

Area economy shows strong improvement

Business conditions improved markedly in the metro Detroit area during September and October, according to the latest survey of the Purchasing Management Association of Detroit.

"Local purchasing managers in October indicated a second consecutive month of higher new order activity and the fewest commodity price declines for any month in more than a year," said David L. Littmann, vice president and senior economist with Manufacturers National Bank of Detroit.

These are the best overall readings for local business conditions since February. PMAD respondents cited the auto finance incentive programs and the new tax law as factors that have helped lift the local economy out of its spring and summer doldrums.

IN OCTOBER, the composite PMAD index stood at 53.0 compared with 53.1 in September.

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Strongest components of the survey were new orders, production and inventories, all seasonally adjusted. All three series were probably bolstered in part by the late summer auto sales surge.

Compared with October 1985, the composite index is down 6.4 percent. Nevertheless, any reading above 50 is considered favorable, suggesting that the metro economy is still expanding, Littmann said.

In the past, he said, PMAD survey results have proven to be a sensitive and often reliable leading indicator of national economic activity be-

cause of the metro area's strong link to factors influencing consumer confidence, durable goods consumption and investment spending.

SEVERAL RESPONDENTS expressed concern over a near-term drop in new orders and the effects of impending layoffs in the automotive sector.

Buying policies for production materials and supplies and for capital expenditures have not changed.

Items in short supply include float glass, non-fat dry milk and whey products (affected by weather and government programs), hot-roll carbon strip, and sugar (East Coast strike).

The PMAD survey report is compiled from monthly responses of local purchasing managers belonging to the 376-member PMAD. The report indicates whether fundamental measures of the economy are stronger, weaker, or unchanged from the previous month.

Deficit is top concern of U.S.-Canada news

Results from a new report released today covering U.S.-Canada trade and other trade issues from July through September shows that, in the more than 2,000 news stories tracked, the top three issues dominating the U.S.-Canada trade scene were the growth of the U.S. trade deficit and its impact on the U.S. economy, protectionist trends in the United States, and "Buy American" campaigns.

Following these three issues were concerns over the stability/instability of the U.S. dollar and job dislocation.

THE REPORT, "Canada/USA Trade Trends," is a monthly content analysis of trade issues, including information on demographics, editorial opinion, and news coverage. Of the 20 industries tracked, the top eight mentioned with the greatest frequency in connection with Canadian trade issues were textiles, softwood lumber, agricultural products,

financial services, Canadian shakes and shingles, oil and gas, steel and automobiles.

The oil and gas industries emerged as the least favorable to free trade, followed by steel. The report states that although overall news coverage of trade issues was generally "anti" free trade by a margin of 3.5-to-1, it should be noted that 55 percent of the news was neutral.

Editorials and letters-to-the-editor articulated "pro" free trade positions by a wide margin, and opinion pieces treated the issue about evenly, according to the report.

Of the nine U.S. regions tracked by Computer Aided Research & Media Analysis (CARMA), the South Atlantic and West Pacific states dominated the coverage. Texas, Colorado, Oregon and Nebraska produced the greatest amount of "pro" free trade coverage, while North Carolina, California, New York and Florida published the greatest amount of "anti"

trade coverage, according to the report.

OVERALL, Wisconsin was the most unfavorable toward free trade with Canada, the report says. In contrast, New Hampshire was the most favorable, the report says. According to the report, President Reagan was the most frequently cited news source in favor of free trade, followed by Clayton Yeutter, U.S. trade representative, and a leading Canadian source of positive comment, Donald Macdonald, chairman of the royal commission.

The top "anti" free trade news sources were Paul Volker, chairman of the Federal Reserve Board; the U.S. Department of Commerce; and U.S. Rep. Ed Jenkins, D-Ga.

The information is based on the American version of "Canada/USA Trade Trends," produced by CARMA, which is Computer Aided Research & Media Analysis, based in Washington, D.C.

Toy train maker will join Lionel Trains as consultant

(AP) — Bob Schuster says he'd rather help give Lionel Trains Inc. a push as an outside contractor than be pulled along as a subsidiary. And to that end, the founder of Delton Locomotive Works Inc. will provide engineering, tooling and product development services to Lionel starting next year.

Delton Locomotive, begun by Schuster in June 1983, will develop a plastic train set for Lionel, he said. The agreement came after Schuster rejected the suburban Detroit toy train maker's acquisition bid six months ago.

"I have no desire to sell to them, and I'm not interested in being a subsidiary," Schuster said. "I was honored, but I have enjoyed my freedom and the versatility without red tape

that comes with a small company."

Lionel entered into the agreement because it wants to expand its ability to make different sizes and types of toy trains, company spokesman John W. Brady said.

But Schuster, whose company is known for its quality, handcrafted brass workmanship, said Lionel made the deal to improve the quality of its product.

THE QUALITY of Lionel's trains had dropped since it tried to cut costs by using low-cost foreign parts and moving operations to Tijuana, Mexico, Schuster said.

Lionel, the largest domestic manufacturer of electric model trains, returned to Mount Clemens last year.

"Lionel had been the standard of quality up until five years ago, and the reason for their decline, I think, is because then-owner General Mills had been using the dollar as the bottom line," Schuster said.

General Mills sold Lionel in 1985 to Kenner Parker Toys Inc., which sold it in April to Detroit real estate developer Richard P. Kughn. Schuster said he believed Kughn, a toy train collector himself, has the money and the commitment to restore quality to the Lionel name.

"Lionel is still the king, the tradition," Schuster said. "I am very honored to be working with them. 'Here's a great company that's been around 80 years, interested in us and thinking we do a quality job. That's very satisfying."

Farmer Jack stores have electronic banking

Electronic banking has come to 34 Farmer Jack stores throughout the Detroit metropolitan area.

The Farmer Jack new "Express Banker" system features Michigan Money Automatic Teller Machines (ATMs) exclusively. Michigan Money, a division of Michigan National Corporation's Personal Financial Services Division, is the state's largest proprietary network.

"As part of the Michigan Money network, Farmer Jack's Express Banker ATMs are programmed to offer a full array of banking services including cash deposit, withdrawal and the transfer of funds. Farmer Jack Express Banker ATMs are also affiliated with the Magic Line System and Network One, which together make up virtually all of Michigan's debit card base.

Robert J. Mylod, Michigan National

Corporation's chairman and chief executive officer, views the "joint venture" with Farmer Jack as part of a larger commitment to customer service.

"Customer convenience for a bank has to be treated like the benchmark value it really is. In the very same way, bringing our ATMs into a store environment is an important link in our commitment to customer service," said Mylod.

Michigan National plans to work with Farmer Jack on the expansion of its electronic banking system in the future.

Michigan National Corporation (NASDAQ: MINCO) is the third largest banking holding company in Michigan with assets of \$7.7 billion. Farmer Jack is owned and operated by Borman's Inc.

Gasoline prices on decline

Average gasoline prices during the past week declined slightly along major state highways but rose in Detroit, reports AAA Michigan.

AAA Michigan's "fuel gauge" survey of 300 stations along major state travel routes today shows self-serve n-lead down 0.2 cent to average 84.3 cents per gallon. It is 19.8 cents less than the full-serve price and

costs from 74.9 cents to \$1.089. Self-serve regular fell 0.1 cent to average 79.4 cents per gallon. It is 19.7 cents below full-serve and varies from 69.9 to 97.9 cents.

Full-serve no-lead dropped 1 cent to average \$1.041 per gallon. It ranges from 79.9 cents to \$1.490. Full-serve regular dipped 0.4 cent to average 99.1 cents.

clarification

The story on alternative post offices in last week's business section should have included The Packaging Store, a national franchise with six area stores. The Packaging Store packages and ships articles ranging in weight from one to 1,000 pounds, using major carriers such as UPS and Federal Express.

Prepackaged items are also accepted, and the stores sell boxes and packaging supplies. Hours are 8 a.m. to 6 p.m. Monday-Friday, 9 a.m. to 6 p.m. Saturday and noon to 5 p.m. on Sunday.

Area stores are located in West Bloomfield at 4653 Farmington Road, 855-5822; Farmington at 32328 Grand River, 474-9730; Southfield at 26087 W. 12 Mile, 352-8955; Novi, 24071 Meadowbrook, 348-0660; Birmingham at 2523 W. Maple, 453-8070; and Troy, 3954 Rochester Road, 680-0993.

A Marketplace item on Marie's Catering omitted the phone number. It is 258-0820.

A stock price was incorrectly listed in "Today's Investor." Cheesecrough-Ponds was selling for 71 1/4 on Tuesday.

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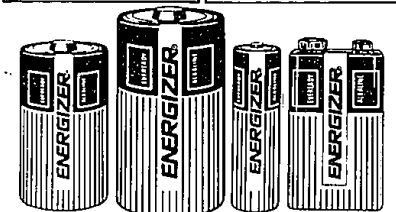
Ruffles POTATO CHIPS
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EASY-OFF OVEN CLEANER
16 oz. **\$2.09**



FRESH START LAUNDRY DETERGENT
67 oz. **\$6.13**



PALMOLIVE AUTOMATIC Dishwasher Detergent
16 oz. **\$1.56**



DYNAMO 2 LIQUID LAUNDRY DETERGENT
64 oz. **\$2.70**



Fabric Softener in FAB LAUNDRY DETERGENT
128 oz. **\$6.55**

Discounted Beer & Wine

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• GROSSE POINTE—Mack at Moross
PHONE: 681-0210
• LANSING—Delta Center
PHONE: 323-0840
• SOUTHFIELD—The Corners
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