

Politicians don't want to cut auto emissions

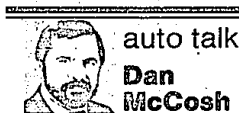
A fundamental part of the American psyche is a nagging suspicion that the auto industry is somehow holding out on them — that somebody knows how to make a car that runs on water, or flies over traffic jams, or can be rammed into the front of a ready-mix cement truck with impunity — but such a car will never be built because the bigwigs in Detroit are too insular to do it, or have formed a conspiracy to keep some little guy's invention in a closet.

Actually there is some substance to this suspicion, since the bigwigs in Detroit are pretty insular, and established automakers have been sitting through various schemes and proposals for so long they are jaded and

would probably toss a guy with a car that really did run on water out without trying a tankful.

THERE ALSO is the basic track record of an industry that, while not inventing things as fast as they used to, still managed to cut its fuel consumption in half and clean up about 80 percent of its noxious exhaust emissions in a decade or so of engineering — a feat that lends some support to the theory that they really can do some improving if something forces them to.

Still, there is something disconcerting about the recent initiatives to toughen emission standards and reduce gasoline consumption in the United States by legislating im-



auto talk
Dan McCosh

proved average mileage for the new car fleets sold in this country.

I have a suspicion that these are a couple of politically easy routes to follow, sort of like protecting baby harp seals, less influenced by logic as a feeling somebody out there has some easy answers to tough questions.

By now it appears we may well be drowning in our own carbon dioxide, laying the groundwork for a revival

of the age of renewables with our reluctant consumption of fossil fuels. At least with gasoline today only slightly more expensive than water, this is the main argument proposed for forcing higher average fleet mileages on the domestic and European auto industries.

IF THERE were a serious concern about gasoline consumption, one of the few direct solutions would be a

direct regulation of gasoline consumed — real card-carrying gasoline rationing. Anything less is unlikely to put a real dent in the national consumption, since improved fleet averages are quickly offset by anything from booming light truck sales, the huge existing supply of gas-guzzlers on the road or more trips to Yellowstone in the summer.

Likewise, a program to confiscate the cars of the poor would be the most dramatic solution to auto emissions. It's obvious that aging hogs, spewing oil fumes and lacking even an uncracked pane of glass, dump enough condensed acid rain into the atmosphere that a hundred modern ozone-free cars can't offset them. Instead of these possibly effective

— albeit radical — solutions, we have a president pledged to maintain the low price of gas, let alone supporting gas rationing, and local emission inspection laws similar to the tri-county area's that simply exempt old cars from inspection — or license plates that cost proportionately more for small cars than large ones.

I suspect what is being passed off as a new toughness on the auto industry in Washington is more likely a kind of political placebo, a series of legislative initiatives with little real-world impact on the problems they claim to solve, while the real world goes deeper into its commuting cocoon, with its stereo turned on high.

Tracking the interest on an automobile loan

table 1 (\$1,000 loan)
Repayment of simple-interest loan

loan payable in months:						
interest rate	12	18	24	36	48	60
10%	\$87.92	\$60.06	\$46.15	\$32.27	\$25.37	\$21.25
11%	88.50	60.64	46.73	32.86	25.97	21.87
12%	88.85	60.99	47.08	33.22	26.34	22.26
13%	89.32	61.45	47.55	33.70	26.83	22.76
14%	89.79	61.92	48.02	34.18	27.33	23.27
16%	91.68	63.81	49.93	36.16	29.39	25.40

By Sid Mittre
special writer

At a recent planning seminar I presented the computations behind the monthly payments on various types of loans.

The one method that intrigued most attendees relates to the way the auto loan payments are made. Because of its general interest, this column is devoted to a discussion of auto loan payments, the data for which are provided by John M. Savio, vice president, Michigan State University Federal Credit Union in Auburn Hills.

The amount of actual monthly payments required to retire a \$1,000 financing balance loan at different interest rates and for various maturities are presented in Table 1.

For instance, a monthly payment of \$33.22 is required to retire a 36-month loan at 12 percent interest. A \$15,000 loan would require monthly payments of \$498.30 (\$33.22 x 15). In Table 2 the method of splitting the monthly payments between interest and principal is presented.

Since the monthly payment remains fixed at \$33.22 throughout the life of the loan, interest payments decline while principal payments rise proportionately to keep the monthly payments fixed.

The total interest over the 36-month period on this loan is \$195.92. On a \$15,000 loan, the interest would be a whopping \$2,938.80.

Seminar: "Planning strategies for the young and successful," "How to tame the volatile market," "Long Term Health Care," "Annuities — the only tax shelter left" and "Retiring — your best financial choice."

The seminar, sponsored by the Observer & Eccentric Newspapers and Coordinated Financial Planning, will be 7-9 p.m. Tuesday, Sept. 12, in the offices of Coordinated Financial Planning, Sheffield Office Park, 3250 W. Big Beaver, Suite 540, Troy. For reservations, call 643-8888.

Sid Mittre is a professor of finance, School of Business at Oakland University and owner of Coordinated Financial Planning.

table 2 (\$1,000 at 12%)
repayment of 36-month loan

	outstanding loan balance	monthly payment	interest	principal
1	\$976.97	\$33.22	\$10.19	\$23.03
2	953.52	33.22	9.77	23.45
3	929.84	33.22	9.34	23.88
4	905.92	33.22	8.90	24.32
5	881.76	33.22	8.46	24.76
6	857.36	33.22	8.02	25.20
7	832.71	33.22	7.57	25.65
8	807.82	33.22	7.13	26.09
9	782.68	33.22	6.68	26.54
10	757.29	33.22	6.23	26.99
11	731.64	33.22	5.77	27.45
12	705.74	33.22	5.32	27.90
13	679.59	33.22	4.86	28.36
14	653.19	33.22	4.40	28.82
15	626.54	33.22	3.94	29.28
16	599.64	33.22	3.48	29.74
17	572.39	33.22	3.02	30.20
18	544.79	33.22	2.56	30.66
19	516.84	33.22	2.10	31.12
20	488.54	33.22	1.64	31.58
21	459.89	33.22	1.18	32.04
22	430.89	33.22	0.72	32.50
23	401.54	33.22	0.26	32.96
24	371.84	33.22	0.00	33.22
25	341.79	33.22	0.00	33.22
26	311.39	33.22	0.00	33.22
27	280.64	33.22	0.00	33.22
28	249.54	33.22	0.00	33.22
29	218.09	33.22	0.00	33.22
30	186.29	33.22	0.00	33.22
31	154.14	33.22	0.00	33.22
32	121.64	33.22	0.00	33.22
33	88.79	33.22	0.00	33.22
34	55.59	33.22	0.00	33.22
35	22.04	33.22	0.00	33.22
36	0.00	33.22	0.00	33.22
Total	1,195.92	1,195.92		1,000.00

Business pays when management plays favorites

John had been working at a busy video sales and rental business for less than a month before identifying a major problem involving his co-workers and his boss.

"Whenever Susan showed up for work on time, she was practically congratulated. She was just another salesperson, but you'd think she owned the place since she could come and go as she pleased."

According to John, Susan almost always had some problem that prevented her from coming to work on time. "I heard her mention car accidents, baby-sitter problems and food poisoning as excuses for being hours late three days in a row. And every time she'd come in late, the manager would just shrug her shoulders and say, 'Susan's got it rough, so don't hassle her.'"

"Although no one else seemed to



focus: small business
Mary DiPaolo

mind, I was hassled. Susan's being late or not showing up for work at all meant extra work for me, and everyone else was forced to cover for her."

It wasn't long before John found another sales position with a competitor. "I know I'm better off for leaving that place, but it still grinds me that I was the one who ended up quitting instead of her getting fired as she should have."

John's experience represents just

one of the many employee-related dilemmas facing both large and small businesses. In addition to problems pertaining to tardiness and attendance, other serious concerns involve an employee's avoidance of responsibility, "power" obsession, excessive gossip and theft.

"It wouldn't be bad if employers knew what to do and it still grinds me that I was the one who ended up quitting instead of her getting fired as she should have."

Kathy Kapur, a Bloomfield Hills management consultant, says a specific plan is needed for those who feel victimized in their work.

"First, employees should prepare a list of specific incidents involving co-workers as they happen. Having a record not only helps employees clarify the true nature of any conflict, but can later be presented to upper management."

"No matter how small the organization is, management will want evidence of what happened and when before they respond one way or the other."

Personality conflicts or petty complaints cannot be expected to warrant management intervention, Kapur said. "If a co-worker doesn't like you and the feeling is mutual, it's better to work out the conflict between yourselves rather than get-

ting the boss involved. On the other hand, if serious threats have been made against you, management should be notified right away."

Next week, we will review how absentee business owners often contribute to the problems evident among their employee and manage-

ment staff.

Mary DiPaolo is the owner of Mary's Treasures, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Chamber Perspectives."

business people

Dr. Schreyer V. Hamill has moved his general dental practice to 751 Chestnut, Suite 105, Birmingham. A graduate of Brother Rice High School, Hamill had been in Farmington Hills for the past five years. The new telephone number is 642-3320.

Peggy Sadowski of Bloomfield Hills has been promoted to account executive at D'Arcy Masius Benton & Bowles/Bloomfield Hills. Sadowski earned a bachelor of arts degree in communication studies from the University of Detroit.

Bernard M. Alter of Farmington Hills, agency manager for the Century Companies of America, has been awarded the 1989 National Sales Achievement Award by the National Association of Life Underwriters. Alter joined the Century Companies in 1977.

Susan Katz of Farmington Hills has been promoted from associate media director to director of broadcast buying at the Bertine Group Inc. in Birmingham. Katz has been with the agency since 1988.

Lionel Moore has been named director, marketing and sales for MLX Corp.'s Refrigeration & Air Conditioning Group Inc.'s Mid-Central operations in Troy. Mid-Central operations includes National Temperature Control Centers and Thermal Co. Prior to his promotion, Moore was regional manager for NYCO's Mid-Central Region. Responsibilities for 15 locations in the states of Illinois, Indiana, Kentucky and Oklahoma.

Paul A. Rosen of Farmington Hills and Joan Lovell have formed their own firm, Rosen and Lovell, in Detroit. Rosen and Lovell had been partners in the plaintiff's firm Goodman, Eden, Millender & Redorcan.

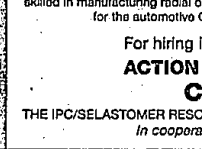
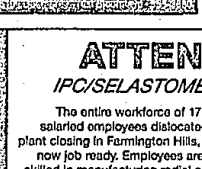
The following people have joined Coldwell Banker Commercial Group in Southfield. They are: Frederick C.



Hamill



Sadowski



datebook

- MARKET STRATEGY
Friday, Aug. 18 — "Planning Your Market Strategy" offered 8:30 a.m. to noon at Wayne State University, 6001 Cass, Detroit. Fee: \$45. Information: Jim Cotto, College of Life-long Learning, 577-6645.
- ARTIFICIAL INTELLIGENCE
Sunday-Friday, Aug. 20-25 — Eleventh International Joint Conference on Artificial Intelligence will be held at Cobo Hall in Detroit. Information: Claudia Mazzetti, 1-415-325-3123. Sponsors: International Joint Conferences on Artificial Intelligence Inc., American Association for Artificial Intelligence.
- ACCOUNTANTS ASSOCIATION
Thursday, Aug. 24 — Oakland County Chapter of the National Association of Accountants meets at 6 p.m. at the Kingsley Inn in Bloomfield Hills to hear "International Taxation on U.S. Businesses." Information: 927-1172.
- QUALITY CONTROL
Thursday, Aug. 24 — Greater Detroit Section of the American Society for Quality Control meets at 6 p.m. at the Michigan Inn in Southfield to hear "How to Get Published." Information: Jerry Bowen, 1-234-1647.

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