

SEMTA cuts slash county's train, buses

Bus and commuter train passengers in Oakland County will see less service from the Southeastern Michigan Transportation Authority after March 8.

The SEMTA board has laid off 155 persons and will substantially reduce service because of its revenue problems.

"The source of the problem is very basic. Most of our funding comes from a combination from federal, state and local sources, and all of that funding is in jeopardy," said SEMTA's acting general manager, Gary Krause.

"Almost one-third of our budget comes from the federal government, and the president has proposed the complete elimination of this assistance by 1985, with drastic reductions already being imposed."

SIXTEEN AREA bus routes are affected. So are the Oakland area Connector service and Pontiac-to-Detroit Commuter Rail service.

Combined administrative and service budget cuts will save more than \$4 million for the remainder of the current fiscal year and more than \$8 million on an annual basis, said Krause.

The administrative cuts, which began in January, include non-personnel items as well as the layoffs and elimination of unfilled positions.

The 155 layoffs include administrative staff, drivers and maintenance personnel. An additional 61 unfilled staff positions will be eliminated.

Total personnel cuts, including layoffs and unfilled positions totals 216.

"The only options available to us are 1) to make cuts that will virtually eliminate any semblance of a meaningful transit system, 2) find a new source of revenue or 3) a combination of the two," said Krause.

Unless a new source of transit funding is found, services will have to be further reduced, by as much as two-thirds as early as the fall of 1982," he added.

OAKLAND area service reductions include:

- Elimination of one commuter rail round-trip, leaving three daily round-trips.

- Elimination of Saturday Connector service affecting the Royal Oak, Pontiac, Birmingham and Ferndale systems.

- Weekday service hour reductions for the Waterford system.

- Large bus route reductions in service. Affected are the 410 Oak Park, 415/425 Northland, 420 Greenfield, 430 Clawson, 440/450/460 Woodward locals, 445/455/465 Woodward Limiteds, 470 Berkeley, 480 Farmington Hills, 485 Hunter's Ridge, 490/499 Campbell Road, 495 John R, 750 Pontiac Arrow and 842, 850 and 851 Park & Rides, and service to and from Royal Oak Dondero High School.

Schedule information is available from SEMTA customer relations at 962-5515 or 1-800-462-5161.

Budget deals are key to recovery, economist says

By Suzie Rollins Singer
staff writer

Economic recovery could be several months away if President Reagan compromises with Congress to reduce budget deficits, an economist told the Economic Club of Detroit Monday.

Lawrence Chimérine, chairman and chief economist of Chase Econometrics, a private forecasting firm in Bala Cynwyd, Pa., tied budget deficits to high interest rates.

"It will be a consumer-led recovery. But high interest rates are standing in the way," Chimérine added. "Unless the current policies are changed, we will have deficits of \$100-\$200 billion."

"That conflicts with the Federal Reserve Board's slow-money policy. We need to make some adjustments in policies. If future deficits are reduced, you'll see the Fed more willing to bring down interest rates."

CHIMERINE is hoping Congress will agree to further cuts in social programs and entitlements and that the administration will slow military spending or reduce income tax cuts.

"If Congress and the president reach a compromise, you'll see interest rates come down and inflation slow down in the next six months," he added.

However, Chimérine doesn't envision house mortgage rates dipping much lower than 14 percent during the next few years.

Once interest rates are lowered, Chimérine projects that consumers will flood the market with large purchases.

"The car market has already bottomed out. The housing industry is bottomed out. People have been too afraid to buy major items, but there is a pent-up demand for them."

"As soon as the cost of borrowing long-term money comes down, we'll see the economy moving — and that should be in the next few months," he added.

BUT CHIMERINE is opposed to bailout proposals for the housing and thrift industries.

"Bailouts will just extend the problem. The fundamental problem that is blocking housing is interest rates. Houses are still attractive, but people just can't afford them now," he said.

He also noted that Americans shouldn't see major increases in oil prices for about four years.

"Because we have been conserving and finding alternative sources to oil, it is taking away the demand for it," he added.

When referring to the county's economic state, Chimérine shied away from using the term recession.

"A recession is a period of time when growth is temporarily interrupted. There has been no economic growth in the U.S. for four years. We've been in a state of stagnation," he said.

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