

Business

Business Briefs

Taubman Co. forms new group

The Taubman Co., Inc. recently consolidated financial functions within a new financial services group. This organizational realignment was accompanied by the election of Harold Katersky as senior vice-president for financial services and Michael Frank as assistant vice-president and director of information services. Katersky will serve as Taubman's chief financial officer and administrator of the financial services group. Frank will oversee data processing and assume responsibility for developing and implementing corporate information systems. The Taubman Co. is owner-builder-developer of real estate projects around the country and has headquarters in Troy.

Kuhlman acquires specialties firm

Kuhlman Corp. of Birmingham has acquired the assets of Bronson Specialties, Inc., and its wholly owned subsidiary, Bronson Products Co. Bronson Specialties, located in Bronson, manufacturers engineered plastic products for automobiles and trucks. It operates its own tool and die facility. Bronson Products produces a line of specialized close-tolerance machined products. Bronson will be operated as a wholly owned subsidiary of Kuhlman.

State law invalidates leases

Every existing apartment lease in the state will violate the law when Michigan's new Truth in Renting statute goes into effect July 1, according to Steven Victor, president of the Apartment Association of Michigan. To help overcome the resulting problems for apartment management persons, the association will sponsor a apartment management workshop to review the law and provide a model lease which meets the new requirements. The session will be 8:30 a.m. to 5 p.m. March 29 at the Northfield Hilton Hotel in Troy. The workshop will cover the revised Michigan condominium law, the wage and hour law, the economics of mortgaging, security deposit law updates and provisions of the new tax laws that are favorable to apartment ownership. Fee is \$75 for AAM members and \$95 for non-members. Reservations must be made with the AAM, 804 One Northland Plaza, Southfield 48075.

A lighter, quicker turbocharger

A mini-turbocharger featuring a 30 percent weight reduction and 50 percent faster response time is being offered to American automakers by the Marvel-Schebler/Tulstolen Division of the Borg-Warner Corp. Borg-Warner produces more than 100 key components for passenger cars, recreational vehicles, trucks and farming, mining and construction equipment. The mini-turbocharger was designed and manufactured by Japan's Ishikawajima-Harima Heavy Industries. It weighs 6.2 pounds and may be used on either diesel or gasoline equipped engines of 16-190 horsepower. As a result of the reduced size and weight, a 50 percent quicker response time is assured due to the small moment of inertia, according to the maker. The new model is primarily designed for use on compact and sub-compact cars.

AMC president optimistic

American Motors Corp. President W. Paul Tippet Jr. looks for continuing growth of Jeep vehicle sales in Europe and other world markets with the recently-signed Renault agreement. Tippet says AMC doubled its Jeep volume in Europe last year. He says sales potential is being further increased when Renault begins importing and selling Jeeps vehicles in France, probably within a year. "We think France is typical of the European four-wheel-drive market which has increased almost 150 percent the past five years. The picture much resembles the situation in North America, before the four-wheel-drive explosion took place. Four-wheel-drive sales in North America will go over a million units in 1979, compared with 200,000 just a few years ago." AMC now does about 42% million in international sales, mainly from Jeeps vehicles.

Home Show March 17-25

The annual Builders Home, Furniture and Flower Show will open Sunday, St. Patrick's Day, March 17 and continue for nine days through March 25 at Cobo Hall in Detroit. More than 635,000 visitors are expected to attend this year's event, sponsored by the Builders Association of Southeastern Michigan, encompassing more than 300,000 square-feet of exhibits. Advanced sales discounts are now on sale at ticket agencies, saving and loans and banks, participating florists and stores. Advance sales are \$1.75 and have two entry stubs for the mall contest. Door price for adults is \$2.75, senior citizens \$1, and children 6-12, 75 cents.

1st Federal tops \$3 billion mark

First Federal Savings of Detroit has become the first savings and loan association in Michigan and the first outside California to top \$3 billion in assets. Assets totaled \$3,025 billion at the end of February. First Federal reached \$1 billion in July 1977, and \$2 billion in June 1978. In addition to being the state's largest S&L in terms of assets and total deposits, First Federal is the state's largest mortgage lender.

Financial Analysts Society meets

The Financial Analysts Society of Detroit will conduct its next meeting at noon, March 21 at the Veterans Memorial Building in Detroit next to Cobo Hall. Thomas Russell, chairman of the board and chief executive officer, and Robert Hague, senior vice-president and chief financial officer of Federal-Mogul Corp. will be the speakers. Reservations are necessary. Members are \$4, guests are \$6. Call Orville Leiko at 879-1815 for more details.

Future still looks bullish

General Motors Chairman Thomas Murphy continues to be optimistic, sticking to his forecast of a record 15.5 million vehicle sales in 1979. He also said he doesn't expect a strike in the auto industry this year. By September, the UAW will have a record strike fund of \$260 million, enough to provide strike benefits for about 10 weeks.

New sisal panel invention opens home building horizons

By KATHLEEN MORAN

Irv Stollman has seen his dream of providing housing for the world's homeless blossom in just a few weeks into hopes of improving the world's economy.

While it may seem a tremendous step, Stollman now believes his invention of an inexpensive building material may be just the discovery needed to allow underdeveloped countries to build their own industry, employ their own citizens and eventually buy and sell on the world market.

That belief is shared by Lawrence Institute of Technology professor Robert Champlin, who put his senior architecture students on a project which verified the usefulness of Stollman's invention.

Champlin invited the Oak Park inventor to work with architecture students to test the sisal panels for strength and determine how they could be used in the building industry.

"I've also had a dream of finding a way of building houses for \$10 a square foot," Champlin explained. "While Irv is primarily concerned about helping underdeveloped countries, I think it may soon be needed here."

"My own son can't afford to buy a house today," he said. "I think we're reaching the point where people are going to say they've had enough (with building costs) and they'll demand other ways of building homes."

CHAMPLIN'S STUDENTS developed the same enthusiasm for the possibilities of the sisal panels and devoted their 10-week course to determining practical applications. Engineering students tested Stollman's panels and found the substance has many of the same properties as wood but with few of the disadvantages.

The sisal panels, which are made from sisal plant fibers mixed with a resin base, won't rot, are cheaper to produce and are more readily available than wood.

Countries in which the sisal plants already grow wild could more easily be persuaded to build the industry needed to manufacture the panels, noted Ed Etchen, the student coordinator of the project.

One factory is already under con-

struction in El Salvador, prompting students to focus on that Central American country in designing appropriate houses, commercial developments, schools and buildings.

"We figured that where it doesn't upset the balance, the people will accept it more readily," said Etchen, noting that the students designed their buildings in ways which would fit with the lifestyle in El Salvador. Houses, for instance, had large outdoor patio areas.

STOLLMAN SAID the student project proved that his panels invention has great possibilities.

"It was a tremendous step forward," he said. "They helped to show what you can do with it."

"There's no question in my mind that money can be made from this. But after having been in some of those countries, I believe that it's up to us to use our advanced technology to help other countries. If we put our skills to work for other countries, the economies will go up for everyone. Eventually they could buy and sell in the world market and the world will be stabler as a result."

Proof of interest in the sisal panels came at the end of the term when students displayed their model buildings and explained their project.

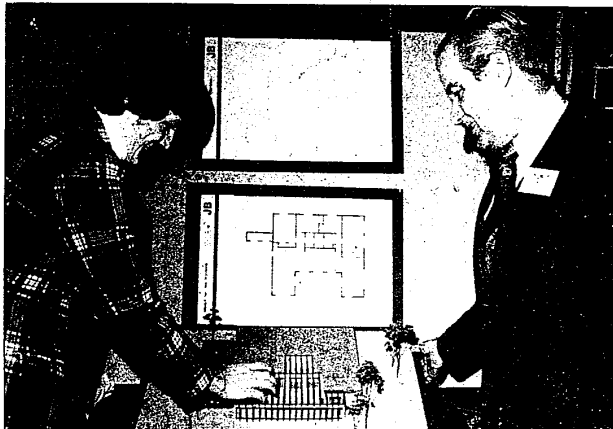
Champlin didn't know how, but the word spread and officials interested in putting financial backing into further research on the sisal panels attended the showing along with others interest-

ed in the low-cost homes.

A group of persons interested in helping relocate Vietnamese to Bolivia thought the sisal panels might help in providing housing for the displaced "boat people." A trucking firm inquired about its use in building pallets for the floors of truck trailers.

And one of the students, Shakir Al-khafaji of Iraq, believes it could be used for the homeless or for temporary employees of oil companies in his native land. His brother, who owns a construction business in Baghdad, will come here this summer to examine the possibilities for Iraq, he said.

As student Jeff Brewer noted: "We got enthused because of the possibility of it becoming a reality some day."



Carolos Gallusser Aguirre (left), a partner in Constructora Sisal, examines the middle income home designed by Jeff Brewer. The 1,650 square-foot home features a large outdoor patio for residents of El Sal-

vadore who are "very social oriented people," he said. It could be constructed for \$16,500, Brewer estimated.

Business activity hits peak

Editor's note: The following regional economic trends report was prepared by the economics department of Manufacturers National Corp. It's a recap of Michigan and Detroit economies for the first quarter of 1979.

Business activity in Michigan, after removing inflation, reached the highest average annual level in the 22 years for which statistics have been collected on business activity.

For Michigan's activity index, the fourth quarter of 1978 averaged 130, off slightly from 133 in the third quarter.

During 1978, economic activity in the state averaged 129 versus 123 in 1977.

This 5 percent gain follows a 7 percent real increase between 1976 and 1977.

Continued diversification of Michigan's economic base is reflected by the fact that motor vehicle production dropped almost 2 percent, whereas non-farm employment increased 3.5 percent and steel output rose nearly 7 percent.

Real activity in the financial sector underscored consumers' desires to "buy ahead of inflation." Debts increased more than 12 percent during the year as demand deposits fell less than 1 percent.

Automobile sales benefited from strong consumer demand rising by more than 2 percent in real terms.

For the Detroit metro area, real expansion in 1978 was a more modest 2.8 percent, but this lifted the index average to 125 versus just under 123 in 1977.

Real expansion between 1976 and 1977 was vigorous in Detroit and the fact that any significant increase occurred in 1978 shows persisting strength.

During 1978, strong construction activity and output of motor vehicles boosted employment.

Non-farm employment rose approximately 3 percent, or an average of 57,000 persons over a 12-month period.

Despite encouraging cyclical gains, Michigan's economy, like the U.S. economy, exhibits a worrisome trend.

The top line on each chart shows a 2.9 percent trend that has characterized average yearly expansion for Michigan and Detroit, 1957 to 1976.

The lower trend line is average annual real growth between 1966 and 1978 (1.5 percent for Michigan and 1.0 percent for Detroit).

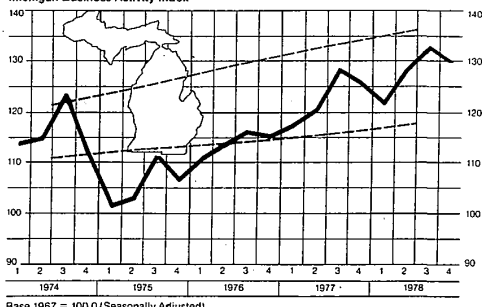
This downshift in growth potential for regional income must be overcome by less inflationary national policies.

Higher rates of saving and capital formation will raise overall growth prospects.

Michigan	1977	1978	1979					
	3RD	4TH	1ST	2ND	3RD	4TH	1ST	2ND
Business Activity Index	129	126	122	129	133	130	128*	125*
Percent Change	+6.6	-2.3	-3.2	+5.7	+3.1	-2.3	-1.6	-2.3
Index of Payroll Income	135	132	128	137	139*	140*	136*	134*
Percent Change	+4.7	-2.2	-3.0	+7.0	+1.5	+0.7	-1.4	-2.9
Detroit								
Business Activity Index	136	123	115	128	135	127	124*	121*
Percent Change	+12.4	-9.6	-6.5	+11.3	+5.5	-5.9	-2.3	-2.4
Index of Payroll Income	132	130	133	134	137*	138*	134*	131*
Percent Change	+3.9	-1.5	+2.3	+0.8	+2.2	+0.7	-2.9	-2.2
*Projected								

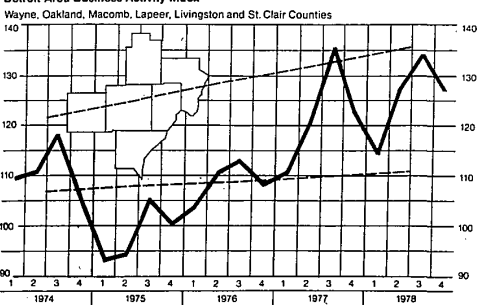
*Projected

Michigan Business Activity Index



Base 1967 = 100.0 (Seasonally Adjusted)

Detroit Area Business Activity Index



Base 1967 = 100.0 (Seasonally Adjusted)

Shaded areas represent recession.