## Retired Ford chairman encouraged good cars

One is fined of the digit says that the basic conflict of the acto bestiness is the car guy against the bean counter. The tinkers and dearners make the things, while the accountants reorganize, cut costs, and eventually moddle things up.

Look at Donald E Petersen, who recently relired as chairman of Ford Motor Co, for example.

panier, cut costs, and eventually produce things up.

Being a car guy of course, is being a good guy, which is the hind of romainte notion that generally inneres that the date banness inevitably is made that the date the same and the date of the course o



have achieved what David Halber-stam, among others, said couldn't be done – pushed car engineering and design a generation floward and gained worldwide respect for the American product.

The decade at Ford that Petersen oversaw brought some fundamental changes in the corporate culture that will take another decade to become fully formed. Probably the most sig

infrient was the laying the ground work for a trily internativeal operation that includes recording the chimks of the basic regions and budget serve many 1 July 1000 for the basic regions of the bas

But the most memorable effort.

But the most memorable effort
was the charge to Ford development
engineers to make the car they really thought was the best car, rather
than the one someone thought would

self. The results was the Taurus of a basic chasen often misted as a styling treatment and as a styling treatment and as a styling treatment and the control of the control

Toro had a sat gog at the log-

## Deduct interest on most home loans

First of two parts

interest category

qualified residence

investment interest

business interest

passive activity interest

consumer interest

nterest

The current tax rates pertaining to deductions for interest costs are extremely confusing.
 In this column 4 will clarify these.

tules to the best of my ability. To do so properly will take two columns, so this first part will deal just with home mortgage loan interest.

The new tax rules significantly affecting the deductibility of various types of interest expense are summarized in the accompanying table. A completely new set of rules ap-

Interest on indebtedness secured by any property that is a qualified residence of the laxpayer, plus

Interest on debt incurred to carry

Interest on loans taken to operate a business

Interest expenses generated in carrying out passive activity in which the person does not materially participate

Interest on personal loans

Deductibility of interest expenses

one other residence

property that is held for investment

plies to the qualified resident interest expense

INTEREST PAID on first and sec-ond home mortgage loans is deducti-ble to the extent that the amount of the acquisition indebtedness does not exceed \$1 million. The term "acquisition indebted-

Deductibility limited to the lesser of (1) the fair market value of the residence or (2) taxpayer's cost basis in the house. Furthermore, the faw further limits deductions of interest on loans of up to \$1 million and home equity loans of up to \$100,000.

Investment interest is deductible

to the extent of net investment income, which is equal to the amount of investment income over investment expenses. The phase-out rule limits the interest deduction in excess of investment income to \$1,000 in 1990 and

All interest expenses are fully

Deductible only to the extent of

luxpayer's passive activity income Non-deductible interest expenses

during a tax year can be carried forward to future tax years.

deductibility rules

ness is defined as debt that is an exacted in sequentity construction of substantially improving the larguage error planel residence and is secured by such residence.

Interest on home equity loans also is deductible provided the foom does not exceed the fain market value of the residence is coursed by the amount of acquisition indebtdenes that is the mortgage on the residence decree.

amount of acquisition interesting attitudes the frost tagget on the vessioners.

THE ADLINETGATE amount of home equity indebtedness may not exceed \$100 000.

To be negative the total amount of acquisition plus any none equity need on a principal and second exceed the control of the principal and second exceed the control of the principal and the control of the principal and principal and the principal and

The interest on the acquisition debt of \$148,000 will be fully deduct-

The other four categories of inter-est will be covered next week

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

## marketplace

Lundy Computer Graphics opened in actomotive systems group in Southfield The telephone mainter is 353-3577.

firefwood & Hoss opend a Hoches te, store in the Great Oaks Mali on writer, between Lavernois and Ro-chester Hoad in Rochester. The tele-ph-ne number is 650-2960.

Colowell Banker Commercial Group, has completed the sale of ap-proximately \$47 million of common stock to its employees.

Rollins Healthcare Data Systems, Michigan oldest dealer of diffee management computerated systems for health care providers max creat ed a software program to improve the way nealth care professionals record patient appointments.

BE MAX Professionals II Inc moved from its old office in Troy to a newer facility that nearly doubles its size. The new address is in the Biltmore Office Center at 2025 W.

Long Lake Hoad at C. 142 - one new telephone number of section

Intrace Corp. of Tyop can be exclusive monotoctories only about 10 Min Built.

WITEFM in Southfield with the TB-LIB Calingory, amount do fit to mail Michigan Austral and the casters competer in

Michigan National Book of its adopt full separate in a woodward at Brown in Bonningham

Meralian Enterprises in: ...

Volkswagen of America In-Troy appointed Addison Great a to design and publish "The Mi-the company's internal Grapt's newspaper."



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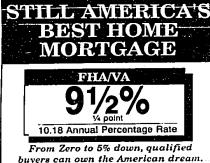
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