Clowning Around

Although the trio above are shown clowning around on the golf course, the cause was more serious — to help the AFD fight crime — at the AFD Task Force on Crime Golf Outing held recently. Richard Higgins, left, and outing chairman Jack Grifo, are shown chiding Ed Gulick of Kowalski Sausage Co.

*Story and photos, Pages 14 and 15*
Mabel, another Black Label!

America's Lusty, Lively Beer

Black Label is a full-flavored brew, with a taste that comes through straight and true... beer after beer.

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- **PHIL LAURI**, Chairman  
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- **PHIL SAVERINO**, Vice-President  
  Phil’s Quality Market  
- **EDWARD ACHO**, Vice-President  
  J-A Super Markets  
- **JERRY YONO**, Vice-President  
  Bond Market  
- **WILLIAM WELCH**, Treasurer  
  Hollywood Super Markets  
- **EDWARD DEEB**, Executive Director  
- **GEORGE N. BASHARA, SR.**, Legal Advisor

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**TERMS EXPIRING DEC. 31, 1975**

- **STAN ALBUS**  
  Stan’s Super Markets  
- **GEORGE BYRD**  
  Byrd House of Meats  
- **ROBERT COVERSON**  
  Mardi-Gra Food Center  
- **PAUL FELICE**  
  Felice’s Quality Market  
- **DON HARRINGTON**  
  Meat-N-Place  
- **GENE MATTI**  
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- **RAY SHOULDRS**  
  Shoulders Markets  
- **LEONARD TAGLIAVIA**  
  Dan-Dee-Super Markets  
- **GARY WING**  
  Fisher’s Markets  
- **SABAH YALDOO**  
  Food Castle Market  

**TERMS EXPIRING DEC. 31, 1976**

- **ALEX BELL**  
  Village Food Market  
- **SIDNEY BRENT**  
  Kenilworth Market  
- **MICHAEL GIANCOTTI**  
  Auburn-Orchard Markets  
- **DONALD LAROSE**  
  Food Giant Markets  
- **R. JERRY PRZBYLSKI**  
  Jerry’s Food Markets  
- **ALLEN VERBRUGGE**  
  Verbrugge’s Market  
- **JOHN WELCH**  
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**TERMS EXPIRING DEC. 31, 1977**

- **LAFAYETTE ALLEN, JR.**  
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- **NEIL BELL**  
  Village Food Market  
- **THOMAS GEORGE**  
  T-J’s Food Center  
- **SID HILLER**  
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- **THOMAS VIOLANTE**  
  Holiday Food Center  
- **HARVEY L. WEISBERG**  
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  Atlas Super Market  
- **JACOB GRANT**  
  Farmer Grant’s Market  
- **JACK HAMADY**  
  Hamady Food Stores  

*Past Presidents*
The Eleven Commandments of Check Cashing

By R. J. Colasanti

I shall, in the process of cashing checks, utilize all the common sense God gave me because my efficiency and competency is determined by it.

I shall first examine carefully all checks before deciding to accept them.

I shall make two telephone calls before accepting payroll check from a stranger. First, to the issuing company; second, to the drawee bank. In that order.

I shall always be cognizant of the fact that the money I give in exchange for checks is also mine as well as my employer’s, because it’s the same money he pays me with. I shall treat it with utmost care.

I shall always realize that whatever money I give away for checks, is money derived from previous sales . . . and that I am entrusted with the duty of protecting that money.

I shall cooperate fully with law enforcement in all cases related to checks.

I shall use diplomacy and tact when discussing any given situation with a customer on checks.

I shall always require positive identification, address and telephone number on every check before deciding to honor it.

I shall instruct all subordinate help in the proper methods of handling checks as prescribed by the company I represent.

I shall not honor a check, that to my judgment, is a risk to take.

I shall continually strive to improve my check cashing practice and attempt to reduce my losses appreciably.

Call
Stanley Vogelsang
for fast, accurate inventory service.

It’s true . . . we’re a nationwide company . . . one of the largest in the country, in fact.

But we pride ourselves on personalized service at the local level. Just call — we’ll show you what we mean!
SEVERAL MEMBERS of the AFD Task Force on Crime were in attendance at the golf outing to help raise funds to fight crime. Pictured above, from left to right, are Sharkey George of Melody Distributing Co.; Robert Holmes, Jr., Teamsters Union; Edward Deeb, AFD executive Director; Jack Grifo, Superior Potato Chips and Task Force chairman; Izzy Malin, Belmont Paper Co.; and Michael George, Melody Dairy Co. (See story and more pictures, Pages 14—15.)

In beautiful Twyckingham in Southfield between 11 and 12 Mile Roads and Lahser and Bell Roads. Large Five Bedroom and Five Bathroom home on magnificently landscaped lot. Circular Drive, Patio, 2½ car attached garage. First floor of home has extra large Family Room with Natural Fireplace, Living Room, Separate Dining Room, Breakfast Room and beautifully equipped Kitchen. Also, Guest Powder Room, Den with adjoining Full Bath. Upstairs has Large Master Bedroom Suite with separate Private Bath and additional Wash Basin in Vanity. Four additional large Bedrooms and two Bathrooms with twin Vanity Wash Basins.

Finished basement with an additional Bedroom and Full Bath. Utility and storage rooms, Incinerator, Two Furnaces, Two Air Conditioners, Two Electronic Air Filters, Two Electronic Power Humidifiers for convenience, comfort and economy of operation. Many other custom features too numerous to mention. The perfect home for the growing family. First time offered by Owner.

Attractively priced at $110,000. Call 356-6000 Between 9 A. M. and 5 P. M. for Appointment.

Memo from Faygo

BY MORTON FEIGENSON

Joe Acho, a Chaldean now in his mid-seventies, and his four sons: Ray, Ed, Pete and Jerry; together, own and operate two stores—the J. A. Market at 7403 Vernor in inner-city Detroit and the Polly Market at Whitmore Lake, a resort area 40 miles outside Detroit.

"Faygo's big with us and without question our most profitable soft drink line," said Ed Acho, second eldest of the sons and an AFD vice president.

"Coke and Pepsi are big with us too," he said, "but no way can we reconcile our costs with their contention that their 17-18 percent margins work out just as profitably as do 30 percent warehouse margins because of the in-store services their route people provide."

Said Acho:

"We know our costs. They're 8 percent for getting product off our warehouse trucks and moving it through our cash registers. And, okay, we'll grant that Coke and Pepsi route people do save us maybe 5 percent by putting their own product on the shelf.

"But we've already lost at least 3 percent back to them by having to monitor each and every one of their separate deliveries, by having to handle their separate billings and too often, like with Seven Up, Dr. Pepper and Squirt, by having to pay them separately in cash."

"These vendors," said Ed Acho, "think we can work on the same margins with their products that we work on with sugar, flour and soap. They just don't understand the grocery business. We do and as far as we're concerned margins on store-door pop are absurdly low."

ED ACHO, AFD VICE PRESIDENT AND OPERATOR
WITH HIS FATHER AND BROTHERS OF THE J. A. MARKET IN DETROIT AND POLLY MARKET AT WHITMORE LAKE.
The Machinators

Webster's Seventh New Collegiate Dictionary defines "machinate" (pronounced mash-in-ate) as follows: "to plot or plan a scheme to bring about harm; a crafty action or artful design intended to accomplish some evil end."

A "machinator," then, is a plotter or schemer of an action to bring about harm or accomplish an unethical or evil end.

The political theory of machination is attributed to Machiavelli in his essay called *The Prince* centuries ago, involves the principles of conduct characterized by cunning, duplicity or bad faith.

Machiavelli held that politics is amoral and that any means however unscrupulous can justifiably be used in achieving an end, or political power.

Thank goodness the majority of persons in our society are decent, kind, considerate, ethical people. Where the do-gooder attempts to bring about justice and fair play, the evil-doer tends to ruin or destroy something already proven to be good or worthwhile.

Machinators can be found most anywhere . . . in schools, social clubs, families, neighborhood clubs, service clubs, labor unions and business organizations. They may even exist in your place of employment. Sometimes, they go it alone, choosing not to be formally involved.

The point is that the machinators do exist and rather than work for a common goal for the mutual interest of an institution or company, they tend to divide and disunite an organization, with the ultimate goal of instilling harm.

Managers of corporations and retail establishments must keep watch over the machinators who may be injuring the company's work performance and efficiency. Too much machinating may mean loss of sales and profits, and may ultimately destroy a business.

Good management and regular communication with all employees, or volunteer committeemen if a service club, can reduce or eliminate chances for the evil-doing machinators to be successful.

Are you aware of any machinators at your place? Look around.
Around the Town

Paul Kaye Associates, Inc., an AFD member, has announced its relocation to new and larger quarters. The new address is 32969 Hamilton Ct., Suite 100, Farmington Hills, Mich. 48024; the new phone is 478-5010.

WWJ AM-FM-TV, an AFD member, has appointed Peter A. Kizer general manager of its stations, according to an announcement by Don F. DeGroot, vice-president, broadcast division, The Evening News Association, which owns and operates the stations.

Frederick G. H. Meijer, president of Meijer, Inc., Grand Rapids, was recently elected a director of the Michigan National Bank.

Congratulations to AFD director Gene Matti, of Town Square Market, Dearborn Heights, on his recent marriage. His wife Catherine is from St. Clair Shores. We wish them much marital bliss.

Judge George N. Bashara, Jr. of the Michigan Court of Appeals, and son of AFD Legal Counsel, the senior Mr. Bashara, was elected to the executive committee of the National Appellate Judges' Conference, at a recent meeting of the American Bar Association.

Peter W. Stroh, president of Stroh Brewery Company, an AFD member, was recently elected to the board of directors of Detroit Renaissance, the group which supports commercial and residential development of downtown Detroit.

Henry Dorfman, president and chairman of Frederick and Herrud, Inc., an AFD member, was recently elected a director of Detroit Renaissance.

(Continued on Page 17)
The Food Dealer • July/August, 1975

THE PRESIDENT'S CORNER

Checker Error Still Looms As Problem

By LOUIS VESCIO

Price guessing is a very serious and fairly common checker error. In basic skills series published recently by NARGUS on “Reducing Checker Errors,” the point is made that price guessing results from three kinds of improper price marking: (1) price marks that are illegible, (2) price marks that are missing, and (3) price marks showing the wrong price.

When a checker guesses at a price, she will guess in favor of the customer almost 90 percent of the time, according to the booklet. That is, she will guess, on the average, in favor of the customer about nine times out of ten. Some checkers, when they are not sure of a price, will ask another checker or even the customer.

But if one checker does not know the price, it is just as likely that the checker at the next register will not know the price either. Asking a customer about a missing or illegible price, is as bad practice, the booklet says, for several reasons.

First, the customer isn’t likely to know the price.

Secondly, the customer may give a price that the checker will strongly suspect as being incorrect, and then the checker is put into a position of having to check on the customer — a poor public relations tactic.

Thirdly, some customers may give a price they know is wrong, encouraging a checker to ring up a lower price.

Many supermarkets use one of two procedures for determining correct prices when checkers are faced with a price-marking problem.

In one instance, a checker calls a supervisor who, in turn, finds the correct price. The checker continues to ring items in the customer’s order while the correct price is being found.

The other, the checker sends another store employee, as a bagger, to the shelf where the item is stocked to find the correct price. Again, the checker sets the item in question aside and continues to ring the customer’s order.

One thing the checkers should not do when they are not sure of a price is leave their checkstand. There are few, if any, stores with such a planned procedure. The practices can often lead to other checker errors.

The mainpoint is to be sure you (management) are dealing with checker errors properly and assure all personnel are trained to handle the situation when problems occur.

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Specialty Foods also features a complete line of party store supplies, salads, pickles, snack foods, etc.
Make Fire Rounds
A Daily ‘Must’

A store or company manager or owner should remember these words: No safety program is adequate without special emphasis on fire prevention.

In a general evaluation of his fire safety program, the store owner or manager should ask himself:

Are fire extinguishers adequate? Are they properly filled, properly placed on walls, unblocked and easily accessible? Periodically checked by qualified service men?

Do all employees know the types, and limitations of fire extinguishers? Extinguishers have specific uses, many should not be used for electrical fires!

Do all employees know what to do if fire should start?

Is the store thoroughly checked for fire hazards and security before lock-up for the night? Does this check include smoking areas?

Are there sufficient No Smoking signs?

Are there “What To Do If Fire Starts” signs, posted in conspicuous spots in the store? (These are available from city Fire Departments.)

It would be wise for the store manager to delegate to one conscientious employee the responsibility of acting as “fire inspector.” As such, this person should be provided with a printed checklist to which he should refer daily in making his “fire safety rounds.”

FIRE PREVENTION CHECK LIST

1—Are (1) backroom, (2) basement, (3) alley and (4) parking lot free of rubbish and trash?

2—Are merchandise and combustible material kept at least 48 inches from (1) stoves, (2) furnaces, (3) uninsulated hot water heaters, and (4) from the front of ceiling gas heaters?

3—Are merchandise and combustible material kept a safe distance from (1) smoke pipes, (2) flu openings, (3) gas heaters and (4) from light bulbs?

4—Is the burning of trash on the premises safely handled?

5—Are ashes and floor sweepings stored in covered metal containers?

6—Are refrigeration (1) platform and (2) machinery free of merchandise and other objects?

7—Is refrigeration machinery on fire-proof base?

8—Is sand bucket free of trash and debris?

9—Is there a (1) soda-acid fire extinguisher and (2) properly filled?

10—Are fuse boxes (1) equipped with proper size
1. Are the wire sizes indicated on the fuse box?
2. Are extension cords in good condition and properly installed?
3. Are exposed electric wires in safe condition?
4. Are electric sealing irons provided with asbestos-lined holders?
5. Are gas and electric heating units set on metal or asbestos bases?
6. Are smoke pipes and vents in good condition and fitted properly in flues?
7. Is sand filled, yellow, metal container provided for extinguishing cigarette and cigar stumps?
8. Have conditions previously reported on fire hazards been corrected?

Remember, make fire rounds a daily "must." There is no safety like good housekeeping.

(Post on Bulletin Board)

Merchandising

Kenneth Garry has been appointed route sales supervisor in the Detroit office of Peter Eckrich and Sons, Inc., an AFD member. Garry, with the firm 10 years, will be responsible for route supervision in the Detroit area.

* * *

Thomas H. Sculphorpe, sales promotion manager of The Stroh Brewery Company, an AFD member, has been named the "Sales Promotion Man of the Year" by the Detroit chapter of the Sales Promotion Executives Association.

* * *

Dan Varon has been appointed to the sales staff of The Pfeister Company, an AFD member. Varon was previously associated with the Drackett division of Bristol-Meyers Company.

* * *

"Cheaper by the dozen — a $1 rebate cheaper" is the pitch Faygo Beverages, Inc., an AFD member, is making in nine states to maintain sales of the firm's soft drinks in quart bottles. The offer expires Jan. 2, 1976, according to Sara Tozer, advertising director.

* * *

Koepplinger's Bakery, Inc., an AFD member, has appointed The Pfeister Company as its exclusive marketing representative, according to an announcement by Ray Koepplinger, vice-president and general manager of the baking company. The move represents a new marketing philosophy to help bolster the firm's sales and expansion.

SOFT DRINKS AND MIXERS

SQUIRT — the premium quality soft drink that moonlights as a mixer. Made with real Squirtfruit fresh off the tree.

HIRES — the honest root beer, famous since 1876.

NESBITT'S — made from the juice of real oranges.

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- KRAFT PRODUCTS
- CHEESE SPECIALTIES
- PILLSBURY BISCUITS
- BUTTER and OLEO
- EGGS
- SPARE RIBS
- BEEF SIDES and CUTS
- FRESH LOCAL PORK
- LUNCHMEATS & SAUSAGES
- SMOKED HAM and BACON
- SALT PORK
- CHITTERLINGS - HOG MAWS

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434 W. Eight Mile Rd. Detroit, Mich. 48220

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PLEASE NOTIFY US
3 WEEKS IN ADVANCE
To Change or correct your address, send this form to:
Associated Food Dealers
434 W. 8 Mile Road
Detroit, Michigan 48220

If you're so rich, why aren't you smart?

So you're making a good salary. But you're not saving any of it. Instead, you want to go after the "big deal" that's going to make you a cool million. Maybe.

What happens if your big scheme goes sour? You've still got to get through the future. And, let's face it. Nobody can afford to take tomorrow for granted.

So maybe you'd better join the Payroll Savings Plan now. Just sign up at work. An amount you specify will be set aside from your paycheck and used to buy U.S. Savings Bonds.

That way, you can still afford to take a few financial risks, if that's your bag. But you'll always have a solid cash reserve to fall back on. And that's being smart.

Now, U.S. Bonds pay 6% interest when held to maturity of 5 years. Plus the first year. Bonds are replaced if lost, stolen or destroyed. When needed, they can be cashed at your bank. Income is not subject to state or local income taxes, and federal tax may be deferred until redemption.

Take stock in America.
Join the Payroll Savings Plan.
DISABILITY INCOME PROTECTION...

It can work for you, when you're unable to work!

That's right. Disability Income Protection has helped protect thousands of people from financial loss when a covered sickness or accident kept them from working. It can help you, too!

That's why the Associated Food Dealers of Michigan has endorsed Disability Income Protection for its members. Should a covered sickness or accident keep you from working, Disability Income Protection can provide regular benefits (from $100.00 to $1,000.00 a month depending on the plan you select and qualify for) to help you make your house payments, pay your grocery bills, the utilities and the other expenses that you and your family face everyday. As you can see, the benefits are paid directly to you, to spend any way you choose.

ALSO AVAILABLE — LIFE INSURANCE
Today's high cost of living makes it more important to establish an estate of adequate proportions to insure the future security of your family. Up to $50,000.00 of life insurance coverage is available to you as a member of the Associated Food Dealers of Michigan. Life insurance coverage is also available for your spouse and dependent children.

Now — here's all you have to do to find out about the cost, conditions of coverage and renewal on the plans that best fit your individual needs. Complete and mail the coupon. A representative will provide personal service in furnishing this information at no cost or obligation.

Please rush full details on the Associated Food Dealers Of Michigan Insurance Program

NAME ___________________________________________________________
ADDRESS ______________________________________________________________________
CITY __________ STATE _________________________ZIP _______
AFD Golf Outing Aids Crime Task Force

The Associated Food Dealers Golf Outing held recently at Meadowbrook Country Club, helped the association’s Task Force on Crime raise some $2,500 to help fight crime. The outing featured the Sharkey George Invitational Tournament, and was jointly chaired by Jack Grifo of Superior Potato Chips, Sharkey George of Melody Dairy Company, and Carl Leonhard of the Detroit News. Over 115 persons golfed with 155 attending the dinner. Over 85 prizes were given out at the dinner.

The AFD thanks all companies and individuals for helping to make the outing a success of attending the event. We are also grateful to those firms who donated the generous prizes which were given out.

Thanks also go out to the prize committee who coordinated the effort. They include: Robert Lannen, The Pfeister Co., brokers; Alex Keurejian, Stroh Brewery Co., beverages; Mike Simon, Home Juice Co., soft drinks; William Coughlin, Ward Foods, bakeries; William Swanson, Borden Co., dairies; Harry Shallop, Items Galore, non-foods; Iggy Galante, Prince Macaroni, manufacturers; Harry Arkelian, Peter Eckrich & Sons, meat packers; Bud Nicolay, Kar-Nut Products, snack foods; Carl Leonhard, The Detroit News, media; James Kunstel, Abner A. Wolf, Inc., wholesalers; and Joseph Gohs, Gohs Inventory, accounting and inventory.


TOURNAMENT prize-winner Fred Falle, left, of Bob Jones & Company, and Ray Stella, right, of Archway Cookies, are pictured with Jack Grifo and Sharkey George at the dinner following golf.

TOURNAMENT GRAND PRIZE winners were Tom Violante of Holiday Market, left, and John Ellison of Hussmann Refrigeration, right. They are pictured above receiving trophies from chairman Sharkey George of Melody Distributing Company.

ASSOCIATED FOOD DEALERS
GOLF OUTING
AIDS FIGHT AGAINST CRIME
AT MEADOWBROOK

IGGY GALANTE of Prince Macaroni of Michigan, right, assists Miss Bernie Garmo draw one of the over 85 prizes given away at the dinner following the golf outing at Meadowbrook Country Club.

THE KOEPPLINGER GROUP poses for The Food Dealer photographer before teeing off at the golf outing. From left, are Elmer Rau, Jerry Tietz, president Ray Koepplinger, and Tim Koepplinger.

WAITING THEIR TURN to tee-off are, left to right, Bucky Kelmigian, Jim Lossia, Samir Sarafa, Jerry Yatooma, Haithem Sarafa, George Lossia and Ron Jonna.
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Through membership in the Associated Food Dealers, you can enjoy wide benefits designed to represent our industry in your community. In addition, such services as Blue Cross and all types of general insurance, coupon redemption program, weekly newsletter, and a wide variety of other services are available. Call and let us tell you about them. Or, clip out the application and mail to:

ASSOCIATED FOOD DEALERS
434 W. Eight Mile Rd.
Detroit, Mich. 48220 — Phone: 542-9550
Television of Reality: Mirror of Life

By LESLIE K. PEARE

Ever since its invention, the TV set has brought many closer to reality. In fact, without even knowing it, the viewers are actually watching the reality of their lives from morning to night as the programming progresses.

In the morning (when we were young), we passed through the Kapt. Kangaroo and Romper Room stage of our lives. It was our first awakening to knowledge and to the world beyond our own neighborhoods.

Soon after, we started school and thus entered the quiz show period. Just as on the shows, questions and answers dominated our lives. We played What's My Line with our counselors and even now some of us are still playing the game... trying to decide what to do with our lives.

During this time, our parents and counselors watched us closely to see if we would play Let's Make A Deal. Would we trade our chance to acquire a good education for what lies behind the curtain of the outside world? Would we take the consolation prize of making money by working? Or, would we go for the grand prize? The graduating class has chosen the right door and (tonight) we will win that prize—our high school diplomas.

We now pause for a brief commercial before embarking upon the soap operas. Whether we realize it or not, we will soon be just like the characters in those dramas. Some of us will be faced with the same things that confront soap opera characters—children, sickness, marital problems and even (heaven forbid)—facelifts.

The things that we have learned in school can help us face and remedy these situations. Before we know it, however, it will be time for the six o'clock news. From here we can determine whether we will watch the news or be a part of the news.

As we stand (here) today, it is still not too late to change the channel. Some of us will take a more passive involvement and use remote control; some will simply turn the set off; others however, will make the effort and flip the dials themselves.

Many people will be glad they got involved and made an effort. But those who chose not to be a part of life—the news—will only watch the old reruns... reruns of past mistakes, or other people’s joys and sorrows.

If we don’t have things to do (or rather watch), after the news all we will have left are memories and the thought of that fate which awaits all of us: the silent test pattern that signals the end of another day of televisions.

Today, 1975, we must all strive to live our lives in “living color” and take an involved stand, on whatever the subject... lest we be pre-empted by a football game, a soap opera, a political speech or a Geritol commercial.

EDITOR’S NOTE—This issue’s Guest Editorial was presented as a commencement address before her graduating class at Fordson High School, Dearborn. Miss Peare was selected from numerous other students to give the address based on creativity and content. She is the daughter of Mr. and Mrs. Gene Peare (he’s with Squirt-Detroit Bottling Co.), and is beginning her freshman year this fall at Michigan State University.

Around the Town

(Continued from Page 7)

named 1975 recipient of the Jewish Theological Seminary of America’s National Community Service Award.

*   *   *

Phil Lauri of Lauri Bros. Market, Detroit, a past president of AFD and current chairman, was recently elected president of the Southeast Detroit chapter of the Exchange Club, a service organization.

*   *   *

Speaking of service organizations, Thomas Violante of Holiday Food Center, Royal Oak, an AFD director, was recently elected president of the Royal Oak Lions Club.

*   *   *

Congratulations to Benjamin Bagdade, former AFD Award Recipient, now with Acme Food Brokerage, on his induction into the Michigan Amateur Sports Hall of Fame in the category speed skating.
TAX TOPICS

What IRS Looks For In Selecting Returns

By MOE R. MILLER
Accountant and Tax Attorney

After IRS computers make a preliminary selection of returns with a high potential for additional tax, these returns are given a manual screening to identify any apparent audit issues. But even if these returns don't show any specific suspicious issue, the IRS screener is instructed to ask himself the following questions before deciding not to select a return for audit:

"(a) Is the income sufficient to support the exemptions claims?"

"(b) Does the refund appear to be out-of-line when considering the gross income exemptions?"

"(c) Is there a possibility that income may be under-reported?"

"(d) Could the taxpayer be moonlighting, earning tips, or have other type of income not subject to withholding tax?"

"(e) Is the taxpayer engaged in the type of business or profession normally considered to be more profitable than reflected by the return?"

"(f) Is the taxpayer's yield (net profit) on his investment (equity in assets) less than he could have realized by depositing the same amount in a savings account?"

"(g) Is the standard deduction used with high gross and low net shown on business schedule? Experience has shown that the incidence of fraud is greater on low business returns when the return reflects large receipts ($100,000 or more), a sizable investment, and the standard deduction is used."

What are your chances of a field audit?

Treasury statistics for '72 – '73 show the following chances of a field audit (as distinguished from an IRS office audit) for returns of various classes of individuals and fiduciaries:

<table>
<thead>
<tr>
<th>Overall</th>
<th>1 out of 294</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you are not involved with related taxpayers:</td>
<td>1 out of 367</td>
</tr>
<tr>
<td>If your adjusted gross income is between $10,000 and $50,000 and you have no business income:</td>
<td>1 out of 438</td>
</tr>
<tr>
<td>If your adjusted gross income is over $30,000 and you have business income:</td>
<td>1 out of 14</td>
</tr>
</tbody>
</table>

Here's the average chance of audit compared to the previous year. These averages are based on totals of all audits and returns. The chances of audit may vary sharply by size of income, nature of taxpayer and even geographical location as shown below.

<table>
<thead>
<tr>
<th>All individuals</th>
<th>Chance of Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>1 in 57</td>
</tr>
<tr>
<td>1973</td>
<td>1 in 56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporations</th>
<th>Individuals</th>
<th>Corporations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>1 out of 29</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>1 out of 26</td>
<td></td>
</tr>
</tbody>
</table>

| Manhattan, N. Y. | 1 out of 37   | 1 out of 26 |
| San Francisco, Calif. | 1 out of 29 |
| 1972           | 1 out of 52   |
| 1973           | 1 out of 58   |
| 1972           | 1 out of 35   |
| 1973           | 1 out of 13   |

New Orleans, La.

| 1972 | 1 out of 52 |
| 1973 | 1 out of 58 |
| 1972 | 1 out of 26 |
| 1973 | 1 out of 16 |

Appeals to higher levels of IRS pay off. Taxpayers continued to do well in fiscal '73 in settling their cases at the highest level within the IRS itself. Of 18,974 disputes that weren't appealed to the Tax Court (non-docketed) the Treasury settled deficiencies and penalties for a little over 40% (up sharply from a little over 30% in '72).

As to cases docketed in the Tax Court, the Treasury settled for about 33%, compared to slightly less than 30% in 1972.

The Treasury has changed its long-standing rule that audits must be started within 20 months of the due date of the return (or filing date if later) for individuals and 21 months for corporations, and be completed within 26-27 months after the due date (or filing date, if later).

It has dropped the 20–21 month starting date and merely left the 26–27 month completion deadline.

This lengthens a taxpayer's exposure period somewhat. In the absence of a starting deadline, it isn't clear how close the completion deadline a return examination may now start.
THE RING OF THE CASH REGISTER

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