

Gasoline tax hike would help U.S. carmakers

By Dan McCosh
special writer

Glaciers from the last ice age stopped approximately 50 miles north of Detroit 10,000 years or so ago, a fact that today is worrisome to the domestic auto industry.

Not that anybody these days begrudges the need for electric refrigeration for nine months of the year around here, but the receding ice also marked the beginning of a warming trend that eventually filled the Superior and Huron canyons with water, forcing the rudimentary lessons learned in my old high school in Royal Oak.

LIKE MOST trends that don't know where to stop, this warming trend now threatens to move spring break festivities from Fort Lauderdale to Toledo, and continued melting of the polar ice caps could drown

billions worth of Japanese real estate investments in Manhattan sometime in the early 2200s.

All of which would have mainly academic interest to the rest of us except for a report about to be released in Washington by the Environmental Protection Agency that blames the continuing rise in the earth's temperature mainly on excessive fuel consumption by automobiles.

THE EPA'S position is the strongest argument unleashed in Washington in a decade arguing for a significant increase in the minimum corporate average fuel economy — the so-called CAFE regulations adopted as a reaction to the mid-1970s fuel crisis that mandated both minimum acceptable fuel consumption and an overall average, now approximately 27 miles per gallon of gasoline for an individual manufacturer.



auto talk
Dan McCosh

Despite the fact that CAFE regulations were originally proposed by the domestic industry, they quickly became a noose with the rope held by imports, since most foreign-built fleets were far ahead of the domestics in overall economy.

TODAY, WITH the resurgence of interest in high horsepower and baby boomers suddenly discovering the joys of parenthood, even the Japanese fuel economy averages are dropping rapidly for new cars, although the overall average fuel consumption per vehicle continues to

decline as old cars are trashed.

Only a few hand-wringers, notably including myself, remain concerned about the consumption of energy again running amok. I never really forgave the state of Michigan for tripling the cost of license plates for my VW Beetle in the midst of an energy crisis — a counterproductive policy decision if there ever was one. But I digress.

TODAY, THE concern over energy is not being driven by running out of the stuff, but the observation that burning certain fuels increases the

amount of carbon dioxide in the atmosphere. Carbon dioxide, in turn, contributes to the so-called "greenhouse effect," which is similar to leaving a car with a black interior with the windows rolled up on a hot summer day.

If global warming seems a bit abstract, the proposal included in the pending EPA report is not. Hearings will soon commence on proposals that include raising corporate fuel economy requirements approximately 30-50 percent in the next decade.

THAT WOULD result in a huge shock to a domestic industry only now beginning to recover from the reluctance of its customers to buy its efforts at fuel-efficient automobiles. Few technos today believe there is much room left for fundamental improvements in engine efficiency.

Improving CAFE thus means cutting sales of large cars and increasing sales of small ones.

Doing this with gasoline at less than a buck a gallon means domestic automakers once again would be prohibited from selling their most profitable, popular car lines, while imports from low-labor-cost countries capable of building small cars profitably would be heavily favored.

DESPITE THE problems inherent in such a proposal, CAFE is still the route favored by an administration reluctant to advocate a gasoline tax — the main alternative that would likely also achieve the goal of improved fuel economy but leave the choice of what to buy in the hands of the consumer.

Then again, maybe Toledo wouldn't be such a bad place for spring break after all.

Questionnaire helps spot workplaces hurt by drugs

To help identify a drug-impaired workplace, Marilyn Graham, administrator for Starting Point Programs in Sacramento, Calif., developed a questionnaire for use by business owners and managers. Respondents are asked to look for "yes" answers in clusters of two or three to create a pattern indicative of wasted employee time and abuse of privileges.



focus: small business
Mary DiPaolo

- Has there been a recent increase in theft?
- Are there more strangers in and around your building?
- Do your employees visit their cars at odd times?
- Do employees go to the rest room or locker room often?
- Are certain employees preoccupied or in a daze?
- Is there an increase in accidents with equipment?
- Are your workers' compensation claims rising steeply?
- Are certain employees always too casual about safety measures?
- Has your product-rejection rate risen?
- Are you receiving more service complaints?
- Is afternoon work generally inferior to that done in the morning?
- Has there been a rise in absenteeism especially on Mondays, Fridays and during holidays?
- Are the same employees frequently tardy? Absent? Forgetful?

- Are more grievances being filed?
- Is there more illness, especially colds and "flu"?
- Does one group of employees create most of the discipline problems?
- Are employees taking longer coffee breaks and lunches?

In their book, "Drugs and Alcohol in the Workplace," Graham and co-author Drusilla Campbell state that employees who are chemically dependent show varying symptoms of abuse, depending on the drugs being used. For instance, users of cocaine may often be the most highly motivated, creative and energetic people on the payroll.

"Even after addiction, the impaired employee will still go through periods of outstanding work performance. Alternating with these, however, will be radical mood swings that make him or her difficult to work with and impossible to

correct or make suggestions to." Most common among regular users is an "I couldn't care less" attitude accompanying delusions of grandeur ("At least I made it into work today; they'd be lost without me."). Physical symptoms include habitually licking the lips, jitters, loss of appetite and energy, continual sniffling and unexplained heart palpitations. "800-Cocaine" by Dr. Mark S. Gold is a book that is recommended to employers who suspect cocaine abuse among employees.

For additional information and sources of employer-related assistance, readers can contact the National Drug Hotline at 800-241-9746 or the Drug-Free Workplace Hotline at 800-843-4971.

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

IRS prepares for nuclear war

Recently I wrote a column on what to look for in a financial planner. Today I present a chart that puts the planner selection process in a different light. I hope that you will benefit from it.



finances and you
Sid Mittra

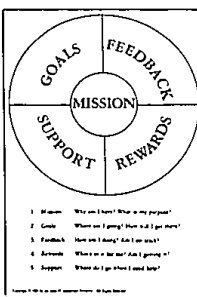
The IRS in peace and war

Believe it or not, on Dec. 14, 1988, the IRS published the following information in the Internal Revenue Manual, Sec. 1 (16) 25.1 through 1 (16) 25.3:

When it comes to collecting taxes, nothing deters the IRS. Not even nuclear war. The IRS recently issued a plan for continuing its operations in the event of a nuclear attack or other national emergency.

Should Armageddon occur, survivors will be pleased to know that the IRS will be prepared to (1) assess, collect, and record taxes within 30 days after termination of the immediate post-attack period; (2) analyze and report upon emergency tax legislation; and (3) prescribe regulations and forms and issue rulings and technical information of an emergency nature.

Anticipating that it may encounter a few collection problems in the hardest-hit areas, the IRS has established collection priorities. In devastated areas, delinquent accounts will be put on the back burner while intrepid agents concen-



paired, enforced collection of delinquent accounts will be continued."

So the message is clear: You will be treated with care by the IRS, whether there is war or peace.

Educational Seminar: "Medicare Tax — How to Beat It," "Retirement — How to Make the Dream Come True," "Lump Sum Distribution — Safety vs. Return" and "New Tax Law and Annuity Investment."

The seminar, sponsored by the Observer & Eccentric Newspapers and Coordinated Financial Planning, will be held 7-9 p.m. Tuesday, April 11, in the offices of Coordinated Financial Planning, Sheffield Office Park, 3250 W. Big Beaver, Suite 540, Troy.

For reservations, call 643-8888.

Sid Mittra is a professor of finance, school of business at Oakland University and owner of Coordinated Financial Planning.

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