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Auto dealers cope with FTC probe

By Tom Dear
staff writer

Secret agreements? No way. Price fixing? You must be kidding.

Actually, "ridiculous" was the word used most often by Farmington-area automobile dealership spokesmen who were asked to comment on the U.S. Federal Trade Commission's (FTC) investigation into their business practices.

The FTC last week launched its investigation by delivering subpoenas to at least 60 Detroit-area car dealers in an attempt to discover if dealers:

- Have conspired to fix prices on new and used autos, leasing agreements and labor rates.
- Have formed secret agreements to stay closed on Saturdays — a long-time Detroit-area tradition — and most evenings.

The investigation will continue with hearings May 10-18 at the McNamara Building in downtown Detroit. Results of the hearings and documents subpoenaed will be given to the five-member FTC for further analysis.

Martin (Hoot) McInerney, who owns Town and Country Dodge in Farmington Hills and four other Detroit-area dealerships, has been outspoken in defending the auto dealerships' practices.

"I guess that's what our taxpayers' money is going for — somebody makes an allegation and they investigate to find out what it is," said McInerney, who admitted that Town and Country had received an FTC subpoena.

"When they find what it is, it's

going to be the most ridiculous thing in the world. It's ludicrous and ridiculous, but I guess they've got to look into it."

ROBERT C. JONES, an FTC attorney whose name appears on the subpoenas, said that he "was not at liberty to be a source of information" about the investigation.

"I can tell you that there is no public investigation into the Detroit dealers," said Jones last Thursday from his Washington, D.C., office.

"The FTC has a general policy, which I am not at liberty to vary from, that in non-public investigations we neither confirm nor deny even the existence of the investigation."

Jones did say, however, that no charges have been made against the dealers.

Asked who initiated the complaints against the dealers, Jones said, "We don't divulge how we decided to look into anything. In fact, it would be inappropriate to assume that it was brought to our attention by virtue of a complaint."

But an executive in a Farmington Hills Pontiac dealership had what he called "just a seat-of-the-pants opinion" on who complained to the FTC.

"It may be that union brought the complaint," said Keith Wilson, general manager of Bob Sellers Pontiac on Grand River. "The Teamsters and a couple of others have been trying unsuccessfully to get the (auto) salesmen organized for a long time."

Wilson also criticized newspaper coverage of the probe, claiming that the front-page stories appearing in both Detroit dailies were "done in a negative manner."

Concerning the investigation itself, Wilson said, "I don't know what they're looking for, but there's no price fixing and no collusion as they say in the Free Press."

"They (the complainants) are trying to say that people can't shop on a Saturday at a dealership. There was nothing said about trying to get anything done in a government office after 3:30 on a Friday, or trying to find a doctor on a Wednesday."

CRITICS OF area dealerships have long complained that the businesses are closed on Saturdays to prevent buyers from shopping around and comparing prices for the best deal.

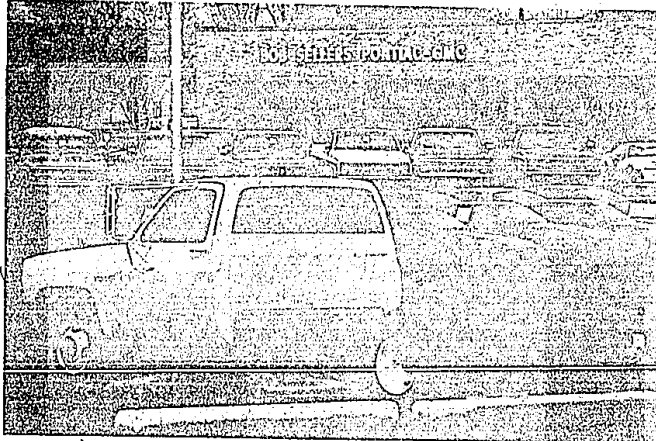
Auto dealers in some parts of the country — California, for example — are open seven days a week and most evenings, critics have said.

But many dealerships, executives support the Saturday closings, claiming that the financial institutions needed to make a deal would be closed, and that there would be little business, anyway.

"Used car dealers are closed (on Saturday), too, and they're not even affiliated with any franchise," said Town and Country's McInerney. "Why are they closed? Why do doctors take off on Wednesdays? Why do barber shops close on Mondays?"

HENRY FREISER, vice president and general manager of Leo Adler Datsun in Farmington Hills, said last Thursday that he had not received a subpoena. He also said he "went with the trend" on being closed Saturdays.

"When I first took this place over in December of 1981, I was surprised that I couldn't be open on Saturday," Freiser said. "I was told that the



RANDY DONIST/staff photographer

Auto Dealers from around the Farmington/Farmington Hills area say the recently announced federal investigation into the business will show

that, at least in this part of the country, nothing is amiss.

salesmen have some kind of feeling for the fact that they work on Mondays and Thursdays late, and that they wouldn't cooperate with being open on Saturdays here in Michigan."

Freiser, who called the FTC probe "ridiculous," said he came to agree

with the Saturday policy.

"This has been going on for years and years," he said. "I'd like to know who's complaining about the dealers not being open on Saturday. Who's really trying to make a change?"

"If people would only realize how many hours of work they sales people put in. They work a minimum of 45 to 48 hours a week, and it's hard work. You open Saturdays, and you'll have some of these guys working more than 50 hours a week."

Orchard Lake left turn can be hazardous move

By Joanne Maliszewski
staff writer

When Connie Galyon saw the latest car accident occur in front of Hunter's Square mall on Orchard Lake Road last week, it was the last straw.

Tired of witnessing the traffic congestion along Orchard Lake Road south of 14 Mile, Galyon called Farmington Hills police and the Oakland County Road Commission. The Farmington Hills resident works for the Summit Agency across the street from the mall.

"We put in a complaint to the road commission to see if they can't stop left-hand turns," Galyon said. "They took the complaint and said they would get copies of police reports of the accidents in that area."

Summit Agency employees can see Orchard Lake Road from their office and have seen several accidents in the last year and many more near accidents, Galyon said.

"They (motorists) have to sit in the left turn lane until traffic clears."

The latest accident, in which Wilma J. Pearson, 66, and passenger Dorothy Haire, 52, were injured, occurred just after 1 p.m. April 23. Pearson was southbound on Orchard Lake Road when another driver drove from a private drive into Pearson's path.

Ernest Miller of the Hills' traffic division also asked the Oakland County Road Commission last week to check the traffic situation along Orchard Lake Road in front of the mall. But Miller indicated that he doesn't see that section of the thoroughfare "as a big

problem."

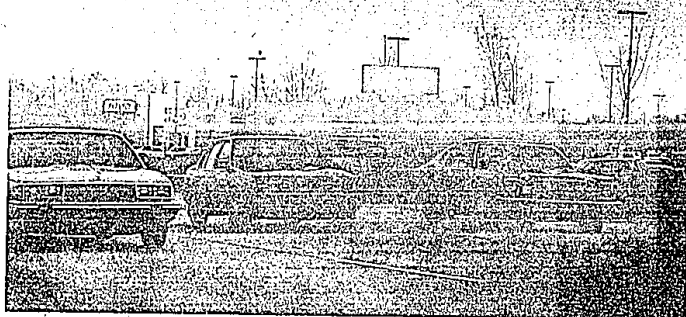
Motorists tend to use the middle lane of the five-lane street as a holding lane rather than solely as a turn lane as it was intended, Miller said.

While some cars are using the lane to turn, others are using it to wait until they can fall into the line of traffic, he said.

While waiting for police and emergency personnel to arrive at the scene of last week's accident, motorist Bob Abramovich of Southfield stopped to help direct traffic around the tangled cars in the middle of Orchard Lake Road.

"He did a terrific job," Galyon said.

When Abramovich completed his task, employees from the nearby Almamary's Florist and Gift Shop presented him with a bouquet of flowers for his efforts, Galyon added.



RANDY DONIST/staff photographer

This is an example of how north end southbound traffic travels toward each other in the turn lane on Orchard Lake Road in front of Hunter's Square mall. The motorist in the car at the right is using the turn lane as a holding lane, waiting

until traffic clears to enter the northbound lanes. Meanwhile, the motorist in the car at the far right is waiting in the mall's entryway to pull into the southbound lane of traffic.

Clarenceville sets millage hearing for May 8

By Susan Roelke
staff writer

The Clarenceville Board of Education will hold a public hearing on the proposed 1984-85 millage rate at 8 p.m. Thursday, May 10.

The board proposes to levy 37.90 mills (\$37.90 per \$1,000 of assessed valuation) for operation next school year. The levy would generate \$91,000 in additional property tax revenue for

the district because of increases in the state equalized valuation (SEV). State aid will generate an additional \$100,000 if the 37.90-mill levy is approved.

(State aid is calculated on student enrollment and takes into account the local tax effort. The district projects a student enrollment of 2,050 in kindergarten through 12th grades and 180 in adult education.)

The district includes parts of Live-

nia, Farmington Hills and Redford Township.

Superintendent David McDowell said the extra money will be used to improve student-teacher ratios at all class levels and give students an opportunity to take a sixth academic class per day. Since 1980, most students have been able to take only five academic classes.

The 37.90-mill levy will increase revenues about 3 percent. School officials

estimate total revenue at \$8.4 million for 1984-85.

Although the 37.90-mill operation levy is the same rate as last year, increases in SEV will generate more money for the district. For that reason, the state requires a "truth in taxation" hearing. A millage levy of 37.190 would give the district the same amount of local revenue it had in 1983-84; however, it would have decreased state aid to the district more than \$101,000.

CLARENCEVILLE is an "in-formula" school district. That means it receives state aid to supplement local dollars received. The May 10 public hearing will be in board of education conference room in Clarenceville Junior High School, 30110 Middlebelt.

In addition to improving programs in 1984-85, McDowell also notes that the board must negotiate contracts with the teachers and secretaries unions

this summer. Clarenceville employees have accepted modest wage increases over the years. In 1983-84, teachers and secretaries received a 3 percent raise. The year before, they agreed to a wage freeze.

"Our teacher salaries are low, compared to other districts in Wayne and Oakland counties," said McDowell. (Clarenceville represents both counties since it takes in portions of Livonia, Redford Township and Farmington Hills.)

Police probe sex-abuse case

A 34-year-old Farmington Hills man has been arrested in connection with the sexual assault of a 16-year-old Detroit girl last week.

The man was arrested just after 4 a.m. April 25 and charged with criminal sexual conduct in the first degree,

according to Farmington Hills police. A 47th District Court clerk last Friday refused to divulge information regarding the man's arraignment. The clerk told the Farmington Observer that because the criminal division clerk as well as the two district judges were

not in, she was prohibited from providing the newspaper with such information.

Both judges were gone for the day when the request was made at approximately 2:30 p.m. Court offices are scheduled to close at 1:30 p.m. on Friday.

The 16-year-old girl told police she had been at a Detroit nightclub with three other people. She said she was alone in the back of a car when she was sexually abused. She said she did not know where the attack took place.

OCC registration set for May 1, 2

Regular registration for the 1984 spring semester at Oakland Community College will be 9 a.m. to 8 p.m. Tuesday, May 1 according to an alphabetical schedule.

Students may register at any of the following OCC campus locations: the Auburn Hills Campus in Auburn Hills; the Farmington Hills Campus in Farmington Hills; the Livonia Campus in Livonia; the Redford Campus in Redford Township; the Westland Campus in Westland; the Warren Campus in Warren; the Wayne Campus in Wayne; the Westland Campus in Westland; the Warren Campus in Warren; the Wayne Campus in Wayne.

Registration (813-4000), the Oakland Community College in Union Lake (946-5500), the Oak Park Campus in Oak Park (471-7700) and the Southland Campus in Oak Campus in Royal Oak (967-5700).

Students who are not registered for the spring semester should contact their advisor for a schedule of classes and information on admission procedures.

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