

business people

MARCIE BROGAN has rejoined W.B. Doney and Co. in Southfield as creative group supervisor. She worked the past six years for ad agencies in England, Holland and Belgium.

JIM HAYS of Birmingham, project manager at Smith, Hinchman & Grylls, a Detroit architectural, engineering and planning firm, was appointed an associate of the firm.

JOHN MANDRYK and **BASIL TOMINNA** have joined Land Realty & Investment Co. of Southfield. Mandryk was in management purchasing at Ford Motor Co. and Tominna was a civil engineer with Detroit Water and Sewerage Department.

JERRY HORTON was appointed casualty manager for Marketfinders

Inc./Burns & Wilcox Ltd. of Southfield. He was manager of Bituminous Insurance Companies in Michigan.

MYRON LABAN of Bloomfield Hills, chairman of the division of physical medicine and rehabilitation at William Beaumont Hospital in Royal Oak, was elected to the board of governors of the American Academy of Physical Medicine and Rehabilitation.

THOMAS CARNEY was named general sales manager at Stouffer's Northland Inn in Southfield. He was Detroit area sales manager for Holiday Inns Worldwide Sales.

RAYMOND LYONS of Bloomfield Hills retired as vice president for employee and public relations for Fruehauf Corp., a position he held since 1969.

Soaring credit costs create bleak outlook

By TIM RICHARD

The 1981 economic outlook seems to be: "Wait 'til 1982."

Recovery from the deep 1980 recession will be slight until later in the new year, and any exuberance should be saved for another year.

That picture — neither optimistic nor pessimistic — emerged from business leaders discussing the overall economy and the auto industry at a packed Detroit Economic Club luncheon Monday in Cobo Hall.

PAUL TIPPETT Jr., president of American Motors Corp., Southfield, and Dr. Marina von N. Whitman, vice president and chief economist of General Motors Corp., said 1981's recovery won't follow textbook rules.

"In a cyclical business such as the auto industry, one expects the sales curve will bounce back right after it hits bottom," said Tippett. "But that won't necessarily be the case in 1981."

The reason: high credit costs and other "imponderables."

On an \$8,100 four-year car loan, a 16-percent bank loans cost the buyer \$900 more than a 12-percent rate. Tack that on top of high sticker prices, and the picture is scary to buyers, he said.

And high interest rates are particularly tough on dealers, Tippett said, because "dealers are in a terrible dilemma. To keep their finance costs down, they must reduce their inventories to bare bones. But when they reduce their inventories to bare bones, the lose a lot of sale, because they don't have the right cars in stock."

The AMC president said the industry consensus (four manufacturers and eight major suppliers) is that 10 million passenger cars and four million trucks will be sold in 1981, up 11 percent over the 1980 model year.

"Of the industry's 1981 car estimate, 7.5 million cars are expected to be domestic makes, and 2.5 million will be imports."

"For the truck estimate, we came up with about 2.5 million domestic trucks, 500,000 imports," he said. The picture meant imports would decline 1 or 2 percent from their current 27 percent of the market.

DR. WHITMAN, assessing the overall economic picture, agreed continued high interest rates and inflation would block a textbook recovery from the recession.

"The high level of inflationary expectations that is becoming increasingly embedded in our economic structure is bringing about profound changes in traditional relationships," she said, citing:

- "Savings rates are down substantially from their historical averages.
 - "Credit usage has increased significantly.
 - "Inflation premiums on fixed-interest debt instruments have soared.
- "There is a growing recognition of the need for more consistent anti-inflationary monetary and fiscal policies."

The FEDERAL Reserve Bank's April 1980 decision to clamp down on consumer credit sent the economy into a tailspin, Whitman said, but consumer confidence has rebounded.

"There has been a significant rebuilding of consumer liquidity" since the credit clamps. "On the liability side of the consumer's balance sheet, there has been a sharp curtailment in debt usage. . . . Real net worth is at a record level."

Growth in the "real" gross national product — as contrasted with the dollar GNP — will be flat in early 1981, but gradual recovery will follow, she predicted. She sees a 2.3 percent growth in real GNP from the end of 1980 to the end of '81.

In addition, businesses will rebuild inventories, because their stocks are low, and this will aid recovery. "Many U.S. businesses are not following the traditional practice of deferring major expenditures until the economy is operating close to capacity," she added. "The anticipated tax cut (under the Reagan Administration) is likely to provide further support for capital spending."

date book

ALL OWNERS, operators and managers of Michigan businesses with fewer than 500 employees are invited to attend a small business forum on how to improve the state's business climate Dec. 11 at the Troy Hilton Inn. The forum is sponsored by the Michigan Department of Commerce and is the seventh of a 12-forum series offered throughout the state for businesses to identify problems and propose ways the state can help improve the economy. For more information, call the Michigan Conference on Small Business at 517-373-0406.

THE DEC. 17 meeting of the Financial Analysts Society of Detroit at noon in the Veterans Memorial Building will feature Sanford Well, chairman of the board and chief executive officer of Shearson Loeb Rhoades Inc. Reservations requested before Monday by calling Ann Simmonds at 225-3046. Cost is \$6 for members and \$7 for guests.

THE WORLD of Real Estate and You is the subject of a free seminar 7:30 p.m. Dec. 18 at 1045 Novi Road north of Eight Mile, presented by Real Estate One. The seminar is designed to answer questions about real estate and career opportunities. For more details, call Pat Tassie at 348-6430.

THE DECEMBER meeting of the Western Wayne County Chapter of the National Association of Accountants will be tonight at 7 p.m. at the Stag & Hound, 26207 W. Warren. Robert Swistock, treasurer of Patrick Petroleum Co., will speak on oil and gas reserve recognition. For reservations, call Nicholas Dazio at 972-7426.

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Firm continues family management tradition

Thursday rates as a special day for the H&H Tube & Manufacturing Co. of Southfield.

The company celebrates its 50th anniversary under a third generation of family management.

C.H. Higgins Jr., president, follows in the footsteps of C.H. Higgins who stepped down from that post in 1977. He remains as chairman of the board.

C.B. Higgins, company founder, originally joined with his brother, H.A. Higgins, to form the Wolverine Tube Co. which was sold. They then founded the Higgins Brass Co. which was bought by Revere Copper and Brass Co. After serving as Revere's general superintendent, C.B. Higgins left to establish H&H on Milwaukee Avenue in Detroit

in 1930. Ten years later, he moved to expanded facilities on Forman Avenue. When C.B. Higgins died in 1953, management of the firm passed to his son, C.H. Higgins.

Under C.H. Higgins' leadership, the company expanded its product line and added new production facilities.

And now, under C.H. Higgins Jr.'s presidency, the company moved into expanded corporate headquarters in Southfield and began developing product applications for the solar energy industry.

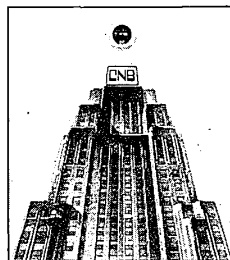
Another member of the family, Larry, is vice president of engineering. The firm is a major supplier of copper and brass tubing and parts for automotive, plumbing and air conditioning industries.



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