Free Enterprise Resists Monopoly

The FOOD DEALER
"The Magazine for the Michigan Food Market"
FEBRUARY, 1972

"GROCER'S WEEK IN MICHIGAN"
February 6 through February 13

The Program – Page 38
Pepsi's got a lot to give

Those boys of yours. They've got a lot to live. So do you. And your family's a big part of it all. Don't all of you deserve the best? That's Pepsi-Cola. Taste, energy, value... Pepsi's got a lot to give.
More than 9,000 food stores and supermarkets throughout Michigan will celebrate their 7th annual “Grocers Week in Michigan” campaign, this year being conducted Feb. 6-13.

Sponsor of the event is the Associated Food Dealers of Michigan (AFD), the food distribution association which represents some 2,200 members around the state. The annual observance will see independent grocers and supermarket operators feature money-saving special sales during the big week-long celebration.

Theme for this year’s campaign is “Proper nutrition is essential to good health.” Reason for the emphasis on health and nutrition is because recent surveys have shown that barely 60 percent of the U.S. population is eating proper, well-balanced foods and dinners.

“There is simply no reason why people of this, the most affluent nation on earth, are permitted to deprive themselves of proper diets and nutritious foods planned around the four basic food groups,” according to Edward D. Deeb, AFD executive director.

The four basic food groups are fruits and vegetables; dairy products; meat, poultry and fish; and finally, breads and cereals.

In conjunction with the annual observance, Gov. William Milliken has issued a special proclamation, as have mayors and city officials, in behalf of the state, cities and the food dealers.

In addition to the special sales at the retail level, several food manufacturers and allied distributors have also planned to tie-in with the seventh annual grocers week celebration.

“Michigan’s supermarket operators and independent grocers have an enviable record in serving the state’s consumers,” said Deeb. “They have consistently offered the best possible products and services at the lowest price for food than anywhere else in the nation.

“Now that’s the true spirit of the free enterprise system in action. We hope it is appreciated.”

Unfortunately, he continued, only a small segment of those residing in the state are aware of the fine track record of all segments of the food distribution system in Michigan.

He attributed lower food prices to the fierce competition which exists between the independent merchants and the supermarket chains. He added that during inflationary periods, as we have now, food merchants are usually and unfairly criticized for higher prices, because food is a basic necessity and price increases are more noticeable, as compared with non-food items.

“Even so, food prices do not increase nearly as much as prices of other goods and services, as appliances and furniture, for example,” Deeb said.

“The main reason for this,” he contends, “is due to the competitive factor between stores, and because food merchants are reluctant to pass on new increases, preferring to absorb the cost through increased sales volumes.”

The food association executive did admit that Phase II of President Nixon’s economic stabilization program was causing some confusion in the industry.

Most of the confusion involves the method of freezing profits and margins at the retail level, but exempting raw products at the farm level, which, he said, paradoxically permits unlimited price increases.

Food distributors at all levels of the distribution channel however, from farmer to consumer, work many long and hard hours to perform vital services in our communities in Michigan, Deeb said. “Grocers Week activities are a fitting tribute to these people, which formally recognizes them as an integral part of both the civic and economic segments of our communities.

Highlight of the week for the food industry will be the AFD’s 56th Annual Food Trade Dinner, to be held Feb. 8 at the Raleigh House. Featured speaker and guest of honor will be U.S. Senator Robert P. Griffin.

Probate Judge George Bashara Jr. will formally install the officers and directors of the AFD. Over 1,500 persons are expected to be on hand for the evening.
ANNUAL PRESIDENT’S MESSAGE

AFD Sets Out To Improve Communications

By ALLEN VERBRUGGE

This month marks the celebration of the 56th birthday of the Associated Food Dealers — and I am happy to report all is going well, and we are growing even stronger. Some 211 new members joined the AFD in 1971, making our total membership well over 2,200 in numbers.

Ours is really an important industry. Even we who earn our livelihood from it, sometimes are prone to take it for granted. For example, the annual gross retail food store sales in Michigan totals some $3.6 billion; nationally, the figure is something like $80 billion, of which about $20 billion of that accounts for institutional food sales, i.e., restaurants, schools, hospitals, etc.

If we took AFD’s 2,200 members alone, and multiplied it by the number of employees of our member-firms, the figure would show some 30,000 persons earning a living from the food industry — and that’s only part of the total figure!

In reviewing the issues of the past year or two, several come to mind, among them are open-dating, nutritional labeling, uniform product sizes and standards, unit (or dual) pricing, and the President’s economic stabilization program and how the freeze will affect us individually, and collectively.

There is no doubt that these issues will remain in the forefront during 1972.

During my term as president, I am planning to step-up AFD’s involvement in all our various areas of responsibility, especially legislation, and work with governmental agencies or bureaus. Too often things occur simply because there is a communications gap. By working closer with all legislators, we can help close that gap.

We will also continue our close working relationships with the various industry groups, as DAGMR, the various Food Brokers Associations, chambers of commerce, etc.

In future columns appearing in The Food Dealer, I plan to expand on various programs so as to give our members background on the issues the AFD board of directors is working on in your behalf.

With the continued dedication and leadership of AFD executive director Ed Deeb, and the guidance and assistance of our immediate past presidents Bill Bennett, Harvey Weisberg, Mike Giancotti, Don LaRose and Jay Welch, I am confident the association will ably serve our industry as an articulate spokesman in the various communities throughout Michigan.

For now, in conclusion, let me say that it is an honor to serve as president of the AFD. You can be sure that I will do everything possible to continue the forward progress of the association, and industry. Without everyone’s assistance, however, the job will be difficult. Please help.
TOP ROW:

**HAMTOWN’S GARDEN BEAN SALAD**
Packed 12 16 oz. per case, also 6 1/2 gal. per case. Shelf life indefinite with proper rotation. Refrigeration not necessary. Contents: Green and yellow string beans, lima and kidney beans, onions, chi chi peas, vinegar and spices.

**HAMTOWN’S KRAUT SALAD DELIGHT**
Packed same as above. Contents: Kraut, onions, celery, red and green peppers, sugar, vinegar, and spices.

**HAMTOWN’S KIDNEY BEAN SALAD**
Packed same as above. Contents: Fancy red kidney beans, celery, onions, red & green peppers, sugar, vinegar, & spices.

**HAMTOWN’S SWEET BEAN SALAD**
Packed same as above: Contents: Beans, garbanzo peas, celery, onions, red & green peppers, sugar, vinegar, & spices.

MIDDLE ROW:

**HAMTOWN’S DILL TOMATOES**
Packed 12 16 oz. per case. No refrigeration required. Contents: Kosher style with fresh dill, garlic, vinegar and spices.

**HAMTOWN’S DELUX KRAUT DINNER**
Packed 12 16 oz. per case, also 6 1/2 gal. per case. Shelf life indefinite with proper rotation. Contents: Sweet & sour cabbage, potatoes, peas, meat seasoning & spices.

**HAMTOWN’S FRESH DELICATESSEN DILLS**

**HAMTOWN’S FRESH MUSHROOM SALAD**
Packed 12 16 oz. and 6 1/2 gal. per case. Shelf life indefinite, no refrigeration necessary. Contents: Fresh mushrooms, garden beans, onions, chi chi peas, vinegar, spices.

BOTTOM ROW:

**HAMTOWN’S BEET SOUP**
Contents: Beets, cabbage, vinegar, seasoning. Packed 12 16 oz. & 12 32 oz. & 6 1/2 gal. per case.

**HAMTOWN’S CABBAGE SOUP**
Packed same as above. Contents: Sweet & Sour cabbage, potatoes, tomatoes, carrots, onions & spices.

**HAMTOWN’S DUCK SOUP**

**HAMTOWN’S MUSHROOM BARLEY SOUP**
Packed same as above. Contents: Fresh Mushrooms, Barley, Carrots, Onions, Tomatoes, Meat stock and spices.
Even-Handedness

I believe the time has come to bring about more even-handedness from governmental protection bureaus, and quit public trails and accusations in the news media concerning companies and individuals until proof or evidence has been found to justify actions.

In this era of consumer protection, zealous government workers and bureaus are out to show the complaining consumer groups that they are on the job. What is not said or printed publicly, is that there are many false alarms which are quite expensive in many cases, and can put a legitimate company out of business.

1—There is the “witch hunt” which is designed to motivate “thought”, complete with news conferences, public accusations and do-gooder speeches. An example of this is the current investigation of our cereal industry and the Federal Trade Commission.

2—Then there is the scare tactics and sensationalism used which will put someone out of business. Or, some food ingredient or preservative is pulled, after having originally been approved and part of the GRAS list (generally regarded as safe). A couple of examples include that of the Food and Drug Administration and Bon Vivant Soups, which put the company out of business; and the FDA and the fiasco concerning cyclamates a couple of years ago. (Do not misunderstand, if food products are found tainted, they by all means should be pulled, to protect the public welfare. It was the publicity given to Bon Vivant which put the company of business, even though the tainted batch was a small portion of the total products produced by the firm.)

3—Finally, there are the false alarms which received so much publicity that it can jeopardize a company’s good name and reputation, besides costing it millions of dollars worth of pulled products. An example of this was the recent case involving Stokely-Van Camp. The FDA quickly issued notice to the news media that a certain batch of products was either tainted or poisonous. Later tests however, proved where the products were perfectly safe after all.

Perhaps if government paid for the loss of products pulled from warehouses or shelves, or take the money from an agency’s budget, there would be less likelihood someone would be put out of business, or sensationalism by the agency.

The point is that a little more thorough investigation of suspect cases and even-handedness rather than scare tactics and sensationalism is not only expected but deserved by our industry.
It's the best dressed displays that have to be rebuilt the most.

When you decorate your displays with bright, warm, interesting point of purchase material, your store takes on selling excitement that pays off in impulse sales. Well-dressed, special displays of Del Monte products turnover because your customers recognize them as an offer of excellent value. We continue to help sell your displays by telling your customers about our quality products.

We reach them on prime time networks and local TV—in the leading national magazines—and in newspapers in many markets. Call your Del Monte representative and ask him about dressing up your displays.
Marketing analysts predict vast changes in the lifestyles of Americans before 1980.

The American population will continue to grow through 1980 and beyond. But the rate of growth will be slower than in the past, and may ultimately approach zero.

The population mix will also change. The population between ages 19 and 40 will increase about 25 percent in this decade, while there will be a decrease in the number of children between five and fourteen.

The country's affluence will continue to increase. By 1980 it is expected that America will have approximately 95 million job holders, and the average family income will rise nearly 50 percent from the late '60's to about $13,800 in constant (1968) dollars.

Families with incomes of $10,000 or more per year will nearly double from about one-third to about 60 percent in 1980. On the other hand, families with incomes of less than $5,000 will decline from about 30 percent to about 17 percent in the 1980's.

This will have its effect on education: more and more families will have the money to send their children on to advanced schooling. The norm of education per individual by 1980 should be 14 years, including two years of post-high school training. This does not necessarily mean college of the traditional kind.

Right now, the rate of increase in college enrollment is slowing while that of enrollment in vocational and technical or business schools is increasing. Just as we may see the four-day week in industry, we may also see a year-round school program. For many, education will continue off and on throughout their lifetime.

Whether industry goes to a four-day week or not, we can rather confidently assume that there will be an increase in leisure time for all, along with almost a doubling of discretionary income. This means people will have more money to spend as they choose and more time in which to spend it. This further indicates an increase in travel, both at home and abroad, with a virtual elimination of provincialism.

Recreational activity and outdoor living should increase, along with an increase in campers and trailers. With spreading affluence, a larger number of families may have multiple homes — a year-round home in one place, a summer or winter home someplace else and a cabin or lodge in the woods or at the lake.

With the growing mobility of our population and with the emphasis of our young on quality, not quantity, in their life styles, long term investment in material possessions may see a decrease. Despite the increase in multiple homes the decade may also see an increase in rented apartments which do not involve young couples in long term mortgages. An increased number of cars and other things may be leased instead of purchased to avoid ownership investment.

Movement to the suburbs is expected to continue by both families and business establishments. Nevertheless, the population of our central cities will remain relatively constant rather than decline, partly because farming operations will require only about three percent of our labor force, with 22 percent engaged in manufacturing and a whopping 75 percent in service trades and professions. However, only the very optimistic believe that the problems of our cities will just go away between now and 1980.

Pollution control will undoubtedly have advanced by 1980 to the point where it affects all American business operations. Government at all levels will be more stringent in protecting the environment.

A wider acceptance of nutritionally adequate, vitamin enriched, instant breakfasts or breakfast snacks is expected as consumer knowledge of human nutritional and vitamin necessities increases. Between meal snacking will show a modest increase.

Despite the fact that the homemaker may be holding a full-time, away-from-home job, she may be faced with providing different menus for different members of the family at the same family meal.

Medical services brought within reach of all income groups, combined with better nutrition should give us larger, stronger and healthier children with the majority of past childhood diseases permanently eliminated.
A Message from Governor Milliken

January 13, 1972

Associated Food Dealers
Annual Food Trade Banquet
Southfield, Michigan

Greetings:

I want to take this opportunity to extend to the Associated Food Dealers of Michigan my best wishes for a highly successful 1971 Annual Food Trade Banquet.

Agriculture, food processing and food delivery account for a substantial portion of the Michigan economy, and our state's food processors and food dealers perform a vital service for Michigan consumers who depend upon them for their daily food needs.

Your organization and all of those growers and food dealers are having of special commendation for the excellent manner in which these responsibilities are met.

Again, best of success for a fine banquet and a good 1972.

Sincerely,

[Signature]
Governor

Schafer puts the Flavor back in Bread!

QUALITY TESTED

Schafer's

Brought to you in Michigan by
SCHAFER BAKERIES, INC.
CSA helps to take the guesswork out of inventory control. You’re better able to judge which ready-to-eat cereal products to buy what case and package sizes to stock. CSA helps to eliminate out-of-stocks, over-stocks, and shows you how to maximize customer satisfaction with your cereal sections.

CSA is a comprehensive, customized, computer analysis of your operation. It provides you with:

- COMPUTERIZED SALES ANALYSIS that ranks products by your sales for easy product mix evaluation. Case pack change recommendations are made, based on average sales per store, per week.
- COMPUTERIZED SPACE ALLOCATION using sales analysis figures and the shelf dimensions of your cereal departments. It allocates inventory to shelf space in terms of days’ supply utilizes all usable shelf space.

Your Kellogg Representative will be glad to explain CSA to you in detail.

Kellogg's puts MORE PROFITS in your cereal sections.
A complete line of the freshest nuts.
Huge variety, salted and cooking variety... right at the shoppers fingertips. Quality Value. Fast service to you. Customers will be back for more, you'll be back for more. They're the perfect go-togethers with our favorite soft drinks (opposite page).

HINT: we're all in business together.

FRESH NUTS

KAR-NUT PRODUCTS COMPANY
PHONE: JO. 4-6960
Verbrugge New AFD President

Allen Verbrugge, a third generation manager of Verbrugge's Markets, Grosse Pointe, has been elected president of the Associated Food Dealers (AFD), the retail grocers association which today represents over 2,200 members in Michigan.

He succeeds William Bennett, head of Quik-Pik Food Stores, a 34-store convenience food store chain, who was elected a trustee of the association.

Harvey L. Weisberg of Chatham Super Markets, a former president of AFD, was elected chairman of the association's board of directors. Michael Giancotti of Food Center Markets in the Utica area, was elected chairman of the organization's executive committee.

J. Omer Gagne, president of People's Super Markets, Pontiac, was elected vice-president of trade relations.

Raymond Martyniak, of Ray's Prime Meats, in Trenton and Southgate, was elected vice-president of publications and public relations.

Phil Lauri, of Lauri Bros. Super Market, Detroit, was elected vice-president of programs, after having served four years as an AFD trustee.

Edward Acho of J-A Super Market, Detroit, was re-elected treasurer, while Edward Deeb, was re-elected secretary of the food dealers association.

The association also elected seven new directors for 1972. They are:

- Paul Felice, head of Felice's Quality Market, Pontiac.
- Donald Harrington, Meat-N-Place, St. Clair Shores.
- Eugene Matti, Town Square Super Market, Detroit.
- Salim Sarafa, Big Dipper Super Market, Detroit. (Mr. Sarafa is a former officer and director. His store was destroyed during the 1967 riot, and was newly rebuilt and reopened late last year, due to hundreds of requests that he reopen his store.)
- Ray Shoulders, Shoulders' Markets, Detroit.
- Leonard Tagliavia, Dan-Dee Super Markets, Detroit.

The officers and directors will be formally installed at the AFD's 56th Annual Food Trade Dinner, to be held Feb. 8, at the Raleigh House, Southfield. The big event is the highlight of the association's 7th annual "Grocers Week in Michigan" celebration, being held Feb. 6-13. The big week-long promotion is sponsored by the AFD in behalf of the state's 9,000 food merchants.

Featured speaker and guest of honor at the AFD trade dinner will be U.S. Senator Robert P. Griffin. Some 1,500 persons are expected to be on hand for the affair.

Squirt the premium quality soft drink made from the juice of fresh sun-ripened grapefruit with no artificial flavor Hires the most famous name in root beer since 1876. Nesbitt's made from the juice of fresh oranges. Your customers think they're all great with our favorite nuts (opposite page).

Hint: we're all in business together
A Message from Mayor Gribbs

To the Associated Food Dealers:

Welcome to Detroit, and congratulations on your 56th Anniversary.

As the Associated Food Dealers has grown through the years to represent more than 2,500 independent grocers and local chains in Michigan, it has compiled an enviable record of service to consumers in Detroit and throughout the state.

May your activities continue to grow and enable you to compile an even more imposing record in the next 56 years.

Best wishes for a most successful convention in Detroit.

Sincerely,

[Signature]

Mayor

The Frederick-Herrud Story

Two great names merge to bring Michigan a top line of meat specialties. Frederick & Herrud operate four modern, fully automated plants.

Frederick processes almost forty-thousand prime quality porkers weekly. Rapid transit rushes the product to market to give your customers the freshest pork possible. And the leanest!

Herrud operates one of the largest and finest luncheon meat plants in the midwest. The Herrud “oval” is a favorite with millions of housewives.

Now Frederick & Herrud have added Olde Virginie smoked ham. Hickory Host line of specialty meat products. Also pure pork sausage. Soon bacon will join the array of F & H top quality meat products.

Freshness makes the difference

FREDERICK & HERRUD, INC.
DETROIT AND GRAND RAPIDS

Congratulations to Michigan Food Dealers. Frederick & Herrud and FDA join in helping Michigan grow.
Man can't live by P&G alone.

We know you aren't in business just to sell our products.

Anytime we can help you sell something you want to sell, or solve a problem for you, while you help us by selling Ivory, Bold, or Crest—that's good business. For both of us.

How can we help? By drawing on our experiences with retailers from all over the country, to find new tools to attack your problems. And we test these tools—like we test any new product—to make sure they'll work for you.

Take the problem of employee turnover. In one year it can cost you more than shoplifting.

So we developed a film, called “What's In It For Me?” , to help you recruit better employees and motivate them to stay in supermarketing.

Tested with teenagers in 3 high schools—we found it increased by 67% the number considering supermarketing as a career (not just a job).

Whether it's films like this, programs to train your trainers, or tested promotion ideas—help is available through your P&G salesman.

Sure he wants to sell our products. But he knows the best way to build our business is to help you build yours.

He knows you can't live by P&G alone.

Harry Laugh

Procter & Gamble

Good communications lead to better understanding and mutual confidence.
“Faygo is making Cleveland ‘Red Pop Country’!”

So observed Sol R. Borstein, whose food industry background embraces 40 years, almost 15 of them as president of American Seaway Foods, Bedford Heights, O., based wholesaler to about 800 stores.

The observation followed his pointing out that the Cleveland market, before Faygo, had been “Cola Country,” for as long as anybody could remember.

Looking forward, Mr. Borstein told us why he believes Faygo’s early 1969 expansion into Cleveland brought a good deal of vitality into this market.

Faygo’s coming, he said, “shook others” into realizing that their soft drink lines would have to be more competitive to justify their shelf space in stores.

“Previously,” he said, “local bottlers didn’t offer big enough case allowances to make pop promotions yield enough volumes and profits to be attractive to retailers.

Mr. Borstein candidly recalled not being enthusiastic when Faygo was first presented to Seaway. He said:

“We didn’t want to risk the health of our Seaway label pop sales. However, while our retailers’ 1971 Faygo sales were climbing substantially over 1970, their Seaway sales grew more than 25 percent. So, we know Faygo sales are plus sales.

“Handling both Faygo and Seaway makes us a bigger and better single source of supply. This also frees our retailers of some of the costs of checking direct store-door vendors in and out.”

*****

What is now American Seaway Foods has emerged from a get-together of four independent wholesalers in 1957, then doing an aggregate $25 million annual sales volume.

Seaway, one of the few major U.S. wholesalers still supplying small as well as big accounts, expects its sales to top $120 million this year.

“The small grocer deserves being served,” emphasized Mr. Borstein. “We make it possible for him to pay his own way, without any subsidization from the bigger volumes of business we do with many of Ohio’s largest supermarket operators.”

*****

Mr. Borstein, who soon will be 65-years-young, has no retirement plans.

“My love affair with the food business,” he said, “is good to me. I’m too grateful to forsake it, except when I manage to escape Ohio’s winter weather once in a while.”

*****

About The New AFD Prexy

Allen L. Verbrugge is a third generation manager and owner of Verbrugge’s Markets, Grosse Pointe. At the present time, he is president of the Associated Food Dealers, Michigan’s largest food trade association currently representing over 2,200 members. Verbrugge, 38, was born, raised and educated in the Grosse Pointe, Michigan area. He is a graduate of the University of Detroit High School, and General Motors Institute of Technology (GMI) of Flint, Michigan.

Working in the family food store since his childhood, Allen acquired the business from his father Cyril Verbrugge, in 1969, although the senior Verbrugge remains on as vice-president and consultant at the prominent Grosse Pointe Food store, the oldest in all the Pointes. The business was originally founded by Edmund Verbrugge, Allen’s grandfather, in 1910 in the then Grosse Pointe Township. With the exception of his collegiate years, and a two-year stint with Chevrolet division of General Motors, and some time with a Ford auto dealer, Allen has been active in the store’s management.

Allen has been quite active in various state and food industry organizations for many years. In addition to heading the Associated Food Dealers, where he has served twelve years as a director, and six moving up through the various officer positions, he is a director of the National Association of Food Retailers, and a member of the National T-Bone Club, an exclusive group of prominent food dealers.

His work in various civic, charitable and community organizations is very involved. For example, he is a member of the Spirit of Detroit Association, the fund-raising arm for the Gold Cup powerboat races; member, Detroit Power Squadron; member, Belgian-American Businessmen’s Association; member, Knights of Columbus Gabriel Richard Council; and quite active at St. Philomena’s Catholic Church, Detroit. His hobbies include hunting and golfing. He and his wife, Dortha (Onstwedder), and daughter Sally Ann, reside in Grosse Pointe.
Abner A. Wolf, Inc. is on the move! What we can do for you is so far ahead of its time that we just can't help bragging some!

Sure, we sell groceries, and we do it better than anyone else, just as we've been doing for years. But now there's a NEW Wolf! A professional Wolf. With a spirit that says, "What can we do for you", and not, "What can you do for us".

In the past three years, we've made major changes to bring you tomorrow today. Our giant 38 million dollar distribution center in Livonia, the largest under one roof in the world, is operating virtually problem free.

What else is new? How about these examples?

- A total meat program including fresh meat by the box - Meats produced by our own fabricating facility.
- The most modern milk, ice cream and dairy plant in the world.
- Our own bakery with continuous mix breads, cakes and pastries that make a complete program.
- A modern data processing center and a case-labeling system.
- Produce brought to you from all over the world and distributed through our modern facility.
- A potato chip plant, producing one of the nation's finest chips, which you can sell at discount prices, and still make big profits!
- Three distinct Non-Food Programs.
- A store employee training program for everyone from Bag Boys to Meat Department Heads.
- Professional, computerized, site-selection systems, for helping you put your money in the right places - in new sites or major and minor remodels.
- Pre-Planned Merchandising Packages including Advertising and Promotion Plans.

We could go on. But to hear the whole story, as to what we can do for you... why not pick up the phone - we'll be there to see you today - tonight - tomorrow - whenever you say!

When we can give you so much, shouldn't Wolf be your Supplier?

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AMERICA'S MOST PROGRESSIVE FOOD DISTRIBUTOR

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Verbrugge's Super Mkts.  
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Harvey L. Weisberg  
Chatham Super Mkts.  
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J. Omer Gagne  
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Vice President, Programs

Edward Acho  
J. A. Super Mkts.  
Treasurer

Michael Giancotti  
Auburn-Orchard Super Mkts.  
Chairman, Executive Committee

Aims and objectives of the Associated Food Dealers are "to improve and better the industry in which we do business, constantly offering the consuming public the best possible products and services at the lowest possible prices in the American tradition of free enterprise." The association also represents its members in the cause of justice and fair play at all levels of government, business and in the community at-large.
and Directors

Edward Deeb
Executive Director

George Bashara, Sr.
Legal Advisor

Louis George
Mayfair Super Mkt.
Trustee

Jay Welch
Hollywood Super Mkt.
Trustee

Donald LaRose
Food Giant Super Mkt.
Trustee

Phil Saverino
Phil's Quality Mkt.
Trustee

Alex Bell
Village Food Mkt.
Trustee

Sidney Brent
Kenilworth Super Mkt.
Trustee

William Bennett
Quik-Fix Food Stores
Trustee

Lafayette Allen, Jr.
Allen's Super Mkt.
Director

Wilson Boyd
King Cole Super Mkt.
Director

Sam Cosma
Atlas Super Mkt.
Director

Paul Felice
Felice's Quality Mkt.
Director

Jack Hamady
Hamady Bros. Food Stores
Director

Sid Hiller
Shopping Center Mkt.
Director

Fred Levey
Lindy's Super Mkt.
Director

Gene Matti
Town Square Mkt.
Director

Moyed Najor
Publix Super Mkt.
Director

R. Jerry Przybylski
Jerry's Food Mkt.
Director

Salim Saraf
Big Dipper Super Mkt.
Director

Ray Shoulders
Shoulders Mkt.
Director

Leonard Tagliavia
Dan-Dre Super Mkt.
Director

Louis Vescio
Vescio Super Mkt.
Director

Tom Violante
Holiday Super Mkt.
Director

William Welch
Hollywood Super Mkt.
Director

Jerry Yono
Imperial Quality Mkt.
Director

Don Harrington
Meat-N-Fare
Director

Photos Not Available:

JACOB GRANT, Farmer Grant's Market
GEORGE JERRY, C. Jerry's Super Markets
DANIEL KNOPPER, Danny's Super Markets
JAMES PEABODY, Peabody's Market
Freeze's Phase II And The Food Industry

The two most recent Consumer Price Indexes have demonstrated that Phase I of the government's Economic Stabilization Program really worked. Businessmen complied with the regulations and prices were held down.

Now we are in Phase II and our industry faced very real communication problems because of the complexity of the requirements, particularly those that affect food prices.

The food industry is pledged to comply with the requirements of Phase II. Because foodmen deal daily with life's necessities, perhaps more than any other businessmen, the industry is aware of the crippling effects inflation has had on every segment of our society. Because we know that consumers are especially aware of price increases in food stores and supermarkets, are keenly sensitive to them ourselves.

Before we get into Phase II, a couple of facts about the food industry, both in Detroit and nationally, should be mentioned.

First, Detroit has lower food prices than any other major market area in the United States. Some food chains are actually losing money here.

Second, across the United States, the average profit for supermarket chains is less than 1¢ on the dollar. Specifically, the average net profit in 1971 was (according to a recent Cornell University study) 86/100 of 1%. That net profit is down to half of what it was nationally five years ago. Net profits in supermarkets of the Midwest is less than the U.S. average.

Third, metropolitan Detroit food prices in September, 1971 were up 1.5% from September of a year ago. The increase for the U.S. was up 2.9% for the same period.

Fourth, while the cost of food was increasing 1.5% personal income and inflation of other items was increasing at a far more rapid rate. According to Business Week magazine (Jan. 1, 1972), personal income in Michigan during the month of October, 1971 was 18.9% higher than the same month a year ago.

Fifth, the percentage of disposable income spent on food is going down. In 1971, some 16% of the American family's disposable income was spent for food. Five years ago, it was 20%.

Sixth, labor costs in the food industry are high. A stock clerk in a Detroit supermarket makes $3.50 to start, which amounts to more than $4.00 an hour with fringe benefits.

Seventh, the goal of the supermarket industry is to make 1½¢ on the dollar. This figure is nor-

(Continued on Page 42)
Just watch our smoke in 1972!

This year we're going all-out to make Farmer Peet's the fastest moving brand in your meat case! Sure Farmer Peet's Federally Inspected Meats are perennial best-sellers.

But 1972 will be a landmark year in sales of our products for Farmer Peet's dealers everywhere in Michigan. Our smoked hams and bacons. Our franks and sausages. And our entire high-profit line of packaged luncheon meats.

They'll all be selling fast because we're pushing them with a forceful commercial schedule in daily 12:00 Noon newscasts on WJR, Detroit; bright, new TV spots blanketing outstate Michigan on 7 key stations; living color, full-page Spectacolor display ads in 8 top newspapers, plus 2-color display ads in 10 newspapers, going into homes of millions of families throughout Michigan, at prime meat-selling times of the year.

And — adding even more fuel to this hot promotion package — are dominating 4-color, full-page ads in LIFE Magazine, our continuing highway billboard coverage, summer seasonal radio commercials on 6 hand-picked stations, plus our annual, all-media Farmer Peet's Sweepstakes promotion.

Mix the power of the Farmer Peet name with the hard-hitting impact of our advertising and sales promotion efforts, and you have a sure-fire combination to smoke out more profits at the point of purchase.

Yours!

All Farmer Peet's products are processed under U. S. Government supervision

PEET PACKING COMPANY

PLANTS: CHESANING • BAY CITY • GRAND RAPIDS
BRANCHES: CADILLAC • FLINT • GAYLORD • JACKSON • LANSING • YPSILANTI
MEMO

Things to do Wednesday

✓ Deliver samples of new product to Stanley.
✓ See Fernstrum on cutting of new items.
✓ Check Carlson on Stock Out Control Report.
✓ Call Roberts on copy for Tues ad.
✓ Pick up survey sheets.
✓ Drop off shelf talkers to Butl.
✓ Follow up special order.
✓ Trace delivery promised for Friday.
✓ Deliver floor displays by noon.
it's all in a day's work for a Continental man

At 8 A.M. he's tracing a rush delivery to a new account. At 9 he's helping a customer plan a new promotion. At 10 he's talking over a Stock Out Control Report with a chain operator. Eleven o'clock a new business contact, then more customer service. One thing's for sure—when you've got a Continental Man working for you, everybody's work just naturally becomes a little easier. And we haven't even mentioned that he represents some of the finest, fastest moving lines of food products in the business. Quite a combination, wouldn't you say? A phone call to any of our offices is all it takes to get in on a good thing.

Continental Food Brokerage Co.
17501 W. Eight Mile Rd., Detroit, Michigan 48235 Phone (313) 255-5880
Grand Rapids, Michigan • Flint, Michigan • Toledo, Ohio • Fort Wayne, Indiana
Great together

LEE MURRAY will be on radio five days a week on 22 stations around Michigan promoting Archway Cookies and milk. Archway Cookies and coffee. Archway Cookies and ice cream. Great together tie-ins, for more profit for you.

See your Archway Representative today for special displays and point of purchase.

ARChWAY
a Home Style Cookie

SWANSON COOKIE COMPANY
Battle Creek, Michigan

Russell P. Rathbun has been appointed the new sales service director of Specialty Foods Company, an AFD member, it was announced by president Chester Kowalski. He was formerly account representative with Sealtest Foods.

James Kunstel, vice-president and general manager of Abner A. Wolf, Inc., an AFD member, has been elected a director of the Michigan Tobacco and Candy Distributors and Vendors Association.

Bernard Weisberg, president of Chatham Super Markets, an AFD member, has opened a new 30,000 square-foot store in Avon Township's Rochester Hills Shopping Plaza. He states this is the most complete and modern unit Chatham ever built.

Abraham (Al) Borman, chairman of the executive committee of Borman's, Inc., operator of Farmer Jack Super Markets, among other things, was one of three Detroit businessmen honored for providing leadership in equal employment opportunities, by the Detroit Urban League.

Congratulations to two new DAGMR life members — Gordon Jacobson, formerly with General Mills, and Kenneth Seaman, formerly with General Foods.

Billed as “billboards on wheels,” Allied Supermarkets has placed some four hundred 8x16-foot signs on the rear of their trailer trucks, and is promoting various lines of house brands the firm markets.

United Brokerage Company, an AFD member, has been declared winner in a special Kitchen Bouquet sales promotion contest. The prize: tickets for two to anywhere in the world. The big problem is however, who's going to use them?

Isadore “Izzy” Malin, formerly with Abner A. Wolf, Inc., has joined Stewart Oxygen Service as a sales representative.

Marks & Goergens, Inc., an AFD member, has announced its relocation to new and larger offices at 20245 W. Twelve Mile Rd., Southfield, Mich. 48076. The new phone is (313) 354-1600.
Maria never went hungry. But she was dying of malnutrition.

Her mother gave her food to eat. But it was very low in necessary body-building protein. Maria desperately needed high-protein food. But it had to be not only food she would like to eat, but also, food her mother would know how to cook.

To help children like Maria, General Foods research started work three years ago to develop a new kind of protein food. Pasta seemed like a good place to begin, because in one form or another it's a staple in most diets.

The result was Golden Elbow Macaroni. Golden Elbow looks like any other macaroni, only yellower. But there the similarity ends. The combination of corn, wheat, and soy flours not only supplies more protein, but protein that is much more effective in building body tissue. We tested it in South America and children loved it. In most cases, their symptoms of malnutrition disappeared within 90 days.

It was so successful in fact, that the Brazilian Government, with the help of the General Foods Latin American affiliate, the U.S. Aid for International Development, and the Food and Agricultural Organization, has built a factory which will produce Golden Elbow Macaroni.

Is Golden Elbow the answer to world malnutrition? At General Foods we feel it's a step in the right direction. By adding more protein to a familiar food, many children like Maria, will grow up happier and healthier.

At General Foods we're a company of people—committed to people.
A Fatal Flaw in Modern American Society

By JOHN K. TROCKE
District Marketing Agent
Michigan State University

How good is your imagination? Picture in your mind the great drama being enacted in our world today. In your mind’s eye, create the following scene: a stage which is our nation — the packed house or audience, as the world — the play, the eternal triangle.

The cast is made up of three stars, each playing the lead role. The first of these we shall identify as a beautiful, voluptuous woman representing labor or the worker; the second and third stars are playing the roles of the handsome suitors and represent government and management.

As the play unfolds the two suitors, vying for the fair lady’s hand, ply her with greater and greater attention. She is showered with gifts, wined, dined, and gradually as each suitor tries to out-do the other, the stakes get higher and higher.

The fair lady is unable to maintain her balance under the pressures and she becomes a tyrant, demanding more and more of her suitors. Finally, as these things go, the beauty is seduced by the government. This shoddy affair leaves her disillusioned and dejected; she has found “big daddy” wasn’t all she thought he was!

She sinks into deep depression, lashing out with irresponsibility at all around her. Can she be saved? Can her self-respect and a meaningful life be restored to her? Will she turn to her true love, the one who shares the responsibility of making both of their lives productive?

The final act is yet to be played! Our country and its managers and workers are now writing it. Can they realize that only together can the manager and the (Continued on Page 28)

Try Black Label and enjoy a beer with a heartiness all its own. Deep, honest, all-beer flavor. A fuller flavor that makes Black Label the world’s leading internationally brewed beer.

Want one? Just whistle— Mabel, Black Label!

Listen for “Low Down on Learning” on SOUL Radio

© 1971 CARLING BREWING COMPANY / CLEVELAND, OHIO
Why bag boys hate the Free Press.

Most kids who carry groceries for a living would prefer that their customers read the News. That way, they wouldn’t have so much to carry.

Because, according to a recent Nelson Research Study*, only 57% of News reader households spend over $35 a week on food store purchases, as opposed to a whopping (and heavy) 63% of Free Press reader households.

Bearing out once again, the fact if you want your product to be a household word, you’d better be talking about it in the Free Press.

The Detroit Free Press. The paper that makes life a little tougher for bag boys.

But a little easier for you.

Detroit Free Press

Represented Nationally by Bracham-Motone.
In Florida by MPR.

*Taken from Nelson Research Study, “Profile Greater Detroit”. Using a sample of 3,057 personal interviews with household heads, this is the most comprehensive, in-depth piece of research ever undertaken by a Detroit Newspaper.
A FATAL FLAW

(Continued from Page 26)

worker return this nation to its rightful position of leadership. Past sins of insensitive and incompetent managers and greedy and unproductive labor will have to be forgotten.

Government with its Phase II, III, IV, or V is at best a stop-gap measure! Government historically has always proven that when it usurps the freedom of its people, it seduces them, robs them of the dignity and responsibility that freedom demands.

Clearly, the answer lies in all of us! We must stop looking for George, the whipping boy; for freedom has a fatal flaw! It demands responsibility — responsibility by each one of us who savors its delights. Our nation cannot endure under conditions where we pay more and more for less and less: where each pay hike brings poorer service, shoddier goods, faultier construction, miserable maintenance, lamentable transit and uninhabitable cities.

It is evident that something is wrong with the way we have been doing things — it is up to each of us as we treasure freedom and the great nation we have built, to accept the responsibility that freedom demands. We cannot wait for the other guy to recognize his part and do it. managers and leaders must carry the light and lead the way.

The last act of our drama is now being written. Let each American do his part to see that we have a happy ending. Vow today to put society and nation above self. Go the extra mile the leader is expected to go! By example, help others to see the way.

Editor's Note — John K. Trocke holds B.S., M.S., L.L.B., J.D degrees.

We know what it's like to be appreciated!

Parents' Magazine gave us a vote of approval this year. We were quite pleased.

In turn, we'd like to acknowledge the great job the officers, directors and members of the Food Dealers Association are doing to serve the independent food retailer.

We salute and thank you for making us your milkman!

United Dairies, Inc.
All in the family.

This family has something for everyone.
Altes with Fassbier taste.
National Premium - the classical premium beer.
Malt Duck - because times have changed.
And Colt 45 - the world’s largest selling malt liquor.
Internal Shrinkage and the Retailer

Recently, Russell J. Humphries of West Associates in New York, addressed the Pennsylvania Retailers Association's management seminar on the problem of internal shrinkage and riots, and how they relate to the retailer.

He stated some alarming figures concerning inventory shrinkage and other related retail crimes. Humphries observed that approximately $10 billion was lost in 1970 and projected the figure to be $20 to $30 billion by 1980. He noted shoplifting offenses increased 134% from 1960 to 1970. Employee thefts occur 15 to 1 more than amateur shoplifting and 5 to 1 more than professional shoplifting.

Humphries attributed the increase in crime to the permissive attitudes of the courts, schools and colleges, as well as parents. He also felt that retailers are remiss in not prosecuting offenders and are being lax in their management responsibilities.

Prevention is the place to start curbing retail crimes, Humphries feels. Historically, detection and apprehension have not resolved the problem. He stated that there is no magic formula for crime prevention, but there must exist at least two elements in the planned attack — first, management must do everything possible to prosecute, and second, there must be a continued need for support from the police and judiciary departments.

To control pilferage, Humphries suggested six steps:

1—Eliminate the “bad apples”. Prepare your present organization and in pre-screening, eliminate the many loop-holes and weaknesses by using references only. He advocates the professional administration of polygraph tests. During the past ten years, the polygraph in New York City has helped in rejecting 9 of 10 job applicants. Of these, four used narcotics, four had records and one was emotionally disturbed. Nationally, the rejection rate of those taking the polygraph tests is 8 out of 10

(Continued on Page 40)

Farm Crest Fresh Fruit Pies
Are Still No. 1 in Michigan!

Popular Farm Crest pies come in Apple, Cherry, Peach, Pineapple, Blueberry, Strawberry and Coconut Creme

No Foolin’ They Sell Good Too!

For Service, Phone TR 5-6145

A big part of all Store Profits come from soft drink sales. Given the choice, your customers will choose to buy Coca-Cola as many ways as you choose to sell it to them. From your cooler, to your dump bin, to your vault, to your dispenser of frozen Coca-Cola, Coke can give you one continuous sales and profit story. Call your representative for Coca-Cola. He'll advise you which ways to sell Coke are best for your customers, your store, and your profits.

YOU CAN MAKE THE MOST WHEN YOU SELL THE BEST. COCA-COLA.
Baked
goods
buying
families
love
variety

We give them—and all of your customers—102 varieties of fresh baked goods to choose from every week. This vast variety brings them back again, and again, and again.
Continued Success
and Best Wishes

TO THE

Associated Food Dealers

ON YOUR

56th Anniversary

Ira Wilson & Sons Dairy Company

5255 Tillman • Detroit, Mich. • Phone 895-6000
Brophy New Head of Soft Drink Bottlers

Joseph Brophy of Canada Dry Corporation was elected the new president of the Metro Detroit Soft Drink Association for 1972. He succeeds Walter Voss of Vernor’s. Other officers elected include: Jack Kreger, Wyandotte Coca-Cola Bottling Co., vice-president; Clare Cralle, Squirt-Detroit Bottling Co., Secretary; and Anthony Stempien, Stempien, Beverages, treasurer.


(The AFD wishes to congratulate the new officers and directors, and thank the association for printing and posting Grocers Week posters on their trucks for our big week-long celebration.)
for better balanced profits!

Looking for that balanced line of baked goods to stimulate sales with a higher profit then look to the team of Taystee and Cook Book.
Eight New Supplier Members Join AFD

The Associated Food Dealers, Michigan's largest food distribution and service organization, representing over 2,200 members wishes to welcome aboard eight new supplier members to the association. Their names, addresses and phone numbers are as follows:

OSCAR MAYER COMPANY, processor and distributor of a variety of meat products, 15780 Fullerton, Detroit, Mich. 48227; phone (313) 837-5744.

MASTER BUTCHER SUPPLY COMPANY, retail and processor equipment supplier and repair service, 1468 Gratiot Ave., Detroit, Mich. 48207; phone (313) 961-5656.

FARM PRIDE, INC., distributor of eggs and other dairy products, 9911 Greenfield, Detroit, Mich. 48227; phone (313) 272-7360.


T-P PRODUCE, distributors of fresh fruits and vegetables, 27621 Ryan, Warren, Mich. 48092; phone (313) 573-6875.

These new members and all AFD supplier and service members deserve your support and patronage. Refer to the AFD Suppliers' Directory on Page 82 often. In fact, clip it out of The Food Dealer, and post near your phone.

RUST CRAFT GREETING CARDS, producer and distributor of a variety of all-occasion cards, 24755 Five Mile Rd., Redford, Mich. 48239; phone 534-4464.


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This is Pfeister country

Land of Opportunity

The P. F. Pfeister Company has over 60 imaginative professionals serving the food industry with offices in Detroit, Saginaw, Toledo — and now GRAND RAPIDS!

The P. F. Pfeister Company is one of Michigan's leading food brokers because we have been serving wholesalers, retailers and manufacturers most effectively since 1918 — 53 continuous years of service.
It’s the season for hearty meals... Your customers will be looking for the hearty bread...

LUMBER JACK

from Oven-fresh

Lumberjack, the lumbercamp-style bread, stands tall in the toaster, tall in your customer’s taster and tall in profits as the fastest-moving variety bread on your rack. Satisfy your customer’s hunger for hearty bread and your appetite for hearty profits. Sell tall stock those shelves with Lumberjack!

GROCERS BAKING CO.
America’s largest bakery exclusively owned by and operated for affiliated food retailers.

MAIN PLANT:
210—28th St., S.E., Grand Rapids, Michigan

BRANCHES:
Alpena: 517-354-4277
Benton Harbor: 616-927-1720
Detroit: 313-537-2747
Flint: 313-785-4621
Grand Rapids: 616-245-9127
Kalamazoo: 616-345-7729
Lansing: 517-482-8600
Muskegon: 616-726-4654
Saginaw: 517-792-8271
Traverse City: 616-947-6278

This Lumberjack illustration is featured in full color on Oven-Fresh highway spectacular signs throughout Michigan.
IN APPRECIATION:
The Associated Food Dealers is most appreciative of the interest, assistance and cooperation offered by many of the food and beverage suppliers in planning this, our big event of the year. In particular, we wish to thank the following firms specifically for generously hosting or co-sponsoring various parts of this evening’s activities and program:

Cocktail Hour:
   Pepsi-Cola Company

Cocktail Hour Snacks:
   Better Made Potato Chips
   White Star Dairy

Banquet Sponsors:
   Darling & Company
   Detroit Rendering Company
   Wayne Soap Company
   Peter Eckrich & Sons, Inc.
   Farm Crest Bakeries
   Paul Inman Associates, Inc.
   Kraft Foods
   National Brewing Company
   Pepsi-Cola Company
   Ralston Purina Company
   Spartan Stores, Inc.
   Stroh Brewery
   Vernor’s, Inc.
   Ward Foods
   Ira Wilson & Sons Dairy
   Abner A. Wolf, Inc.

Dinner Wines:
   Cask Wines, produced by Michigan Wineries, Inc.

Entertainment Sponsors:
   Better Made Potato Chips
   Borden Company
   Faygo Beverages, Inc.
   Grocers Baking Company
   Grosse Pointe Quality Foods
   Kar-Nut Products
   Squirt-Detroit Bottling Co.
   United Dairies, Inc.
   Velvet Food Products

Prizes:
   Pontiac Press
   Sperry & Hutchinson

Signs and Banners:
   Robert Bowlus Sign Co.

Guest of Honor
ROBERT P. GRIFFIN
United States Senator
Food Trade Dinner
at Raleigh House, Southfield

FOR YOUR ENTERTAINMENT

TOMMY BALDWIN
and his orchestra

EDDIE DE SANTIS
and THE SINGING STRINGS

THE PROGRAM:
Invocation – Reverend Ray Shoulders; Edward Deeb, AFD Executive Director;
Don Dorst, President, DAGMR; Allen Verbrugge, AFD President;
Installation – Judge George Bashara, Jr.; Dancing to Tommy Baldwin’s Orchestra.
SHRINKAGE LOSSES

(appended from Page 30)

applicants. Psychology tests are also helpful, but not thorough.

2—Management must enforce its corporate policies, rules and regulations, systems and procedures. He suggests setting standards high and insisting on compliance. You should have a store personnel manual, security manual and not merely precaution handbooks. Managing your business is your salvation.

3—Management must become security conscious. Prevent losses through an effective security program designed to fit the needs of your organization. Protect your profits.

4—Detection usually occurs when management is alert and looking for pilferage. Humphries cautioned retailers about the selection of private investigators. They must be checked for ethics, honesty, qualifications, experience and capabilities. Do not give licensed detectives a completely clean bill of health.

5—Prevention means looking for loop-holes. Control the controls and audit the audit.

6—Management must be educated in security and thoroughly understand it. Develop a security library. Read the material before filing it. Let the employees know about your interest in security. (Suggested security materials can be acquired by writing to Mr. Humphries, 197 Ravine Avenue, Yonkers, New York).

Humphries concluded that a measure of your success in deterring pilferage can be seen by observing the pattern of the percentage of inventory

(Continued on Page 54)
Sunshine
America's leading full-line snack food company
Krispy Crackers, Hydrox Cookies, Hi Ho Crackers, Cheez-It Crackers, Lemon Coolers, Potato Chips, Corn Chips, Nuts, Popcorn and 100's of other cookies, crackers and snack treats.

The freshest ideas keep coming from Sunshine
FREEZE, PHASE II

(Continued from Page 20)

ormally needed to open new stores, do research and in general improve and expand.

Now, about Phase II and the supermarket.

The American housewife is the best purchasing agent in America. She knows what she wants and what she can afford to pay to feed her family. Interestingly enough, she is getting better informed all the time. Her expectations are high. She has the ability to shop in different stores and she can change her choice any time she wants.

The store she favors is the one she trusts and which serves her need best. She is keenly alert to price increases and when she finds a price higher than when she bought previously, she is concerned. In some instances she is suspicious.

It is important that consumers be assured that supermarket operators are complying with the law, fully, and that industry is as anxious as she that it sell at the lowest possible price.

Although the IRS checked many major supermarkets for price increases during Phase I, there were practically none.

Guidelines were changed for Phase II. In order to make Phase II a success, there must be public confidence. But to get public confidence, the public must understand Phase II.

Let's cover some of the facts under Phase II as they now stand:

1—Both the public and part of the news media appear to be under the misapprehension that Phase II includes unit price control, of individual items, most particularly in food markets. This is not true. There is a "profit" control, but it is based upon aggregate gross margin and upon corporate net profit. It is not tied in any way to any individual item or class of items.

2—Base price lists which record retail prices in effect during Phase I are not of much use as a control measure and are causing us some concern. However, these lists are available, prominently displayed in the front of larger stores, and available at smaller stores.

3—The general profit controls mentioned are accomplished through the filing of gross margin statements, for business over $100 million.

4—That statement is measured against a gross margin rate already established with the Government. There is no guarantee here that the gross will furnish a net profit to the retailer; to the contrary, it is quite possible for a retailer to maintain a gross profit margin and yet suffer a net loss. The gross is what is left after subtracting cost of goods from total sales. If other expenses, such as labor, rent, transportation, utilities, stock losses, warehous-

This department sign spells

SWEET PROFITS

For more information on a Sanders candy, bakery and ice cream department in your market.

Call Stan Dynak 868-5700

Sanders is the reason it's good

(Continued on Page 48)
NEW DAGMR OFFICERS — Smiling proudly at the recent Inaugural Ball of the Detroit Association of Grocery Manufacturers' Representatives (DAGMR) are, front row, from left, Larry Kozel, United Food Brokerage, sergeant-at-arms; Lou Brown, Better Made Potato Chips, first vice-president; Don Dorst, Independent Biscuit Company, the new president; Carl Leonhard, The Detroit News, second vice-president; and Fred Falle, Strongheart Products, secretary-treasurer. Center row: James Jackson, Interstate Marketing Corp., director; Charles Batchelor, Sullivan Sales, Inc., director; and Earl English Brokerage, director; Standing in back: Don Gundle, Paul Inman Associates, director; Jerry Nelson, Quaker Oats Company, director; and Howard Phillips, Kar-Nut Products Company, chairman of the board, and immediate past-president.

Congratulations and Best Wishes to the Associated Food Dealers ON YOUR 56th BIRTHDAY!

• • •

ITT-CONTINENTAL BAKING COMPANY
Bakers of Wonder Bread and Hostess Cakes

2901 GRAND RIVER • DETROIT, MICH. • PHONE 963-2330
If you think American city is a mo ask Sara Lee

SARA LEE: Glad you asked . . . because in Detroit, we go with the evening paper, The Detroit News.

YOU: Hmmm. Sara Lee, the largest frozen baked goods maker in the country prefers Detroit's evening paper? But aren't you bucking the national trend toward morning papers?

SARA LEE: Who's bucking? We buy the medium that does the best job. In some markets it's the morning paper, but in Detroit The News is the best paper for us.

YOU: But really, Sara, isn't there a lot more to it than who's the biggest?

SARA LEE: Indeed there is. Right, Simmons?

SIMMONS: * The Simmons Local Index shows that in the A.D.I. (the 10-county Area of Dominant Influence), of those who read a major Detroit paper daily, 71% read The News. In fact, one average daily issue of The News reaches more different people than you can accumulate with five average issues of the morning paper.

SARA LEE: And you can spend nearly five times as much using the morning paper and still reach
very major
among newspaper town, about Detroit.

fewer people (based on a 1000-line ad at published rates).

YOU: But what about the quality food audience sought by companies such as Sara Lee?

SIMMONS: The News reaches 50% more of the adults with $15,000 household incomes than does its competitor. 82% more on Sunday.

YOU: Aw, c'mon. What about the people who do read the morning paper?

SIMMONS: 4 out of 10 of them also read The News.

YOU: Hmmm. Then, when it comes to Detroit, Sara Lee buys The News but not the morning paper?

SARA LEE: Well, it's not that we have anything against the other paper

YOU: ...but "everybody doesn't like something"?

SARA LEE: Did I say that?

The Detroit News
it pulls
Paul Inman Associates
Extends Congratulations
To The Officers, Directors
and Associated Food Dealers.

Five Convenient Branches to Serve You:

Detroit — Grand Rapids
Toledo — Saginaw — Fort Wayne

paul inman associates, inc.
30095 Northwestern Highway • Franklin, Mich. • 626-8300
P.O. Box 615
Our Cap Is Off to the ASSOCIATED FOOD DEALERS of MICHIGAN
FREEZE, PHASE II

(Continued from Page 42)

(Continued from Page 42)

ing, taxe, et al, increase, as they have been, the net profit may vanish.

5—As an immediate example, one national supermarket chain experienced a 3.37 percent increase in labor costs beginning with the week ending Nov. 20, 1971. This will rise to 6.41 per cent April 1, 1972.

6—Most Detroit-based supermarket chains experienced a 3.07% labor cost increase in the week ending Nov. 20, which will rise to 6.09% by April 1 and to 8% by next August.

7—Slightly more than half of food retailers’ "controllable" or actual costs are labor costs. Pre-
freeze food chain labor contracts signed last year called for increased averaging 24 per cent over previous contracts. There is no way that productivity can increase, at anything like this rate and in an industry that has seen its after-tax profits (as a percent of sales) dwindle to below one percent. This kind of cost increase would have the inevitable result of raising prices higher if it weren’t for Phase II.

8—Perhaps the most basic public misconception of Phase II is that the requirements of manufacturers, retailers and wholesalers are essentially the same. This may be understandable since so much publicity has been given to manufacturers’ requests for price increases, but the fact is that the regulations under which they must operate are very much different from those under which retailers must operate.

The basic difference is that manufacturers’ prices are controlled, while retailers’ and wholesalers’ margins are controlled, and this is a very big difference. Once a retailer has complied with certain regulations he may charge any price for his merchandise that competition will allow, so long as his markups or margins, do not exceed those he received during a fairly complicated pre-freeze base period.

In other words, controls on manufacturers are directly on their individual prices, and controls on retailers are on the aggregate of all prices within categories.

(Continued on Page 50)
In The Future: Ten Minute ‘Work’ Breaks

By ALEX BELL

Ho hum, another year for the AFD, and our annual trade dinner. How many have you made? I’ve been making these bashes for the last 30 years. How many of our readers remember the old days at Northwood Inn? We’ve come a long way since then baby!

If I don’t get mental constipation, this column should be a real blockbuster.

While we are on this old time kick, how many of you remember emptying the drip pan under the ice box?

That’s enough of that jazz. Say, Don LaRose tells us that Little Lee served a Phase Two dinner the other night. Everything was frozen.

The don of the Main St. Mafia, Tom Violante, asked us to do some research on this question: “How often do the thickness and thinness of the sedimentary deposits fluctuate on the bottom of Lake Saki in the Crimea?”

After much inquiry and research into the above question, here is the answer, dummy: “The thickness and thinness of the sedimentary deposits on the bottom of Lake Saki in the Crimea have fluctuated on a 17½-year cycle that has repeated itself over and over and over again for over 4,000 years — since 2,295 B.C.”

The next time you have some mind-boggling question like this, Tom, just call your’s truly.

In answer to Alcibiades Moustakas’ column in The Detroit News that we spelled his name wrong. I apologize, very humbly. I will henceforth spell it Charley. That Alcibiades bit, we can’t even pronounce. But kidding on the square, Charley, your best column to date was the bit you did on New Orleans. That was a goody. So keep it up, and one of these days you will be a real gung-ho columnist.

By the way, Charley, in that column you mentioned Amos Jacobs, the well known and wealthy comedian. If you are old enough, you probably remember him (now Danny Thomas) at the old 509 Club doing his wailing Syrian bit. And the greatest comedy “schtick” we ever heard, the one about the guy that got the flat tire, that was comedy. I cannot repeat it verbatim, but it was good.

Jay Welch tells us that the last time he went to Las Vegas he had a lot of bad luck — his plane landed safely.

No doubt a goodly number of you remember the wine peddler Iggy Palermo. He recently got out of the wine business and opened a restaurant. If you want a good meal, stop by and see Iggy at his bistro on 18003 E. Eight Mile Rd. After he cooks your dinner, he will play his banjo and sing (huh?), not good but loud. And, we can guarantee you will have a good time.

Eddie Acho comes up with these words of wisdom: “The economy must be regulated in order to meet the proliferation standards of wage-price harmonics and monetary proficiency within the special contingencies of the corporate linkage with the anticipatory disparity of domestic portfolios.” The AFD is going to immediately form a blue ribbon committee to find out what in hell he is talking about.

(Continued on Page 63)
FREEZE, PHASE II

(Continued from Page 48)

9—Food manufacturers (or suppliers) have requested higher prices in Phase II (some 800 sales items at last count). Some costs have already been passed on to wholesalers and supermarket chains. In the volumes in which we deal, the cost can be tremendous. A recent rise in the carcass price of beef of five cents a pound, and an earlier rise, is costing one food chain over $100,000 a week.

10—Now, what are margins? Essentially, margins are the percentage difference between what we pay for a product and what we sell it for. As a result the requirements of Phase II mean that retailers may pass along to consumers increases in the cost of the merchandise we sell, but they may not pass along cost increases that retailers themselves control.

11—Both retailers and wholesalers, under the Phase II regulations, have considerable flexibility in delineating the categories in which their margins are controlled.

12—One option retailers have is to freeze their margins by departments — that is, the meat department, the dairy department, the grocery department, etc. Those who choose this course must price all of the merchandise within the department so that the average department margin is no greater than it was during the base period.

Other retailers, depending on their customary business policy, may choose all stores within a division as a margin category, and still others may treat their entire company as a single category. Again, as far as the regulations are concerned, it doesn’t matter, so long as the categories chosen fit in with normal business practice and the margin of each category remains the same or lower than it was during the base period.

(Continued on Page 52)
In the Detroit-Southeastern Michigan area

The brands that mean business are advertised on

WWJ Radio One
WWJ TV 4
WWJ Radio One
WWJ TV 4
WWJ Radio One
WWJ TV 4
WWJ Radio One
WWJ TV 4
WWJ Radio One
WWJ TV 4
FREEZE, PHASE II
(Continued from Page 50)

13—Large food chains — those with sales of more than $100 million annually — must report both their categories description and margins with the Price Commission before they can adjust their prices. Many already have done so.

14—There is an additional absolute Phase II control that is common to all kinds of business: The freezing of corporate pre-tax profit rates as a percentage of sales at a point no higher than that earned by a company during any two of its last three fiscal years. In its early actions, the Price Commission has indicated that it is going to pay particular attention to this figure in its control procedures, and ultimately this is the most effective method from the consumer’s point of view of assuring compliance.

Grand Rapids Site of 1972 Weights and Measures Convention

The annual convention of the Michigan Association of Weights and Measures Officials has been scheduled for May 23-25 at the Pantilind Hotel in Grand Rapids.

Inman Acquires Fort Wayne Firm

The acquisition of Fort Wayne Food Brokerage Company of Ft. Wayne, Indiana, has been announced by Paul Inman, president of Paul Inman Associates, Inc., an AFD member-firm. In announcing the purchase, Inman said the entire staff of the Fort Wayne firm will join the new firm, and the office will serve as a branch of the company, headed by Charles Rogers, who became vice-president and general manager of the new Inman division. Mick Levitt is sales manager, and Gerald Christie is retail supervisor.
Our act plays to giant audiences the year-round.

These guys don't play any one night stands. In fact, throughout the year the "Peanuts" gang (from the world's most famous comic strip*) is on stage exclusively for us, the Interstate Brands Corporation. Lending continuous media advertising support to grocers who stock our bakery products, Butternut Bread; Dolly Madison Cakes.

And because this advertising act never closes, consumers nation-wide have come to strongly associate the "Peanuts" characters with our products.

And in the wholesale bakery business, that makes us a pretty hard act to follow.

SHRINKAGE

(Continued from Page 40)

shrinkage per year related to sales or to net profit. An outsider might assist you in evaluating your operation weaknesses, retail procedures and personnel procedures.

Continuing, Humphries addressed his remarks to riots. He asked, “What’s a retailer to do while waiting for a riot to start? Don’t just stand there and let the rioters loot your store then burn it down. Protect yourself in advance.”

Humphries stressed that damage inflicted by rioters in Cleveland, Detroit, Newark and Washington was chiefly against retailers, many of whom did not recover sufficiently from insurance to continue in business.

His first recommendation was for retailers to get together with their lawyers and draft letters to the local police chiefs, sheriffs, fire chiefs, mayors, heads of city council, and perhaps, eight or ten other individuals responsible for keeping the law or making it.

“Your attorney can advise you of your legal ground and he can write the letters stating that you understand a civil disorder is imminent and

(Continued on Page 56)
How to win friends and influence people.

(Give S&H Green Stamps)

Thousands of merchants like you are doing it. And finding it very, very profitable. Women know the S&H sign means extra value—not only because they get S&H Green Stamps, but because they can expect good merchandise and good service. If you'd like to find out about joining the S&H family of merchants, and what it can do for you, just write:

Mr. J. E. Yurkanin, Dist Mgr.
The Sperry and Hutchinson Co.
33280 W. 12 Mile Road
Farmington, Michigan 48024
(313/474-3124)
SHRINKAGE

(Continued from Page 54)

you want to be assured of proper protection,” Humphries said. “Then, put the letters aside, undated,
to be hand delivered with the proper dates and notarization, when you learn your business is in
danger.”

Humphries’ idea is that the letters tend to put authorities on the spot. A merchant sending such
letters can prove in court that he did everything possible to advise authorities that danger threat-
ened his business. He just might be able to recover enough to make up the difference between what
he has lost and what insurance compensates him for. Humphries said it is a good idea for retailers
to personally call upon their police chiefs, sheriffs, and other authorities to find out what the officials
recommend should an emergency develop. They can also clue you in on how to legally apprehend a
shoplifting suspect and advise you of the procedures to be taken to handle an embezzler.

1—Prepare the advanced letters to authorities, to
be dated and delivered when disorders threaten;
determine the duties of your staff, and test your
plan to know where it may be weak; establish a

(Continued on Page 58)
GOOD NEWS!

The New Era quality you remember is back!

MELODY FOODS, division of Melody Distributing Company, IS NOW THE SOLE DISTRIBUTOR in the Metropolitan Detroit Area, of an expanded line of NEW ERA POTATO CHIPS and SNACK ITEMS

phone MELODY FOODS today: 557-3800
SHRINKAGE

(Continued from Page 56)

control center and an alternate center from which you can direct activities during a riot.

2—Draw up a list of succession that will clearly indicate who is in charge should something happen to you; establish external communications — both primary and alternate, and even consider using radio communications should your phones be cut off.

3—Develop a means of internal communications to get word around the store quickly; work on employee morale — find out if they are prepared to stay on the job and emphasize the need for self-restraint; plan evacuation routes should this become necessary; contact power company in advance to learn location of transmission lines and get suggestions for emergency power; know the location of fire alarms and fire fighting equipment. Be sure to install hose connections on the roof; review property and liability insurance coverage; lay in an emergency supply of food, water, bedding, medical supplies and tools within easy reach.

We make

4-BUN PACKS

because there’s such a big

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KOEPPLINGER’S 4-BUN PACK is just the right quantity for so many small families. And there are a lot of them, made up of young marrieds whose families are yet to come, and older couples whose children are grown and gone. Hamburgers and frankfurters are big items in their diets, and so are the buns to go with them when they are available in the right-sized packages.

If KOEPPLINGER’S 4-BUN PACKS aren’t on your display racks now, tell your Koepplinger man to leave some tomorrow. And don’t forget to watch how fast they move out... and your profits move up.

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THOMAS A. MEKUS (right), marketing manager for Mario's Food Products Co., division of Beatrice Foods Co., Detroit, an AFD member, is congratulated and receives a special award from William G. Karnes, president of Beatrice Foods, after being named to the company's President's Honor Club for 1971.

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Use
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Only one daily newspaper dominates the Pontiac/Oakland County Market— it is the "Today Newspaper" that housewives and food buyers depend upon for their shopping choices. It is The Pontiac Press. It does what no other newspaper can do, not even the Detrosits. It produces volume sales at the check-outs in this volume market!

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THE BELL RINGER

(Continued from Page 49)

We have found the ultimate in investments. How would you like to buy stock in a couple of bordellos? The only catch is that the houses of ill-repute are in Germany, and the cost of a limited partnership is $15,528. The return is about nine percent. The entrepreneur who is hustling the deal makes this comment about the future of the venture: “Prostitution has weathered all the storms over the past 2,000 years without a crisis, and I don’t see one now unless the human race changes.” Don’t call me, call your broker.* * *

Dean Duerst of Hormel’s tells us that if you are slightly insane it is probably hereditary. You got it from your kids. * * *

Sidney Brent tells us he believes that the way to write something that will live forever is to write your name on a mortgage. * * *

Our definition of middle age is when you divide your time between worrying how your kids will turn out, and when they’ll turn in.

A customer in our kibbutz asked us the other day if we knew the ingredients of an Irish dinner. Before we could say “corned beef and cabbage,” another gal chimed in, “A six pack of Stroh’s and a boiled potato.” * * *

Our first wife was talking to a girl friend (?) last week and we overheard her say: “My old man hasn’t got many faults, but he makes the best of the ones he’s got.” I guess the truth is now coming out. * * *

Mike Giancotti tells me this one: The flight of the Jews from Egypt and the engulfing of the Egyptian army as the parted Red Sea unparts can be viewed from two perspectives. The Jewish perspective — that is, the death of the Egyptian army, or the Arab perspective — the birth of the Egyptian navy. * * *

Jerry Yono has been checking American history and tells us that our founding fathers spent a lot of their time drunk. Why not, Jerry, they weren’t driving.

(Continued on Page 64)
Eckrich and The AFD – Working Together For Progress.

We make it better for you.

THE BELL RINGER
(Continued from Page 63)

With all the breaks built into union contracts today, they should have a 10-minute break for “work.”

We understand that the car business is getting so tough that car salesmen are throwing in all kinds of free accessories, like engines, tires, and steering wheels.

A seasick couple lay stretched out in deck chairs, somewhere between life and death. Meanwhile, their small son became more rowdy by the minute. Finally the mother mustered voice enough to say: “John, I wish you would speak to Willie.” The father, unable to lift his hand, said feebly: “Hello, Willie.”

The only reason Deeb has me write this column is that Elisha Cook Jr. is not available. Hey, Deeb, who in hell is Elisha Cook Jr? (Edeebnote: No, dummy; Thomas Cooke, not Elisha.)

Dear John, that’s all she wrote.—ACB

If it’s Frosty, it’s Grade A Fancy!
Membership In A Trade Association

Is a bargain-priced insurance against various hazards of the member's business future. Were life to become simple again, with each man earning his livelihood without the aid of machines, trade association's would probably disappear. On the other hand, as living becomes more complex and as problems and needs of business men increase, trade associations are more useful today than ever before.

A quote from Theodore Roosevelt: "Every man owes a part of his time and money to the business in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere." If you know someone in the industry that you think should be a member, call the AFD at (313) 542-9550.

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NEW OFFICERS of the Detroit Food Brokers get together for an exchange of the gavel. Janies Hutton, of Steve Conn Associates, accept the gavel from outgoing president Robert Reeves of Reeves Brokerage Company. Flanking them at left, Robert Kuntz of Harris Crane and Company, the new secretary-treasurer; and at right, John Kimball, of McMahon & McDonald, Inc., vice-president of DFBA.

Proclamation:
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Effective communication is necessary between food brokers and manufacturers field contact men if mutual sales success is to be achieved. This was the consensus recently of a special workshop sponsored by the National Food Brokers Association.

A panel of manufacturers and food brokers agreed that field contact men and brokers share common commitment in doing the best possible job for principals. Both parties, said the panel, need to understand each other's role and responsibilities. Panelists emphasized the value, in this respect, of the book "Professional Working Relations Between Manufacturers and Food Brokers." The book is a joint publication of the Grocery Manufacturers of America and the National Food Brokers Association.

Panelists said that while the entire publication is essential reading for all manufacturers and brokers, Chapter 11 should be mandatory reading for all field contact men since their role is clearly defined in that section. Another recommended publication was the new book "Today's Food Broker" by Daniel I. Padberg, which explores the food broker's contribution in merchandising grocery products.

Commenting on what makes an effective field contact man, several panelists pointed out that a manufacturers training program can do much to help a field man in his work with brokers. Such a training program, they said, should spell out what is expected of the company's brokers in their local markets.

Proper training should also include how time spent with brokers can best be utilized. One disruptive field contact man, a panelist stated, can disrupt the whole brokers organization, and all of the packers he represents. By the same token, the panelists added, the broker too should be cooperative in his efforts.

It was agreed that continuous communication between top management of brokers and manufacturers concerning their mutual objectives would preclude any irrational decisions based on a personality conflict between field contact men and broker personnel.
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## Steve Conn & Associates
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## Paul Kaye Associates
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PHONE: 893-5594
Meet Your AFD Office Staff

MRS. CHERYL McWILLIAMS is the Associated Food Dealers' office secretary, who, working with AFD executive director Ed Deeb, channels the various projects or problems to completion. Cheryl enjoys the quick-pace of the food industry, as she helps her husband through school.

Ferndale High School co-op student Joanne Craddock is pictured running a portion of the thousands of envelopes mailed to members through the automatic postal machine. AFD's coupon redemption center regularly counts and processes literally thousands of coupons daily for members. Above, Kim McPhee, left, and Karen Hardesty, go through a couple of batches.

Record-keeping and accounting information are part of any well-managed organization. Above, Patti Holliday tabulates totals of a coupon package. TEAM EFFORT is what gets the job done at the AFD office — the industry's clearing house and nerve center for problems or issues requiring attention.

JIM SOPHIEA
AFD Insurance Representative
Proclamation:

February 6 through February 13 is
"GROCER’S WEEK IN MICHIGAN"

Patronize your Neighborhood Grocer

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To

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October 20, 1971
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GETTING TO BE A regular celebration is the annual birthday party involving the above individuals, who all celebrate their birthdays in January. Seated, left to right, is AFD director Sam Cosma of Atlas Super Market, Pontiac, and member Leo Sabatini of L-S Foodland. Standing, from left, are William Morgan, station manager for WPON radio; Glenn Haut of Spartan Stores; Dave Roberts, Spartan, and former AFD award recipient; Helen Sansone, WPON radio; Abe Cosma, Atlas Super Market; and Paul Dell and Paul Meador of Spartan. Happy birthday one and all!

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TAX TOPICS

Earned Income Eligible for 60%-50% Maximum Tax

By MOE R. MILLER
Accountant and Tax Attorney

There is a 60% income tax ceiling rate on earned income in 1971 and a 50% ceiling rate thereafter. But purposely deferring compensation from 1971 to 1972 or thereafter in order to come under the lower 50% ceiling rate, generally won't work because the Code bars the use of the ceiling rate for deferred compensation.

Proposed regulations explaining what earned income is eligible for the new 60%-50% maximum income tax ceiling were just issued by the Treasury.

What is Earned Income?

Earned income is defined as: wages, salaries, professional fees, bonuses, commissions, insurance premiums received as compensation in connection with personal services actually rendered.

If income is derived from an unincorporated business in which capital is a material income producing factor, the amount of earned income subject to the ceiling is limited to reasonable compensation for the taxpayer's services, but not exceeding 30% of his share of the net profits of the business. The regulations explain that capital is not a material income producing factor where gross income consists of fees, commissions or other compensation for personal services performed by an individual.

If an individual entitled to earned income dies and this amount is to be included by his estate as income in respect to a decedent, the estate would be entitled to the maximum tax ceiling for this income.

The practice of a profession will not as such be treated as a trade or business in which capital is a material income producing factor even though the practitioner may have a substantial capital investment in professional equipment, since his capital investment is regarded as only incidental to his professional practice.

Here are a few examples:

A—An unincorporated super market, men's or women's apparel store, laundering and dry cleaning business is one in which capital is material income producing factor either in inventory, plant and equipment.

B—A real estate broker often finances sales of real estate with his own capital and receives a substantial amount of interest income. Here capital is a material income producing factor since financing real estate sales is an integral part of the entire business.

C—If capital is not a material income producing factor, since it is only incidental to the rendition of personal service, then the net income would be considered as earned income.

The 60%-50% ceiling rates for earned income can't be used to the extent that Tax Preference Income in the years involved exceeds $30,000. The earned income otherwise eligible for the new ceiling rate must be reduced by the tax income which exceeds $30,000. An example of Tax Preference Income is the untaxed portion of long term capital gain, accelerated depreciation, etc.

If you were not confused when you starting reading this article I am sure you are confused now, but your accountant or tax attorney will know the answers to this perplexing problem.
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