farm acreage in the District decreased by 20 per cent between 1950 and 1969, farming employment plummeted even

more—by 32.5 per cent. Because only larger farms are capable of using modern equipment efficiently, the size of farms has increased with the greater utilization of machinery. Today, the average size of farms in the District is $1\frac{1}{3}$ times the average in 1950. The combination of changes in crop strains and improvements in methods of farming have, in the face of slowly growing demand for farm output, led to a dramatic decline in the number of farms in the Third District states—from 179,000 in 1950 to 87,000 in 1969.

Decline in the number of farms will continue,

although not at the astronomical pace of the 1950-69 period. Much of the decline in number of farms will be taken up by continued expansion of the remaining ones. Even if total acreage remained constant, however, the continuing increase in size of farms may cause some further reduction of the number of agriculture workers because of economies of scale. Although the outlook for farming employment is less dismal over the next few years than it has been over the past decade, agriculture will not be a sector of strength in the rural labor market.

Land in Delaware, New Jersey, and Southeast Pennsylvania is the most suitable in the District for agriculture, and includes the heaviest concentration of farm employment. Northern and central Pennsylvania have experienced more limited development of agriculture because of mountainous terrain. Rural and small-town population of these regions found much of their early sustenance in the ground—in mines.

Demise of mining. Once the mainstay of life in rural and small-town areas in central and northern Pennsylvania, coal mining has nearly collapsed. Decline in demand for coal and improved methods of extraction precipitated a reduction of 130,000 in mining employment in Pennsylvania between 1950 and 1967.

Anthracite coal, mostly used in home heating, has been hit especially hard by a drop in demand as use of natural gas, electricity, and oil heating has soared. Consequently, production of anthracite skidded from 44 million tons in 1950 to a mere 12 million in 1966.

Demand for bituminous coal has fared better. A soft, fast-burning, smoky type of fuel, it has a number of industrial uses, including generation of electric power and processing of iron

ore. But the strength of demand for bituminous is in danger. Open-hearth processing of iron ore is being replaced by a less expensive method utilizing oxygen furnaces. When nuclear reactors are perfected, use of bituminous may drop even more.

Cost reduction caused by improvements in mining technology is one of the major reasons the coal industry has survived to the extent that it has. However, while helping keep coal competitive, progress in productive techniques has taken its toll in coal mining employment. Thus, though output of coal decreased by only 37 per cent from 1950 to 1966, employment of miners dropped by 79 per cent. Prospects for coal remain doubtful. However, the demand for labor by coal producers already has dwindled so far that further declines will have little effect upon rural labor markets.

GROWING OPPORTUNITIES

Declines in employment in farming and mining have been partially offset by expansion in other sectors of the economy. Growing numbers of rural residents commute to work in nearby cities, or find jobs in new or expanding local non-extractive industries.

For the past several years non-extractive employment, including all employment except that in farming and mining, has grown more rapidly in rural and small-town areas of the District than in the large urban complexes. Between 1959 and 1966, non-agricultural employment in the rural areas of the three states grew by 17 per cent, outpacing the 14 per cent growth rate of metropolitan areas.

Manufacturing. One of the strongest performers in rural areas has been manufacturing. Accounting for nearly half of the growth of

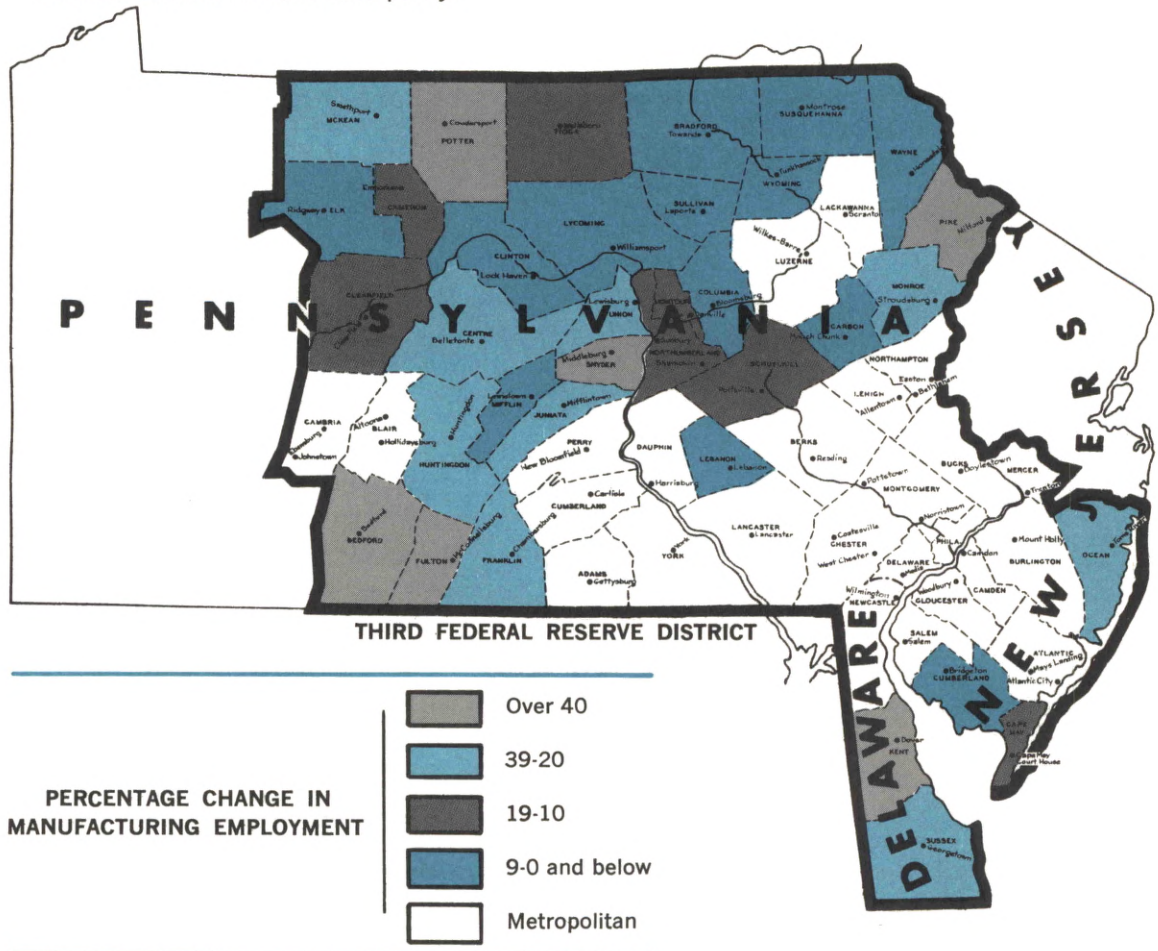
the demand for labor in non-metropolitan areas, manufacturing scored an 18 per cent rise in the first half of the sixties—double the 9 per cent increase posted in metropolitan areas. This bullish record represents a substantial reversal from the past decade, when manufacturers generally left rural areas to participate in the growth of the major metropolitan areas.

At least four causes lie behind this recent

show of strength. First, for much of the sixties the District has had a low level of unemployment. Metropolitan areas have had the tighter labor markets, while, because of the decline in mining and agriculture, rural and small town areas have had relatively more available labor supply. Therefore, rural and small-town areas have been particularly tempting locations for firms.

MANUFACTURING EMPLOYMENT, 1960-1965

Manufacturing employment grew substantially in the Southwestern and Central rural counties, whereas the Northwestern counties fared poorly.



Second, costs of operation may be lower in rural than in metropolitan areas, largely because of lower wage levels. Employers in enterprises such as apparel or textile manufacturing, which depend heavily on labor in their production processes, may view these lower wage scales as an important opportunity for savings. In still another way cost considerations favor small-town locations. Pressed by a rapid rise in tax rates and land prices in metropolitan areas, managers may opt for rural towns where these costs are lower.

Third, employers that depend heavily upon labor in their production processes—again the apparel and textile industries serve as good examples—often need workers with only minimal training. Small-town localities are excellent for this type of labor demand because their labor supply is generally unskilled and low-priced.

Finally, transportation has played a prominent role in opening up isolated rural areas to industrial development. Typically, there is less traffic congestion in rural areas than in the more heavily populated regions of the District. More importantly, the new system of super-highways has made many rural areas accessible to major metropolitan markets.

Not all parts of the District have participated equally in this expansion in manufacturing employment. As shown in the map, areas in Delaware, New Jersey, and southern Pennsylvania that have the greatest access to large urban markets have experienced the most growth; the northern counties have had slower expansion.

Recreation and second homes. Many areas, particularly Northeast Pennsylvania, that did

not fare well in manufacturing grew in services and construction employment. One of the principal reasons for this growth is the strength of recreational activities in these regions. Compared with other major recreational spots, the northern counties have been blessed by their proximity to huge metropolitan areas, such as New York and Philadelphia. The natural beauty and scenic charm of these counties make them a magnet for tourists, second homes, and retirement homes, which together have helped boost employment in services and construction.

Planners for different political jurisdictions are successfully pooling the resources of their areas to help the entire Northeast region reach its full potential as a resort location. As a first step, the tourist season is being extended to include year-round activities. Second, development of vacation and seasonal homes is emerging as an important aspect of this region's economy. Wayne, Pike, and Monroe Counties experienced an 85 per cent increase in vacation homes during the 1950-1960 period. A further enhancement for the recreation industry will be the Tocks Island Recreational Area. A 37-mile-long reservoir will back up behind a proposed dam at Tocks Island on the Delaware River. This system will provide recreational opportunities, flood control, and substantial water and hydroelectric power.

CONCLUSION

Rural areas in the Third District have made a significant start toward crossing the threshold to economic development. Declines in farming and mining employment have waned, and growth in labor demand in other economic sectors has begun to exude a healthy hue.

The new strength apparent in rural areas may,

however, have some less-than-rosy side effects. As small towns grow, there is a danger that they will take on many of the common urban problems. Many of the charming, intangible characteristics of small-town life may disappear. The calm pace and close familiarity among all citizens may give way as new firms attract an increased population. In addition, it may become necessary to provide the growing numbers of residents with new and improved educational, sanitation, and protective systems that befit a new industrial complex. Costs of these public additions probably will necessitate increased

taxes, perhaps on the very industries that settled in the area to escape them. Also, as prosperity and growth continue, good business locations become dear, negating one of the original advantages of moving away from the urban area.

Thus, growth may necessitate some compromises of the style of small-town life, and rural residents may want to balance the advantages of growth against the costs that it entails. Nevertheless, the current outlook for economic growth in the District's small towns is bright, and the employment problems that plagued these areas in the fifties appear to be history.

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A cumulative list of subjects of articles which have appeared in the Reviews of the twelve Federal Reserve Banks has been prepared by Doris F. Zimmermann, Librarian of the Federal Reserve Bank of Philadelphia. The index covers the years 1950 through 1968, and is available upon request to the Department of Public Information of the Federal Reserve Bank of Philadelphia.

Changing Times in Pennsylvania Towns

by Evan B. Alderfer

Big cities we know, or think we know. That they are in a time of trouble is dinned into our ears daily by the newscasters. How about the smaller communities—the boroughs, towns, and little cities? Do they have smaller doses of the same problems that plague the big cities; or do the towns have unique troubles? In what ways do boroughs adjust, or fail to adjust, to the changing times?

Pennsylvania affords an excellent field for this kind of exploration because the Commonwealth is peppered with more communities than any other state. In this impressionistic expedition, we are bypassing the very small and the very large towns, and shall concentrate on places ranging from 10,000 to 20,000 population.

THE QUEST FOR INDUSTRY

Nearly every town wants more manufacturing establishments. Inasmuch as manufacturing is a major source of jobs in our economy, every community is eager for additional plants to assure the fullest employment opportunities for its local labor force.

Towns are ever on the lookout for an industrial newcomer. There are, however, notable differences from one place to another in the urgency of the need for additional plants, as well as differences in the efforts and ingenuity expended to obtain new industry. The quest for industry is usually a function and, in many places, the major function of the local chamber of commerce. A good many towns, however, redouble their efforts to attract manufacturers by establishing industrial development organizations.¹

¹ For a discussion of activities of industrial development organizations, see Evan B. Alderfer, "Angling for Industry," *Business Review*, Federal Reserve Bank of Philadelphia, April, 1968.

Some of the best examples of successful questing for industry are found in towns and cities of the anthracite region, where unemployment rose to distressing proportions in the wake of a serious decline in King Coal. Between 1930 and 1960, when demand for coal nearly caved in, many people left the area in search of jobs elsewhere. Schuylkill County, which had a 1930 population of 235,000, lost 60,000. Pottsville, the county seat, which had a 1930 population of 24,000, lost 2,600 people. There was real danger that Pottsville and other hard-coal communities might become ghost towns.

Instead of bewailing its apparent fate, the city organized the Greater Pottsville Industrial Development Corporation, hired a full-time industrial commissioner, and talked people into contributing \$450,000 with which to erect shell buildings as a "come-hither" for new business enterprises. It worked.

Later, in 1958, a second drive was made with a goal of a half-million dollars. Again, the people came across. A third drive in 1964 yielded \$825,000. A count of progress shows thirty new companies and fifteen plant expansions. This year, Pottsville oversubscribed its fourth fund campaign by \$200,000 and raised a total of \$800,000. Why another drive at a time like this? This move was a bit of forward planning to avoid a possible boost in unemployment at the end of the Vietnam war, when defense jobs are likely to evaporate, and when the city's returning veterans will be looking for jobs.

Modernization and rejuvenation are apparent on every hand, evidencing a bright new outlook. Eyesores of the old coal age are disappearing, and replacing them are the up-to-date structures to be found anywhere. Pottsville's Redevelopment Authority is erecting new low-rent

housing, garden apartments, a larger fire house, and other public buildings. The city's Parking Authority is adding a newer four-level parking facility to the new downtown parking area. The Sewer Authority is constructing a sewage treatment plant.

Similar self-help efforts have yielded corresponding rewards in Hazleton, Scranton, Wilkes-Barre, and other anthracite communities.

In some instances the quest for industry is motivated by the desire for diversification. When unemployment was at its worst in the anthracite region, communities warmly greeted almost any enterprise with a payroll. By and by, some towns became lopsided with plants from the needle and shuttle trades which employ predominantly female labor. Women became the breadwinners, and men the housekeepers and babysitters. Thereupon special efforts were made to get a better-balanced industrial structure by bringing in durable manufacturers.

Not only in the coal region but elsewhere in Pennsylvania are boroughs that had been predominantly one-industry towns. There were cigar towns, carpet towns, furniture towns, and paper towns. Most of these now have a more diversified industrial mix.

MINUTES TO MARKETS

For proximity to markets, many Pennsylvania towns have it made because they are adjacent to the great Eastern Seaboard market. Even those towns in the hinterland have some access to major markets, thanks to good roads. For example, Chambersburg, in south central Pennsylvania, may seem far away from the action, but its business center is where latitudinal Route 30 intersects longitudinal Route 11. So, the town's commercial intercourse with Harrisburg,

Philadelphia, Baltimore, or Pittsburgh is reckoned in minutes instead of miles.

Easy access to the outside world certainly played a part in the decision of the military to build Letterkenny Army Depot at Chambersburg. This 21,000-acre installation employs about 6,000 people, and enriches the area with a \$50 million payroll. About one-third of the Letterkenny workers reside in or near Chambersburg; the others come from miles around. Established during World War II, Letterkenny has contributed substantially to the town's steady growth and good economic health.

LABOR AUTOMOBILITY

Interborough labor markets have become the norm because of good roads and the large number of two- and three-car families in small towns. On high-speed highways, a 50-mile drive between home and job is no great obstacle. A drive of 45 minutes to an hour is no more than it takes many suburbanites to get to their downtown jobs in the big cities and certainly is more pleasant.

Metal trades generally pay higher wages than the textile trades, so a predominantly textile town may find itself chronically short of labor because many of its workers commute to better-paying jobs elsewhere. Likewise, union shops tend to attract workers from neighboring towns without union shops. Good workers are quick to find and hold the better-paying jobs, but for social or other reasons many choose to commute rather than to move their families to the town offering the more attractive employment.

GROWING PAINS

Growth and expansion of small towns precipitate some problems similar to those encountered

by big cities. That problems of boroughs and towns are on a smaller scale does not spell inconsequentiality.

In many small towns, as in metropolitan areas, parking facilities in the business district are inadequate. Possible solutions—parking lots on the edge of town or multi-level garages—are either too inconvenient or too costly to be practicable.

When the population growth and physical expansion of a town threaten to burst the borough limits, a problem in political economy arises. Surrounding the town are contiguous townships. Usually poor but always proud, their local governments resist being “taken over” by the borough even though they themselves lack the resources to lay water lines and sewers and to provide other services and facilities needed to attract industries.

Sooner or later a population spillover is inevitable. Then there ensues a “development”—bulldozing, excavating, bricklaying, carpentering, roofing, plumbing, wiring, painting, landscaping; and after that, the endless battle with crabgrass.

A frequent accompaniment of new housing is a commercial development. These shopping centers generally have a sufficient diversity of stores so that the shopper need seldom motor to a metropolitan mart. Of course, there is usually a banking office to serve residents' financial needs.

SMALL-TOWN EDUCATION

Let it not be thought that small-town education is small-time education. The little red schoolhouse and *McGuffey's Reader* belong to the age of the local seamstress and the village blacksmith.

Chambersburg, with a population of about 19,000, demonstrates how exciting small-town education can be. Both elementary and secondary education are under the jurisdiction of a unified school administration that serves not only Chambersburg but also the surrounding townships. In the 1968-1969 school year, for example, there were 20 regional elementary schools (kindergarten through sixth grade) with almost 5,700 students; two junior high schools (grades 7, 8, and 9) with nearly 2,400 students; and a senior high school with over 2,200 students. The budget for the system's more than 10,000 students was \$6 million that year.

The Chambersburg Area High School building, an immense \$3.5 million structure erected only a few years ago, is already over-crowded. It has a comprehensive library, a huge auditorium, modern gymnasium, and some of the best educational facilities available, including new driver education simulators installed as a pioneer project of the Commonwealth of Pennsylvania. Courses offered include college preparatory, business, general, and also vocational specialties such as agriculture, industry, and homemaking. About 38 per cent of the high school graduates continue their education in accredited colleges—and if schools of business, nursing, and other special callings are included, the number of graduates seeking further education rises to 60 per cent. Large area high schools with their specialized facilities, competent faculties, and fleets of buses are now affording fine educational opportunities to town and country throughout the Commonwealth.

Another educational institution of growing importance in Pennsylvania is the vocational-technical high school. Long-established in large

cities, such schools are being built in town and country in response to a growing demand for specialized training in occupational techniques from students whose formal education ends with high school.

These vocational-technical high schools offer a variety of courses, such as cosmetology, carpentry, electronics, nursing, plumbing, textile design and fabrication, and numerous other trades. Each vo-tech high school tailors its curriculum to the needs of its community. In one town, a survey was made at the outset to ascertain the degree of interest in such a project. This survey was followed by a canvas of local industries to determine what direction job training should take. As a result of these two surveys, a craft committee was formed, with representatives of both education and industry, to plan a community-related vocational school. Newly established technical high schools help to reduce the congestion of town or area high schools which often are overcrowded.

COLLEGE TOWNS

Aside from whatever cultural influence a college may have on its community, it also influences the local economy. How much the economy is affected depends upon the size of the college in relation to that of the town. Among the Commonwealth's more than four score colleges and universities, are small institutions that scarcely make a dent on the town's economy. At the other extreme is University Park which owes most of its phenomenal growth to the amazing expansion of The Pennsylvania State University.

In between are college towns like Bloomsburg with a population of around 10,000, of which Bloomsburg State College contributes fully a

third. In fact, it was the vigorous growth in college enrollment that prevented the town's population from declining during the past decade. College people dine at the local hotel, buy apparel in the local stores, and some live in private homes near the campus. The college recently added a big high-rise dormitory for men, and across the street is a new dining hall nearing completion. When we called on the Director of Development in early summer, his office was strewn with plans and blueprints of still more construction on 90 acres of additional campus just acquired. The current enrollment is expected to double within five years. Town and gown prosper together.

THE ZEST FOR RECREATION

"Sweet recreation bars moody and dull melancholy," said the bard of bards. Town life is no exception to the need for occasional change from daily routine, although recreation takes different forms in different towns.

People in Chambersburg, Shippensburg, Waynesboro, and other Franklin County towns have the good fortune of easy access to nearby state parks—Caledonia, Old Forge, Mont Alto, Bear Valley, and Cowan's Gap. These parks afford camping, fishing, golfing, hiking, picnicking, riding, and swimming. The wooded hills and clear streams are great seasonal attractions to deer hunters and trout fishermen.

Bloomsburg some years ago engaged a firm of planning associates to make a critical analysis of the town, and one of the shortcomings stressed in the report was the limited provision for play and recreation. Thereupon Bloomsburg's Town Council created a 42-acre municipal park on the edge of the town along the Susquehanna. The park, under supervision of a recreational

director, has athletic fields, picnic areas, and a \$100,000 swimming pool.

Pottsville has a unique recreational facility—Sharpe Mountain Ski Resort—right in town. The slope is equipped with lights for night use. Under construction are a gymnasium large enough to seat 5,000 and the city's third swimming pool—Olympic in size. Readily accessible to Pottsville people are Lakewood's Summer Theatre and the Bavarian Festival, new this year. Nearby also is the famous Hawk Mountain, of special interest to enthusiasts of avifauna.

Providing recreation is hard for some towns and a breeze for others. Stroudsburg and East Stroudsburg are recreation- and vacation-oriented. That was foreordained. Located just a few miles above the Delaware Water Gap, the Stroudsburgs are the gateway to the Pocono highlands—a natural resort area so near and so easily available to the millions living in the Hudson and Delaware River lowlands. Glaciers of bygone eons scraped and raked the region, disrupting major streams and minor watercourses, leaving waterfalls, lakes, and marshes. Forests cover most of the area, and laurel and rhododendron give cover to wildlife.

For several generations, the Poconos have been a popular summer resort. Now with the growth in popularity of skiing and the installation of skiing facilities and snow-making equipment on numerous mountainsides, the region has become a great winter resort as well. The Poconos have also become a favorite haven for honeymooning couples. A number of inns make a specialty of catering to newlyweds by putting on extra plush and polish.

Another development of major importance to the Poconos is the construction of second homes. Many people are buying or building a

supplementary dwelling in the mountains for use as a vacation cottage during the working years of life and as a place for year-round occupancy after retirement. A location so near to the megalopolis axis and yet far enough out to be lulled to sleep by choruses of katydids makes the Poconos an ideal place for a second home.

As the gateway to all this recreational activity, the Stroudsburgs are kept busy supplying vacationers with goods and services. For merchants and tradesmen, motelmens and inkeepers, builders and contractors, bankers and conveyancers, there is no more hibernation.

NEITHER CITY BEDLAM NOR RURAL BOREDOM

Townspeople for the most part have the modern conveniences of urban life. They have piped-in electricity, gas, and water; piped-out household and industrial wastes. They have schools and hospitals, police and fire protection, public libraries and playgrounds. They have civic, fraternal, religious, and social organizations. Still, with all these urbanities and amenities, townspeople are within a few minutes of field and stream or lake and wood or golfing green.

Thus far, the smaller communities of the Commonwealth have been free of racial discord of the kind that has broken out in numerous cities. This is not to say that towns are oases of domestic tranquility, but rather that towns do not attract many non-white in-migrants. Many towns, particularly in the coal regions, attracted immigrants in large numbers that

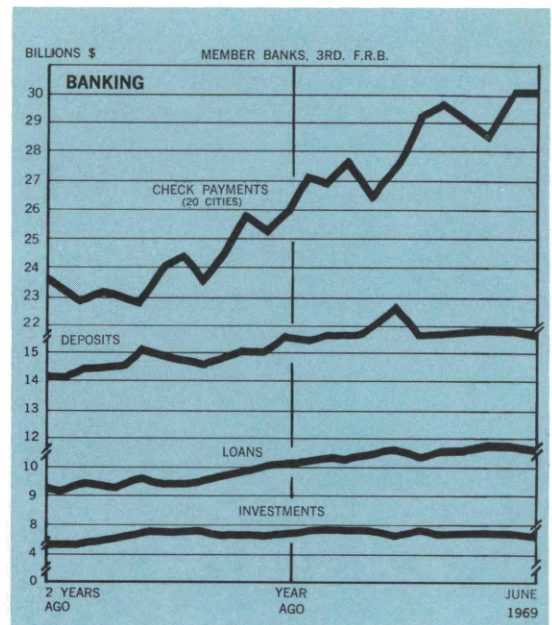
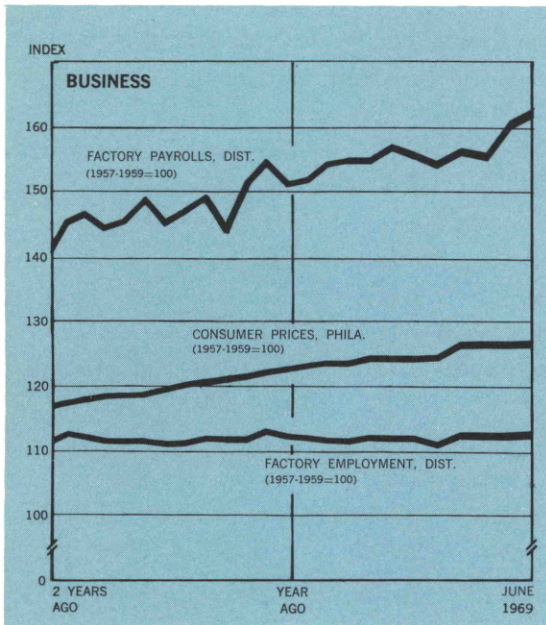
formed ethnic cul-de-sacs. Most of these immigrants, however, were of European origin and have become a part of the community.

Most of the problems confronting Commonwealth boroughs and towns seem similar to but are smaller than those facing the cities. They have traffic bottlenecks and parking problems because the automotive civilization was not foreseen when towns were laid out. They generate household wastes and industrial wastes, and let them blow away or flow away—only to compound the problems of communities downwind or downstream, until the state finally takes action requiring installation of anti-pollution facilities.

Though generally free of slums, some boroughs have downtown sections of mixed land use where properties have degenerated into a medley of tenements, swizzle joints, and honky-tonks. Perhaps there was no zoning or perhaps there was lax enforcement. Of course, cities have all this and slums, too.

Towns are generally thought to be lacking the cultural facilities of cities. And it is true that few, if any, towns have an art museum, opera, symphonic orchestra, ballet, or professional football and baseball teams. At the push of a button, however, most of these things can be brought right into the family room via television, so that townspeople are not without all of the urban cultural facilities. More and more towns have their music festivals, theatre groups, art classes, and recreational activities in which the people tend to be participants, not just spectators.

FOR THE RECORD...



SUMMARY	Third Federal Reserve District			United States		
	Per cent change			Per cent change		
	June 1969 from		6 mos. 1969 from	June 1969 from		6 mos. 1969 from
	mo. ago	year ago	year ago	mo. ago	year ago	year ago
MANUFACTURING						
Production .....	....	....	....	+ 2	+ 4	+ 5
Electric power consumed	+ 4	+10	+ 7	....	....	....
Man-hours, total*	+ 1	- 1	0	....	....	....
Employment, total	+ 1	0	0	....	....	....
Wage income*	+ 2	+ 6	+ 7	....	....	....
CONSTRUCTION**	+24	+42	+ 9	-12	+12	+15
COAL PRODUCTION	-11	0	+ 1	- 3	+ 3	- 1
BANKING						
(All member banks)						
Deposits	- 1	+ 6	+ 8	0	+ 5	+ 7
Loans	+ 3	+13	+12	+ 2	+12	+13
Investments	- 2	+ 3	+ 5	- 1	+ 1	+ 3
U.S. Govt. securities..	- 3	- 8	- 5	- 3	-10	- 7
Other	0	+12	+14	0	+11	+12
Check payments***	+ 4†	+24†	+21	+ 3	+18	+20
PRICES						
Wholesale .....	....	....	....	0	+ 4	+ 3
Consumer	+ 1†	+ 5†	+ 5	+ 1	+ 6	+ 5
*Production workers only						
**Value of contracts						
***Adjusted for seasonal variation						
†15 SMSA's						
‡Philadelphia						

LOCAL CHANGES	Manufacturing				Banking			
	Employment		Payrolls		Check Payments**		Total Deposits***	
	Per cent change June 1969 from		Per cent change June 1969 from		Per cent change June 1969 from		Per cent change June 1969 from	
	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago
Standard Metropolitan Statistical Areas*								
Wilmington ..	+ 1	0	....	....	+18	+29	- 2	- 2
Atlantic City ..	....	....	....	....	+ 2	+10	+ 2	+11
Trenton	0	+ 3	- 1	+ 3	-30	+27	- 2	+12
Altoona	+ 1	+ 3	+ 1	+ 3	- 1	+ 9	0	+12
Harrisburg ...	+ 2	- 2	+ 3	+ 6	+ 1	+19	+ 2	+13
Johnstown ...	+ 2	- 3	+ 3	+ 3	-11	+13	0	+13
Lancaster ...	+ 2	+ 2	+ 2	+10	+ 2	+16	+ 1	+11
Lehigh Valley ..	+ 2	+ 1	+ 4	+ 8	0	+10	0	+ 9
Philadelphia ..	0	- 2	0	+ 5	+ 5	+25	- 1	+ 4
Reading	+ 1	+ 2	0	+ 7	+ 3	+16	0	+11
Scranton	+ 2	0	+ 6	+ 7	- 3	+ 5	+ 1	+ 5
Wilkes-Barre ..	+ 1	+ 1	+ 1	+ 9	- 2	+15	0	+ 8
York	+ 2	+ 3	+ 2	+11	- 1	+12	+ 1	+ 9
*Not restricted to corporate limits of cities but covers areas of one or more counties.								
**All commercial banks. Adjusted for seasonal variation.								
***Member banks only. Last Wednesday of the month.								