

# Business

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## Family ties 5th generation keeps Macauley's humming

By Kevin S. Merrill  
staff writer

In the Old Union Depot Building on East Jefferson, James P. Macauley set up shop and opened his doors to sell magazines, books and stationery. Almost 119 years later, a Macauley still oversees the daily operations of that business, making it perhaps the oldest family-owned business in the state.

Four generations of Macauleys have followed at the helm since that opening in May 1869. And while the built-in securities of working in a family-owned business seem to limit job security anxieties, it can also produce frustrations, especially when it is so easy to bring the business (at least its name) home every night.

"Psychologically, it's easier," said Maureen Macauley, vice president of merchandise who oversees the company's three buying divisions: furniture, machines and supplies. "But there are frustrations. You don't leave the business when you leave at 5:30."

Macauley's, privately held, is headquartered in Oak Park and posts annual sales of \$22 million. With 14 stores, it employs 240. The company plans to pursue a course of steady growth, opening one store each year for the next five years.

At various times in its history, Macauley's stocked fireworks (family records record a sale to Henry Ford in 1912), bicycles and textbooks. It wasn't until after the Depression that Macauley's began to specialize in office products.

MAUREEN'S FATHER, Jack, is the great-grandson of James Macauley, and now serves as the chairman of the board after 24 years as its president, overseeing an expansion of the business from beyond just office supplies to include office furniture and computerized inventories for business. Even as chairman, he conducts inspections of all stores.

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— Jack Macauley

awarding a trophy and cash bonus at the location named best store of the month.

Jack Macauley said that since each successive generation has "cut its teeth" on the business, they tend to be more interested and committed than other employees.

"The discussions with my father (Arthur) were business, business," he said. "In a way, we're all our own job security."

It is so difficult to classify a business as family owned that the state does not even maintain statistics. A single proprietor could classify as a family-owned business, for example. In general, the more generations that are involved, the more the business comes to label itself as a family-owned business.

Now in its fourth generation of family-run ownership, R.L. Polk Communications in Detroit — a \$200 million a year business involved in directory publishing, automotive statistics and marketing services — is led by Steve Polk, whose grandfather founded the company in 1870. He recalls an upbringing similar to those mentioned by the Macauleys.

"IT WAS a presence I grew up with. I've never known it any other way," he said. "It was just there." Steve, who studied biology at Northern Michigan University, became employed at the company in 1981 and moved on to become its executive vice president following the death of his brother in 1984.

For the Macauleys, working in a



For close to 119 years, the Macauley family has stocked stores with items ranging from quill pens to bicycles to computer supplies. Marie and Jack Macauley (seated) represent the fourth

generation; their daughter Maureen and son Mark represent the fifth.

family-owned business does not automatically mean corner suites and summers away at the beach. Mark, the current president and a Canton Township resident, started as a stock boy at 16. His father, Jack, a Bloomfield Hills resident, started with a duster and a broom at 12.

And, of course, there is always sibling rivalry. "We gave each a different corner (to work in)," said Marie

Macauley, mother of Mark and Maureen. "That made sure they got along," she added facetiously.

THE JACK MACAULEYS have two other grown children: Nancy Pett and Pettie Sophia. Nancy's husband, David, is vice president of sales and marketing. They live in Rochester Hills.

Each successive generation has felt the pressure to work harder, to

earn their place and respect among the other employees. "As parents, we expected them to work harder," Marie said. But "if the company goes belly up," she continued, "we have no one to blame but ourselves."

That sense of common purpose unites the family, but the constant pressure and exposure to the demands of the business can become taxing.

"The discussion doesn't stop at 5 p.m.," said Mark. "I may see someone at the house and the discussion may carry over."

"Usually a family-owned business like ours runs out of family by the third generation. We've been able to continue because we do keep up with the changes of times and because each generation has naturally wanted to work in the company."

## Sanctions 'deny South African blacks opportunity'

By Susan Steinmueller  
staff writer

A flourishing South African economy would speed change and help blacks there and in other African countries to become self-sustaining, an official of the country said last week.

Sanctions against the country are hurting those they were designed to help as slow economic growth prevents increased job opportunities for South African blacks and takes educational and social opportunities from them, said Daniel Smith, consul general of the South African consulate in Chicago, while visiting Detroit last week.

"The big disadvantage of sanctions is that it curtailed the South African growth, and we don't have the growth rate we should like to have to create employment for people that come on the market," said Smith. "We believe that political reform and economic reform can be separated. Educational and economic progress are part of the same package."

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**'If people want to have change in South Africa, they have to realize that South Africa should be put in a position to make progress in the economic field. We need investment and knowhow from other countries to expand.'**

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BLACKS in South Africa hurt by sanctions, divestment, and disinvestment include those who received jobs and training from American companies that have now pulled out of South Africa, he said.

"The American companies made a positive contribution to the improvement of economic, social and educational conditions for the workers and the independence of the workers," he said.

But blacks from neighboring countries are also hurt. Smith said that South Africa provides employment for an estimated 400,000 legally recognized workers from neighboring countries, while estimated illegal work seekers flowing across the borders number many more.

"We have people crossing Kruger National Park every month to the extent of 1,500 to work in South Africa," he said of some of those illegal workers.

One of the problems is that South Africa has a large third world within its borders, Smith said.

"We need economic growth to narrow the gap between the highly developed first world that we have in South Africa and the underdeveloped third world that we have within our borders. To bridge the gap will take generations. But we are determined to close it as quickly as possible."

Smith noted that after visiting the country last year, a delegation of

black church leaders called upon President Reagan to encourage U.S. businesses to stay in South Africa. "That is to me a positive thing," he said.

OVER THE last six years, about 30 discriminating laws have either been abolished or amended, he said.

He said that blacks in South Africa "still enjoy the highest standard of living for black people in Africa," and per capita, own more registered cars than Soviet Union citizens. "If that is a criteria of a standard of living."

The South African government has also embarked on an active home ownership program for blacks and

promotes black business ownership, he said.

"The big issue now is to work out a basis to what we call a 'broadening of the democracy,'" he said, to give all population groups participation in the parliament.

Because of the Comprehensive Anti-Apartheid Act passed by Congress, South Africa's exports to the United States plunged by 44 percent in dollar terms in the first nine months last year, he said, quoting from a South African business daily newspaper.

And exports in a range of banned goods and commodities, including uranium products, coal exports, gold and silver bullion, and shellfish,

plummeted to nothing. In all, exports to the United States nosedived to \$1.01 billion from \$1.82 billion from January to September 1987, while imports from the United States edged up to \$10 million from \$863 million in the same period.

SANCTIONS may have slowed the economy, but they have not crippled it.

In fact, total exports increased marginally in the same period, indicating the country succeed in finding alternative markets to the U.S., he said.

The government is also adjusting policies to keep the economy strong.

## Tax laws influence investments

Uncle Sam giveth, and Uncle Sam taketh away. That seems to sum up the impact of the Tax Reform Act on investment strategy, especially one that seeks tax write-offs.

Investment income is now taxed at the lower rates in effect under tax reform, according to the Farmington Hills-based Michigan Association of CPAs. But real estate, oil and gas, and other investments whose tax benefits often appealed to investors, have been stripped of many of their tax advantages. Stocks, gold,

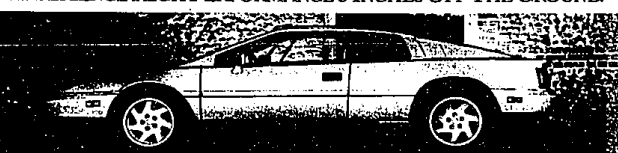
### practically speaking

collectibles and other investments all are affected by the repeal of favorable long-term capital gains treatment — the provision often cited as being tax reform's most far-reaching implication for investors.

As of Jan. 1, 1988, the sale of capital assets that have been held longer than six months lose the preferential capital gains tax treatment. All capital gains are now treated the same as ordinary income. One hundred percent of your net investment profit is to be included, along with your wages, in your regular income. Whether long-term or short-term, gains and losses in general must be accounted for separately because there is a limitation on the amount of deductions that can be generated by capital losses in any one year. If you have net investment loss, you may deduct up to \$3,000 of it (\$1,500 if married, filing separately),

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