



# THE FOOD DEALER

*"The Magazine for the Michigan Food Market"*

DECEMBER, 1972



Allen Verbrugge, 1972



Ray Martyniak, 1973 - ?

## Martyniak New AFD President

Under the direction and leadership of Allen Verbrugge of Verbrugge's Market, the AFD continued its growth both in size, stature and accomplishments. In 1973, the president's gavel is turned over to Raymond Martyniak of Ray's Prime Meat Stores, who promises to keep the AFD on the move.



Pepsi-Cola  
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of Michigan

***Wishes you a Happy and  
Prosperous  
Holiday Season.***

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Ask Us about Our Holiday Promotions.

**YOUR ASSOCIATION AT WORK**

# Review of AFD Involvement, Action Programs

The following is a year-end review of the numerous major action programs, projects and involvement of the Associated Food Dealers during 1972. It also includes some of the major developments which occurred in, and affected, our industry. This report was compiled by AFD president Allen Verbrugge and executive director Edward Deeb.

## JANUARY

The year began with a Jan. 1 deadline from the **Cost of Living Council** and IRS for retailers to post price lists in their stores in conjunction with Phase II of the wage-price freeze. The ruling was to have taken effect Nov., 1971, but was postponed to Jan. 1 following protest of the **Associated Food Dealers (AFD)** stating the rules were "hazy and needed clarification." Later in the year, businesses with less than 60 employees were exempt from the controls.

The AFD participated in a meeting called by various beverage distributors and the MCCP to discuss the issue of **one-way versus returnable containers**. **DAGMR's Inaugural Ball** was held Jan. 15 with **Donald Dorst** of Independent Biscuit Company being installed as president. **James Hutton** of Steve Conn Associates was elected president of the **Detroit Food Brokers Association**. AFD's Al Verbrugge and Ed Deeb participated in a dinner meeting of the **Grosse Pointe Jaycees**.

**Federal Trade Commission** during this month accused the four major cereal firms of **having a monopoly**, and proposed that some of the firms should be "broken up." On Jan. 21, AFD's Ed Deeb appeared as a guest on **Tom Shannon's Morning Show (WXYZ-TV)** to discuss issues of our industry. On Jan. 24, the AFD participated in a meeting of the **Michigan Industrial Traffic League**, to discuss views of "motor vehicle detention" regarding policies and shipments. **Gov. William Milliken** proclaimed Jan. 23-30 as "Michigan Fish & Seafood Week" for the Fisheries Council of the Great Lakes, with the AFD cooperating.

## FEBRUARY

**Allen Verbrugge** of Verbrugge's Market was elected the new president of the AFD, succeeding **William Bennett** of Quik-Pik Food Stores. The following new directors were elected: **Paul Felice** of Felice's Quality Market; **Don Harrington**, Meat-N-Place; **Gene Matti**, Town Square Mar-

ket; **Salim Sarafa**, Big Dipper Market; **Ray Shoulders**, Shoulders Markets; **William Welch**, Hollywood Super Markets; and **Leonard Tagliavia**, Dan-Dee Markets.

Conducted the **Associated Food Dealers' 7th Annual "Grocers Week in Michigan,"** a statewide promotion sponsored by the AFD in behalf of the state's food industry.

**Gov. William Milliken** issued a proclamation to that effect, as did most of the Mayors of Michigan cities. Highlight of the week-long celebration was AFD's 56th Annual Food Trade Dinner, held Feb. 8 at the Raleigh House with some 1,300 persons on hand.

Guest of honor at AFD's trade dinner was **U.S. Sen. Robert P. Griffin**. In his address, Griffin called for aid to victims of crime, as a sponsor of a new federal bill to that effect.

**Joseph Brophy** of Canada Dry Corp. was elected president of the **Metro Detroit Soft Drink Assn.** AFD's Tom Violante and Ed Deeb met with **Oakland County Prosecutor Thomas Plunkett** to discuss legal aspects of the bad check problem.

AFD and many food distributors participated in the civic "Save Our Zoo" campaign to help the Detroit Zoo raise needed funds. Feb. 29, AFD met at MSU with representatives of the **University's Project 80+5**, to project the state of the food industry in 1985.

## MARCH

The AFD participated in a hearing in Lansing supporting SB 577 to license state food distributors, but asked that the bill be amended to "spell out rules" by which the licensed dealer would be governed, and also that copies be provided to all distributors.

**Chatham Super Markets** was cited by the **Brand Names Foundation** for "good retail citizenship, consumer protection and outstanding merchandising practices." **Arnold L. Foster** was elected the new president of **Allied Supermarkets**, succeeding **Thomas McMaster** who became chairman of the board.

New USDA rules issued this month, prohibited retailers from returning cash for change in food stamp transactions. **Sealtest Foods** closed its Detroit ice cream plant "due to economic conditions, and more retailers going into private brands."

AFD president Al Verbrugge announced the formation of a new **Michigan Convenience Store Council**, to be coordinated by AFD. **Spartan Stores, Inc.**, inaugurated unit-pricing and cardboard baling programs for its retailers.

## APRIL

AFD endorses the **Detroit Police Department's STRESS unit**, which was under

fire, as both an encouragement and a vote of confidence to Detroit Mayor Roman Gribbs and Police Commissioner John Nichols. AFD said STRESS was "reducing crimes and making streets safe again." The **National Association of Food Retailers** called for "some controls" on raw agricultural products at a **Price Commission** hearing April 12 in Washington. AFD termed "unacceptable and inefficient" an idea by the **Trade Union Leadership Council of Detroit** to cut off the tail portions of T-Bone and porterhouse steaks in a public statement.

AFD officially supported **U.S. Senate Bill S-1457** designed to strengthen the Clayton Act by setting the guidelines which eliminate cut-throat, destructive and unfair competition. The action was relayed to all Michigan Representatives and Senators in Washington.

The AFD issued a **Special Report on Food Prices** in the April edition of **The Food Dealer**, showing food prices increasing less since 1968 than any other category.

AFD participated in the **Detroit Mayor's Task Force on Hunger and Malnutrition** meeting. AFD opposed amendments to the Fair Labor Standards which would raise federal minimum wages to \$2 per hour; and if approved, students should be exempted to encourage work for them.

April 19, AFD participated in a meeting of the **Michigan Food Trades Council** which saw **William DeCrick** of Stiles-DeCrick Company re-elected president. The AFD participated in the annual Home Economics conclave at MSU. Also, the association participated in a meeting of the Litter Prevention committee of the **Detroit Chamber of Commerce**. Members of the AFD and the association participated in the **Annual Food Forum at MSU's Kellogg Center**; guest speaker was NAFC's **Clarence Adamy**. AFD's Ed Deeb addressed the **Detroit Agriculture Club** April 28 at Carl's Chop House.

## MAY

**Joseph Foy** announced at the annual **Spartan Stores** convention May 16 that he would be retiring in 1973; **Ray Dutmers** was named to succeed him. **A&P** converted its over 100 Michigan food stores into **WEO** discount units. **Pittiglio's Market** ended up in first place in the **AFD Bowling League** standings for the 1971-72 year. **DAGMR** hosted executives of **Chatham Super Markets** May 10.

**Associated Food Dealers** hosted a meat-cutting seminar in cooperation with **Wolverine Packing Company** at Wolverine's new plant. Executives of **WWJ-Radio-TV** gave a special presentation to the AFD

(Continued on Page 7)

# FRESH NUTS



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 their favorite soft drinks (opposite page). Hint: we're all in business together

## KAR-NUT

PRODUCTS COMPANY  
PHONE: 564-6990

# THE FOOD DEALER

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EDWARD DEEB, *Editor*

CHRISTINE SAJDAK, *Office Secretary*

MINERVA ZIVAN, *Insurance Secretary*

### Officers—1972

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Chatham Super Markets ..... Warren

MIKE GIANCOTTI

*Chairman, Executive Committee*

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DON LaROSE, Food Giant Super Mkts. .. Hazel Park

JAY WELCH, Hollywood Super Markets .. Royal Oak

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GEORGE BASHARA, *Legal Advisor*

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WILSON BOYD—King Cole Super Markets ..... Detroit

SAM COSMA—Atlas Super Market ..... Pontiac

PAUL FELICE—Felice's Quality Market ..... Pontiac

JACOB GRANT—Farmer Grant's Market ..... Ann Arbor

DON HARRINGTON—Meat-N-Place ..... St. Clair Shores

SID HILLER—Shopping Center Super Markets ..... Southfield

JACK HAMADY—Hamady Super Markets ..... Flint

GEORGE JERRY—C. Jerry's Super Markets ..... Port Huron

DANNY KNOPPER—Danny's Super Markets ..... Detroit

FRED LEVEY—Lindy's Super Markets ..... Detroit

GENE MATTI—Town Square Super Market ..... Dearborn

MOYED NAJOR—Publix Super Market ..... Detroit

JAMES PEABODY—Peabody's Market ..... Birmingham

R. JERRY PRZYBYLSKI—Jerry's Butcher Shoppes ..... Wyandotte

SALIM SARAFI—Big Dipper Super Market ..... Detroit

RAY SHOULDERS—Shoulders' Markets ..... Detroit

LEONARD TAGIAVIA—Dan-Dee Super Markets ..... Detroit

LOUIS VESCIO—Vescio's Super Markets ..... Saginaw

THOMAS VIOLANTE—Holiday Super Market ..... Royal Oak

WILLIAM WELCH—Hollywood Super Markets ..... Troy

JERRY YONO—Imperial Quality Market ..... Detroit

## Operating Results for Food Chains During 1971-72

The annual study of food chains made by Cornell University for the National Association of Food Chains shows these highlight results for the year 1971-72. (Fifty-nine companies participated in the survey, operating 7,105 stores with aggregate sales of \$17.3 billion).

1—Average annual sales per store increased by \$176,000 per year over the previous year to \$2.43 million per store—an 8% gain.

2—Gross margin increased from 21.39 percent of sales last year to 21.53 percent.

3—Total expenses increased from 21.20 percent to 21.92 percent of sales.

4—Payroll expenses increased from 11.09 percent to 11.38 percent of sales.

5—Promotional expenses declined from 1.32 percent to 1.20 percent of sales.

6—Net operating profit increased from 0.19 to 0.24 percent of sales.

7—Net earnings after taxes for all firms declined from 0.86 to 0.83 percent of sales.

8—Net earnings for all firms increased slightly from 8.88 percent of net worth to 8.93 percent.

## Appointments at Allied

C. Dale Warman has joined Allied Supermarkets, Detroit, as senior vice-president of sales, merchandising and corporate procurement, it was announced recently by Arnold Foster. Warman was formerly with Fred Meyer, Inc., an Oregon-based food chain.

Foster also announced that Anthony Carrillo, Jr., joined Allied as user systems specialist. He will be responsible for establishing and maintaining user support for data processing systems in the firm's divisions outside of Michigan.

At the same time, Howard A. Ferguson was appointed to the post of assistant general manager of the Michigan division of Allied (Wrigley Super Markets), it was announced by William Sample, division general manager.

## United Brokerage Appointments

United Brokerage Company, an AFD broker member, has announced the appointments of Roger C. McBride as sales manager for frozen foods, Robert J. Theisen an account executive for grocery, and John J. Riley to its direct sales staff from its retail staff, according to Louis B. Piscopo, vice-president and general manager of United's Detroit division.

Also, Piscopo announced the following appointments to United's retail sales force: Lewis Butler, Gerald Brown, Gary Falle, Richard Zechmeister, Pete Burkhardt, and Richard Eisenlord.

# SOFT DRINKS



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

**HIRES** — the honest root beer, famous since 1876.

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

and now — laugh it up — UP — UP with

**UPTOWN** — Newest member of our team.

Your customers think they're all great with their favorite nuts (opposite page).

## SQUIRT-DETROIT

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EDWARD DEEB

## **OFF THE DEEB END**

# Battle For The Buck

Instead of improving, the sickly profit picture of food retailers is getting worse all the time.

And although we of the AFD are opposed to expanded all-night store opening hours, it is not difficult to understand why the move to expand hours. In a nutshell, it's a quest for more sales volume in an effort to capture badly needed profits, in this, the lowest profit industry of all.

Take for example the following:

1—The fast foods restaurants, as McDonald's, Burger King, Col. Saunder's Kentucky Fried Chicken, and a whole host of others, are cutting into food sales of the supermarkets. Every dollar the consumer spends at a fast foods restaurant, is a dollar spent away from the food store.

2—Many drug stores are starting to carry items normally found in the food store, as milk, bread, soft drink, beer, snack foods, etc. It's really not surprising though, since the supermarket has been flourishing of late in the sale of health and beauty aids.

3—Many gas stations are also beginning to stock items traditionally found in food stores: milk, bread, soft drinks, snack foods, etc. This is not surprising either, since several years ago supermarkets began offering anti-freeze at far more competitive prices than offered at gas stations.

4—More convenience stores, the modern version of the old Mom and Pop stores, are popping up all over the place, and are known for keeping longer hours than supermarkets. And thus, another slice of food dollar is being spent elsewhere.

5—Add to the above, the 41% increase of supermarket employees' wages over the past couple of years, and the restrictions of President Nixon's wage-price freeze, and the problem becomes even greater.

All this should be taken as a warning that unless the sales and profit picture improves so far as the food retailer is concerned, several businessmen and food chains may soon be placing "going out of business" signs on their doors.

As someone once said, profit is not a dirty word. And without it, our industry, and even our nation, may be in trouble.



## YEAR IN REVIEW

(Continued from Page 3)

board May 9 on media and the role of radio

AFD's Deeb served as a panelist at the consumer and government inspection session of the annual convention of **Michigan State Health Association**, in Traverse City.

AFD met with officials of the **Michigan State Fair** to discuss ways of fostering greater participation and attendance.

AFD's Ray Martyniak and Ed Deeb met with officials of the **Security Bank** to discuss possible solutions to the bad check problem.

On May 18, Ed Deeb addressed the lecture session of the **Food Distribution Classes at Michigan State University**; his subject: the role of a trade association in our competitive food industry. An editorial in the May issue of **The Food Dealer** related how consumer writers were using the food field as a "scapegoat" in their attempts to dramatize inflation.

### JUNE

The expanded store opening "hours war" erupted in Michigan, with many food chains and independents beginning to open 24 hours daily, with some expanding hours to midnight, from 9 p.m. June 6, **Abner A.**

**Wolf, Inc.**, held its first annual golf outing. The Associated Food Dealers launched its **Scholarship Fund for sons and daughters** of anyone employed in the food industry, June 20.

The AFD called for a "return to normalcy" regarding expanded store hours, following hundreds of calls to the AFD office from members and consumers. Also in this month, the AFD asked the **Price Commission** to waive the food stamp rule prohibiting food stamp users from purchasing imported meats, especially during the relaxing of meat import quotas by President Nixon.

The AFD honored **Dr. Adrian Trimpe**, founder and director of **Western Michigan University's** food distribution program, at a testimonial dinner in Kalamazoo; AFD's Tom Violante, chairman of our scholarship fund, presented Trimpe with a Distinguished Service Citation. The AFD and its members participated in the **Annual Freedom Festival** between the cities of Detroit and Windsor, Canada, this year chaired by **Peter Stroh**, head of **Stroh Brewery Company**.

### AUGUST

The AFD kicked off this month by asking Gov. Miliken and State Lottery Commis-

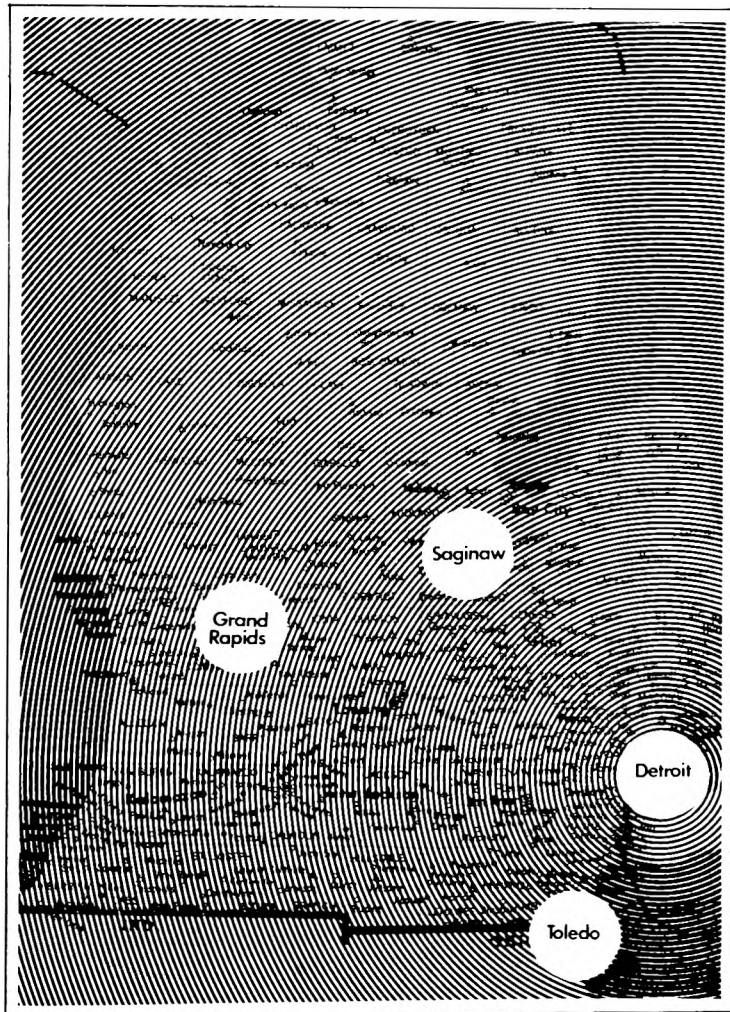
sioner **Gus Harrison** to have supermarkets and grocery stores serve as **lottery ticket sales centers**, saying it "was a natural," since food stores already cash checks, redeem manufacturers coupons, process federal food stamps, etc. The AFD also protested the new ruling of the **Michigan Liquor Control Commission** which prohibits refunds or exchanges on damaged or spoiled beer and wine products.

Ed Deeb appeared on **WXYZ-TV** to discuss the problem of expanding store hours, and their affect on consumers. AFD participated in the 87th annual convention of **NAFR** in Nassau, the Bahamas. AFD met with students from the **University of Michigan** to discuss the food industry and expressed lack of stores and services in inner-city areas. The **AFD Bowling League** kicked off its 1972-73 season at Bronco Lanes, Warren.

### SEPTEMBER

Executive director **Ed Deeb** appeared on **WWJ-TV's "Country Living"** program for a half-hour to discuss the food industry today, with Kirk Knight and Kathy Bufton. The AFD's **8th Annual Awards Banquet** was held at Imperial Hall, Fraser. **Joseph Foy**

(Continued on Page 14)



# This is Pfeister country

## Land of Opportunity

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

The 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.



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### Young Adults Prefer Soft Drinks to Coffee

Young adults prefer soft drinks to coffee, even in winter. This was one conclusion of the annual winter coffee-drinking study of the Pan American Coffee Bureau.

Relatively fewer persons in all age groups, except those over 70, are drinking coffee—and they are averaging fewer cups a day, according to the report.

The survey deals with consumption in relation to the population, but does not deal with sales figures. Among the 20 to 24 year-old group, 51 percent said they drink coffee. More than 67 percent in that age group drink soft drinks. Milk and milk drinks were consumed by 61 percent in that age group. Coffee was consumed by more than 80 percent of those in the 30 and over group.

### Wayne Wilcox New Spartan Vice-President

Wayne R. Wilcox was recently elected vice-president of retail operations for Spartan Stores, Inc., an AFD member, it was announced by Raymond M. Dutmers, executive vice-president of the Grand Rapids-based firm.

Wilcox joined Spartan in 1956 to establish a retail store accounting service, which later expanded to include store engineering, site selection, financing, tax and corporate planning, research and education. He will also continue as president of Market Development Corporation, a wholly-owned Spartan subsidiary.

### Who Has the Money?

The wealthiest 1% of the U.S. adult population own 25% or more of all personal property and financial assets, or about \$1 trillion in the hands of 1½ million people. The top 5% of the U.S. families hold about 40% of the wealth. The richest 20%, many of whom do not consider themselves wealthy, have three times the net worth of the bottom 80%

## MOVING?

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**THE PRESIDENT'S CORNER**

**Expanding Store Hours Stands Out in 1972**

By ALLEN VERBRUGGE

This is my final column of the year, and as president of the Associated Food Dealers, all I can say is, boy did the year go by quickly!

Usually, the presidents review the year's activities in their final message. But since there is a comprehensive review of the AFD projects, involvement and activities on Page 3 of this issue of *The Food Dealer*, this will not be necessary.



VERBRUGGE

Probably the biggest thing to affect our industry this year was the move to midnight and all-night store openings. I do not believe this is healthy for food retailers especially, but until a move begins away from all-night openings, we retailers will have to live with

it and devise new ways of competing against this.

In closing, I wish to say it was a real pleasure and honor to serve as president of the AFD. The office and responsibilities of president, has brought to me a far greater understanding of our industry and the operations of the AFD. I wonder how many of you are truly aware of the vast assortment of problems we are confronted with? Believe me, they are magnanimous in scope.

I will be happy to turn over the presidential gavel to Ray Martyniak, whom, I am confident, will do an excellent job in assuring that the AFD will continue a successful course, and remain "the voice of the industry"

At this time, I wish to thank all the officers, directors, members and friends who assisted me during this year. Especially the supplier companies who supported our events and activities. Without your help, our many successes could not have been possible.

Thank you and Happy New Year!

**The Test Of Time . . .**

**89** Years Of Successful Service



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# Honest Injun...

It's the best news in bread since somebody sliced it. Now in its fourth month on the Michigan food market, Golden Indian bread has already established itself as a top producer. Made with maize and 16 other natural grains, consumers love the rich nutty flavor — you'll love the added profit pull. It makes sense to offer good products at a profit. That's why Oven-Fresh is proud to offer Golden Indian bread — you can be too, as an affiliate of Grocers Baking Company, and an Oven-Fresh Foods Dealer.



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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

# If you think American city is a mo ask Simmons

(While you're at it you can ask)

## SIMMONS:

This is the city.  
Detroit, Michigan. Over  
four million people live, play and  
work here. My name's *Simmons*. I'm  
a research study,

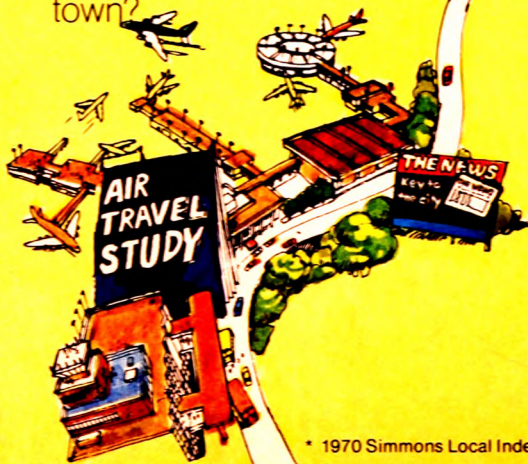


the *Simmons Local Index*. It was Tuesday,  
December 5th. Me and  
three local research  
studies, *Suburban Shopping Survey*, *The Air Travel Study*  
and *Market Detroit II*\*\* were covering  
the ADI and SMSA (10-county Area of  
Dominant Influence and 3-county  
Standard Metropolitan Statistical Area).  
11:30 A.M., we got a call from "YOU."

**YOU:** I think every major American city  
is a morning newspaper town. They  
told me to ask you about Detroit.

**SIMMONS:** That's what we're  
here for.

**YOU:** Well, is Detroit a morn-  
ing or evening newspaper  
town?



**SIMMONS:** Evening. Of those who read a  
major Detroit paper daily, 71% read *The News*,  
the evening newspaper.

**AIR TRAVEL STUDY:** That's right. And  
people who fly out of Detroit's Metropolitan  
Airport prefer *The News* significantly over  
the morning paper. Particularly those of  
greater affluence.

**YOU:** What do you mean by "greater  
affluence"?

**SIMMONS:** Just this. Of the adults in the  
ADI with incomes of \$15,000 and over,  
*The News* reaches 50% more daily than  
the morning paper. 82% more on Sundays.  
And that's a fact.

**YOU:** How about coverage in shopping  
areas?

\* 1970 Simmons Local Index

\*\* Three studies conducted by Market Opinion Research for *The Detroit News*, 1970-71.

# Every major newspaper town, about Detroit.

(definitive local studies, too)



**YOU:** Hmmm. Better income coverage. Better suburban coverage. More advertising reach. Larger overall circulation. Is that everything?

**SIMMONS:** One more thing. Just routine. Of those who do read the morning paper 4 out of 10 also read The News.

**YOU:** Well, I guess they were right.

**SIMMONS:** About what?

**YOU:** If you think every major American city is a morning newspaper town, you should ask Simmons about Detroit.

**SIMMONS:** Yup.

## The Detroit News it pulls

The story you have just read is true. The names have not been changed so that credit can be given where credit is due.



**SUBURBAN SHOPPING SURVEY:** That's my beat. Major mail shopping areas. Where more than 80% of the shoppers look to newspaper advertising for their information about women's apparel. And the newspaper they look to most often The Detroit News.

**YOU:** Speaking of advertising, how about the News' reach versus the other paper?

**MARKET DETROIT II:** You wanna take a peek?

**YOU:** What for?

**MARKET DETROIT II:** To see the SMSA where one average daily issue of The News reaches more adults than six issues of Detroit's morning paper.



# YEAR IN REVIEW

(Continued from Page 7)

was named by AFD as Michigan Food Industry's Man of the Year; special citations for distinguished service were presented to B. Dale Ball, Mrs. Edith Allen, John Orlando, Meyer Berman, Lee Reeside, Thomas Lewis, Harvey L. Jones and Dominic Cusumano received Distinguished Service Award plaques; **The Flint Journal** newspaper received a DSA citation for fair and accurate reporting of food industry news and events.

AFD officials met with officials of the **Detroit Health Department** to discuss rules and policies. . . President Al Verbrugge and Ed Deeb addressed a special sales staff meeting of the **Ralston Purina Company**, discussing food industry trends in Michigan.

## OCTOBER

**Chatham Super Markets** unveiled its computerized checkout in Warren. Wrigley launched its unit pricing program. **U.S. Court overrules the Michigan meat standards**, stating that the state law conflict with federal laws regarding comminuted meats, in an appeal by three federal meat packers. **Great Scott Super Markets** took the initiative in reducing store hours from 12 midnight to 10:30 p.m. **Farmer Jack and Wrigley Super Markets** began open-dating meats in their stores. Ed Deeb again

appeared on WWJ-TV's "Country Living" program in behalf of the industry.

AFD attended and participated in a hearing called by the **City of Ann Arbor** to discuss three proposed laws on unit-pricing, nutritional labeling, and product dating, Oct. 9. **Lottery Commissioner Gus Harrison** informs the AFD that food stores indeed will be an important aspect regarding lottery ticket sales. **Chatham Super Markets** announced a major expansion and addition to its Warren warehouse.

AFD officials met with representatives from various beer and wine companies regarding the **new policy of the Liquor Control Commission prohibiting exchange of damaged products**. Wrigley begins new check program: will cash checks for anyone up to \$50 without needing to buy anything. AFD's Jerry Yono and Ed Deeb met with Lottery Commission officials Gus Harrison and David Hanson to review lottery procedures, details.

## NOVEMBER

AFD prepared and issued to bankers a position on the **growing problem of bad check losses** in Michigan, calling on bankers to screen more carefully checking account applicants, issue ID cards with photos, among other things. **AFD issued statement supporting Michigan's meat standards** "so long as there was a choice;" executive director Deeb appeared on Detroit TV sta-

tions WWJ-TV and WXYZ-TV giving the reasons why. State and federal officials launched an investigation into abuses of the **Wayne County food stamp program**.

The AFD established a **Youth Committee**, permitting young adults a voice in our industry; **Neil Bell**, of Village Food Market, Grosse Pointe, was named chairman. Wayne County Prosecutor's office announced the establishment of a new consumer protection agency. **Lou Brown** was elected **DAGMR president** for 1973 at the annual meeting. AFD officials Dick Przybylski, Ray Martyniak, Phil Savrino, Al Verbrugge and Ed Deeb met with the **Michigan Department of Agriculture** to review the revised Michigan meat laws. Ed Deeb addressed the Trenton Rotary Club, Nov. 28.

## DECEMBER

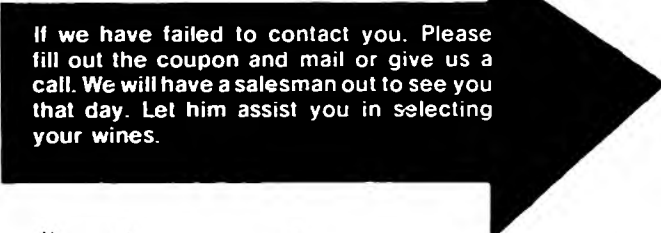
The nine-month-old strike by drivers and bottlers at the **Detroit Coca-Cola Bottling Company** finally ended early this month. **Koepfplinger's Bakeries, Inc.** this month celebrated its 40th anniversary. AFD's Tom Violante, Bill Welch, Gene Matti and Ed Deeb met with officials of the **Michigan Bankers Association** regarding united action to resolve the bad check program. Michigan Department of Agriculture met with a citizens group which is mapping out legislative strategy to maintain the state's higher meat standards; Helen Milliken, wife of the Governor, agreed to chair the group.

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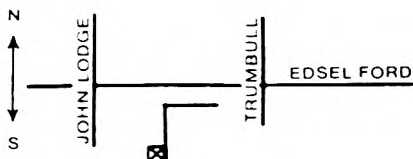
City \_\_\_\_\_ Zip \_\_\_\_\_

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PRESERVES • SYRUPS • DRESSINGS

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Stock Archway — A winner every time!



SWANSON COOKIE COMPANY  
Battle Creek, Michigan

## Around the Town

Joseph Gadon, has been promoted to vice-president and director of human resources for **Chatham Super Markets**, it was recently announced by president Bernard Weisberg.

Mary Begzos, formerly with the sales staff of the Detroit Free Press, has joined **A. I. Morrison & Company** as a sales representative. Morrison specializes in programs involving sales promotions and incentives, and advertising specialties.

Gerald Wolberg has been elected the new president of **Home Juice Co. of Detroit**, an AFD member, replacing Albert A. Allen, who has become president of the Chicago Home Juice Co. Also, Michael Allen was elected executive vice-president of the Detroit operation.

The **Pepsi-Cola Company**, an AFD member, recently received a 1972 **Keep America Beautiful** special merit award for their environmental programs. Pepsi president Victor Bonamo accepted the award from KAB head James Bowling.

William Rodgers, well-known sales and promotion man in the world of professional basketball, has joined the Detroit city sales division of **The Stroh Brewery Company** it was announced by president Peter Stroh. Rodgers was formerly sales promotion director for **The Detroit Pistons** team.

Peterson & Vaughan, Inc., an AFD broker member, announces the promotion of Donald Finnigan to assistant sales manager, from retail supervision, and Larry Ratz from retail specialist to retail supervisor.

K. V. "Vic" Mason of Pontiac, has been named district sales manager of Michigan for **John Morrell & Company**, according to an announcement by general sales manager Gene Varvel.

### Grand Rapids GMR Elects Bedwell

Wes Bedwell, of the R. T. French Co., has been elected president of the Grocery Manufacturer's Representatives of Grand Rapids for 1973. He succeeds John Kearney of Bob Jones & Company, who was elected chairman of the board.

Others elected were: Charles Briehof of WOTV, vice-president; Tom Lillie of Paul Inman Associates, secretary; and Dick Church of Nabisco, treasurer.

The new board of directors includes: Myles Finnegan of Northern Paper; Owen Ramsey of Pet, Inc.; Robert Saltzman of Scott Paper Co.; Don Carpenter of Faygo Beverages; and Herb Hesselink of Clark Food Brokerage.



# SEASON'S GREETINGS

From These Fine

## 1972 Advertisers in THE FOOD DEALER Magazine

Action Advertisers & Mrs.  
 American Bakeries, Inc.  
 Archway Cookies  
 Associated Brewing Co.  
 Atlantic Saw Service Co.  
 Awrey Bakeries, Inc.  
 Better Made Potato Chips  
 Blue Cross-Blue Shield  
 Bowlus Sign Company  
 Budweiser Beer  
 Camden Basket Company  
 Canada Dry Corp.  
 Carling Brewing Co.  
 Clabber Girl  
 Comp-U-Check, Inc.  
 Steve Conn Associates  
 Continental Baking Co.  
 Continental Food Brokerage  
 Darling & Company  
 Del Monte Foods  
 Detroit Bank & Trust Co.  
 Detroit Coca-Cola Bottling Co.  
 Detroit Food Brokers Assn.  
 Detroit Free Press  
 Detroit News  
 Detroit Rendering Co.  
 Double Check Distg. Co.  
 Peter Eckrich & Sons  
 Economy Linen Co.  
 Farm Crest Bakeries  
 Farm Maid Dairy  
 Faygo Beverages, Inc.  
 Frank Foods  
 Frederick & Herrud  
 General Foods  
 General Safeguard Systems  
 Glacier Frozen Foods  
 Gohs Inventory Service  
 Grocers Baking Co.  
 Grocers Dairy Co.  
 Gulliver's Travel, Inc.

Guzzardo Wholesale Meats  
 Hamilton Fish Co.  
 Hamm's Beer  
 Hamtown Foods  
 H. J. Heinz Co.  
 Hobart Manufacturing Co.  
 Home Juice Company  
 Hussmann Refrigeration  
 Identiseal of Detroit  
 Paul Inman Associates  
 Interstate Brands, Inc.  
 Interstate Marketing Corp.  
 International Detection Pdts.  
 Kaplan's Whlsle. Food Serv.  
 Kar-Nut Products Co.  
 Keene Corporation  
 George Keil Associates  
 The Kellogg Company  
 Kirby Packing Co.  
 Koeplinger's Bakeries, Inc.  
 Kowalski Sausage Co.  
 Land O'Lakes Creamery  
 Leone & Sons Wine Co.  
 Liberty Paper & Bag  
 Magnuson Food Products  
 Mario's Food Products  
 Marks & Goergens  
 Master Butcher Supply Co.  
 McDonald's Dairy Co.  
 McMahon & McDonald  
 Melody Foods Co.  
 Metro Detroit Soft Drink Assn.  
 Michelob Beer  
 Michigan Wineries (Cask)  
 Midwest Refrigeration  
 Mutual of Omaha  
 Nabisco  
 National Brewing Co.  
 Oakland Press  
 Pappas Cutlery & Grinding  
 Peet Packing Co.

Pepsi-Cola Co.  
 Peter's Sausage Co.  
 Peterson & Vaughan, Inc.  
 The Pfeister Company  
 Pitts Packing Co.  
 Prince Macaroni of Michigan  
 Procter & Gamble  
 Rafal Spice Co.  
 The Raleigh House  
 Red Pelican Food Pdts.  
 Reynolds Metals Co.  
 RGIS Inventory Service  
 Carl Rosman & Co.  
 Fred Sanders Co.  
 Schafer Bakeries, Inc.  
 Schmidt Noodle Co.  
 Specialty Foods Co.  
 Sperry & Hutchinson  
 Squirt-Detroit Bottling Co.  
 Stroh Brewery Co.  
 Sunshine Biscuits, Inc.  
 Superior Potato Chips Co.  
 James K. Tamakian Co.  
 Taystee Bread  
 Tip Top Bread  
 Tom's Toasted Products  
 Tuborg Beer  
 United Dairies, Inc.  
 WPON Radio  
 WWJ-AM-FM-TV  
 Ward Foods  
 Washington Inventory Service  
 Wayne Poultry Co.  
 Wayne Soap Co.  
 Wesley's Quarker Maid  
 Ira Wilson & Sons Dairy  
 Wilson Certified Foods  
 Abner A. Wolf, Inc.  
 Wolverine Packing Co.  
 Wonder Bread

*And all AFD Member Firms*

**Associated Food Dealers — The Food Dealer**

*"Michigan's Largest and  
 Leading Food Association"*

*"Michigan's Award-Winning  
 Food Trade Publication"*

by  
**MORTON FEIGENSON**  
President



to doubt about it. Dieters' loyalty for our sugar-free diet  
ors is one of Faygo's most valuable assets.

**"I didn't know anything about Faygo. But the people watching  
ir weight did and they let me know that they really wanted  
ygo pop in my store."**

Robert Alan Slone, explaining his \$4 million-a-year-volume  
R.S. Foodtown Market happened to become the launching  
d that made Faygo available throughout most of Kentucky,  
ntinued:

"So, I ordered a truckload, mostly diets, and built the whole  
d up into a 30-foot display in front of the store.

"How did it move? Very well. Before I could order another  
d, I was getting more phone calls from consumers wanting  
know when I was going to re-stock the flavors I had already  
out of."



**ROBERT ALAN SLONE, OWNER,  
M.R.S. FOODTOWN MARKET, LEXINGTON, KY.**

Slone, though only 34, not only operates what is one of  
xington's largest supermarkets, but also is president of Ken-  
cky Food Stores Inc., a 150-member co-op wholesaler enter-  
se.

"I like to be first with an item in our market if I feel it is  
ing to be a success," he said. "After my first trailer load,  
ygo looked like a sure seller and we have now added it to  
r line of merchandise at Kentucky Food Stores' warehouse."

A University of Kentucky graduate with a degree in com-  
rce, Slone bought his first store when he was only 21 with  
recalled, "the skin of my teeth."

He started M.R.S. Foodtown five years ago and has molded  
into a \$4 million-a-year operation out of a strong service-  
ented policy: "If I see a customer carrying out her own gro-  
es, somebody is in trouble."

Another M.R.S. Foodtown policy is to promote only national  
and soft drinks. "I don't believe," said Slone, "in trying to  
t private label the chains."

Slone had this further comment:

**"Faygo has earned a place in our beverage section equal to  
yer brands. There is very definitely repeat buying of Faygo,  
is was apparent even before the advertising started. So, it  
d to be the quality that was bringing them back.**

**"Until now, this hasn't been a flavor market. Too many bot-  
rs have come and gone with poor quality. Now, however,  
relieve, Faygo has come along with the quality needed."**

## **SMI's O'Connor Tells Brokers: 'Computer Will Force Hands'**

The yellow stream of taxi traffic is still the same. The steel and concrete buildings have not changed. But for thousands of food brokers and manufacturers, the National Food Brokers Association convention has filled them with exciting fresh business ideas for the new year.

Meeting in December, the 69th Annual NFBA Convention and National Food Sales Conference in New York brought together food brokers and manufacturers from around the nation, as well as many foreign countries, for educational workshops, general business sessions with featured speakers, and for thousands of private meetings throughout the six-day period.

This year, for the first time, a Principals' Forum was developed and presented as a vehicle for manufacturers to air their views on broker/principal relations. Acclaimed an outstanding success by both groups, the Forum discussed divergent views on bettering relations in an atmosphere of candor.

Donald R. Keough, President—Foods division, the Coca-Cola Company, keyed the Forum with a call for educating the consumer about today's efficient food industry.

Only manufacturers spoke at the crowded meeting—though points raised were answered the following day by a panel of knowledgeable brokers during the Saturday Morning Business Session.

The Saturday session also heard NFBA President Mark Singer call for down-to-earth cooperation between manufacturers and food brokers in what was regaled as a "plain talk" speech.

Singer, who was congratulated for his frankness, told the groups "we are not here to take pot shots at each other. But rather to openly work together, completely for our mutual benefit." He received a standing ovation from the full-house audience.

The Saturday session also included the election of officers, an address by NFBA National Chairman Firmin C. Deibel, and a question-raising, interesting talk by Super Market Institute executive director Michael J. O'Connor.

The NFBA national chairman, who completed his one year term in office as of the convention, spoke on resolving problem situations through the services of the broker's national association—the NFBA.

In his talk, SMI's O'Connor urged food brokers to continue to prepare for tomorrow, today. He added that computer-projected long-term ordering of up to six months or a year through brokers may lead to extended security for food brokers.

O'Connor also spoke on the status of the future automated supermarket. He worded a picture of the completely automated checkout stand that will compute prices, re-order stock and inform management of projected stock needs . . . both automatically and instantaneously. "Our hand is being forced by the computer," he said.

O'Connor's talk closed the Saturday business session and the large audience divided themselves into five different and concurrent workshops.

**New Books Featured  
On Employee Safety**

New books on supermarket safety and basic training for employees are among the new offerings in the revised NARGUS Catalog of Publications and Visual Aids just released by the National Association of Retail Grocers.

The "Handbook of Supermarket Safety" shows the retailer how to comply with the standards of the Occupational Safety and Health Act; how to establish workable

procedures on safety, accident prevention and fire prevention, and how to motivate employees toward responsible, safe work habits.

The NARGUS Basic Skills Series is a group of self-instructional employee training courses which re-

quire no special equipment, classrooms or formal meetings. Courses now available include Bagging, Checkout Security, Customer Courtesy, Grocery Safety, Grocery Stocking, Price Marking and Reducing Checker Errors.

**1973 Bakery Expo**

A display of everything the baker needs will be exhibited at the 1973 Baking Industry Exposition, to be held Oct. 13-18, 1973 at the expanded convention hall in Atlantic City, New Jersey. Chairman E. Archer Turner said the hall will be transformed into a massive colorful idea-filled Parade of Progress under one roof. The event is sponsored by the American Bakers Association, and the Bakery Equipment Manufacturers Association.

**A New Solution for Bad Check Losses**

A product combined with a nationwide service to provide retail food dealers with a positive deterrent to bad check passers. Retailers in our established marketing areas have saved over 50% of prior losses.

For full particulars of this new system, Call or Write Mr. Downer (313) 526-9800.

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to a bakery.**



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# Merchandising

Noel Maxam, formerly of Maxam Food Specialties, has joined Peterson & Vaughan, Inc., an AFD member, it was recently announced by Eugene Peterson. At the same time, the firm announced the addition of the following food service accounts: Brokay Products, Mitchell Foods, Purveyor Meat Supply, and Rinna Bros. Bakery.

The Pfeister Company, an AFD member, was the recipient recently of the Broker Merit Award from Campbell Soup Company for "the highest sales honor for outstanding performance" for the firm. The award was for having the best selling, distribution and marketing achievement for Recipe Brand Pet Food in the Central division.

Liberty Paper & Bag Company, an AFD member, has announced the promotion of Gene Balice, former AFD award-winner, to assistant sales manager.

Gene Niens & Associates has been appointed institutional food broker for Hygrade Canned Meats, it was recently announced.

Apollo Brokerage Company, an AFD member, has announced the relocation of its offices. The firm's new address is 595 Forest Ave., Plymouth, Mich. 48170; phone 453-5300.

Mrs. R. S. Woodard, a Grand Rapids housewife, was selected as one of the grand prize winners in the John Morrell & Co. Eat Hearty Contest. Her prize, a year's supply of groceries at the Meijer's Thrifty Acres, where she shops.

Marks & Goergens, Inc., an AFD member, was recently selected Midwest Broker of the Year in both sales achievement and merchandising by Hunt-Wesson frozen products.

Mamselle's, producers of tart, pie and hors d'oeuvres shells, has announced the appointment of Harry E. Mayers Associates as its institutional food broker.

Peter Eckrich and Sons, an AFD member, has announced its intention to continue to provide Michigan consumers with frankfurts, suusage and luncheon meat products of the highest quality, according to president Donald Eckrich. He said his firm's standards have always matched or exceeded Michigan and federal requirements.

For the first time in its history, Stroh Brewery Company, an AFD member, produced and shipped over 4-million barrels of beer in a calendar year. This means nearly 55 million cases of 12-ounce bottles and cans of beer.

Squirt-Detroit Botling Company, an AFD member, has announced that under a special franchise agreement with Uptown Beverage Corporation of New York, it will produce and distribute Uptown, the lemon-lime soft drink formerly produced in this area by Faygo Beverages, Inc.

**The AFD Is The Largest and Most  
Active Food Trade Association  
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Good Service*



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## Detroit Food Brokers Host Borman, Kroger Executives

In two recent and successive meetings, the Detroit Food Brokers Association (DFBA) hosted executives from Kroger Super Markets' Detroit division, and Farmer Jack Super Market executives.

Attending the meeting from Kroger were R. Larkin, assistant grocery merchandiser, and M. Thompson, grocery merchandiser.

On hand from Farmer Jack's, a division of Borman's, Inc., were president Dave Wallington, Robert Garbarino and Joseph Genovesi. Wallington spoke of the "past evils" of some of the supermarket operations in the metro Detroit area, and how Farmer Jack hoped to alleviate some of them.

## Job Development Tax Credit Added Bonus for Businessmen

American businessmen are leaving largely untouched a federal income tax "bonus" with which they could have saved as much as \$20 million last year, had it been in effect.

This is the Job Development Tax Credit. It was added to the law by the Revenue Act of 1971 and may be claimed by private employers who hire workers under the Work Incentive—or "WIN"—program.

The credit is applied directly against taxes and is equal to 20 percent of the wages paid such employees during their first 12 months on the job, consecutive or not. (Persons employed under WIN last year were paid almost \$100 million in salary and wages—and 20 percent of this is the \$20 million referred to above.)

The credit does not affect an employer's deduction of the wages as a business expense—making the new tax credit even more of a bonus.

There are relatively few strings attached.

Credit is claimable for tax years beginning after December 31, 1971.

It cannot be claimed on any portion of the wages for which the employer is reimbursed.

The Labor Department must certify that the employees are hired under the WIN program and do not displace other workers. Also, the employees

cannot be close relatives, of an employer, nor be hired as household workers.

The credit is lost if the employee is terminated during the first 12 months or the following 12 months. But this is not as restrictive as it sounds. Because the credit is not lost if the employee is fired for misconduct, quits voluntarily, or becomes disabled and unable to work.

The amount of credit that employers can take is limited to their income tax liability, up to \$25,000. But in any year, if tax liability exceeds \$25,000 credit can be claimed on 50 percent of the tax liability in excess of the \$25,000. Amounts of credit not allowable because of this limitation may be carried back three years and forward seven years, exactly as in the investment tax credit, with which businessmen are familiar. No unused credit may be carried back to a tax year beginning before 1972.

## Everett Forms Multi-Refrigeration

The formation of Multi-Refrigeration, Inc. has been announced by William Everett, president of the new firm. Multi-Refrigeration will specialize in sales, service and installation of Hill refrigeration equipment for food and beverage stores.

In addition, Everett said the firm will also specialize in store layout design and quality interior decor. Everett was formerly connected with Midwest Refrigeration as a sales representative.



Stanley Vogelsang,  
manager of our new Detroit office

## WIS men are everywhere — and now that includes a new office in DETROIT!

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## TAX TOPICS

# Know Advantages of Irrevocable Living Trusts

By MOE R. MILLER  
Accountant and Tax Attorney

Irrevocable trusts created during life serve a wide variety of purposes. They are useful to persons relatively modest means as well as to the wealthy. They provide many important practical advantages; and in many cases, federal tax considerations are also strong incentives for creating such trusts.

Just as its name implies, an irrevocable living trust is created during life, and it cannot be revoked by the grantor—the person creating the trust. It may last for a specified number of years or for a period measured by a life or lives. At termination, the trust property may return to the grantor.

An irrevocable living trust is often used to provide financial assistance to a family member. Mr. A helps support a widowed aunt, and he knows that she will need his help for the rest of her life. A created an irrevocable trust that produces \$1,200 of net income annually. This is paid directly to the aunt. The trust will continue for the rest of her life; and at the aunt's death, its principal will return to Mr. A. Prior to creating the trust, Mr. A made annual gifts to his aunt using after-tax income. In his 60% federal income tax bracket, it took \$3,000 of pre-tax income to provide the aunt with \$1,200. Now, however, the aunt receives her \$1,200 directly from the trust, and this income is not taxed to A. It is taxed to the aunt, but she will pay little or no income tax on it.

Irrevocable living trusts are also used in a wide variety of situations for gifts to children. For instance, a gift is often made in trust to provide special protection for the property and to make sure that it will be used for its intended purpose. There are many practical reasons why gifts to children are made in trust. Consider the following examples:

Mr. and Mrs. C want to give their children several valuable pieces of income producing real estate. Of course, the gifts could be made outright. However, if they give one piece of property to one child and another property to another child, they run the risk of inadvertently treating the children unequally—particularly if one property increases in value more rapidly than another. Consequently, at their attorney's suggestion, Mr. and Mrs. C have placed the properties in an irrevocable trust for the benefit of the children. The trustee will hold title to the properties, will manage them and will distribute the income equally to the children.

Sometimes a trust is used to accumulate income for later distribution to a child. Under present law,

the income that is accumulated in a trust is still taxed to the trust as it is accumulated. However, when it is later distributed to the beneficiary, it is then taxed to the beneficiary as though he had received the income in the year it was earned by the trust. Against his tax, the beneficiary receives a credit for the taxes that were paid by the trust.

The uses of irrevocable living trusts are numerous and varied. It should be borne in mind, however, that such a trust involves the irrevocable parting with property. Consequently, an irrevocable living trust should only be created where it provides a practical solution for a basic problem.

Such trusts are frequently vital in providing financial assistance to the grantor's family or friends or in making a gift to charity. Generally speaking, the tax savings should be of secondary significance in creating an irrevocable trust. However, once the primary purpose for creating a trust has been established, there is no reason why tax incentives should not help in determining how the trust should be framed.



MILLER

## DETROIT RENDERING COMPANY

SINCE 1850

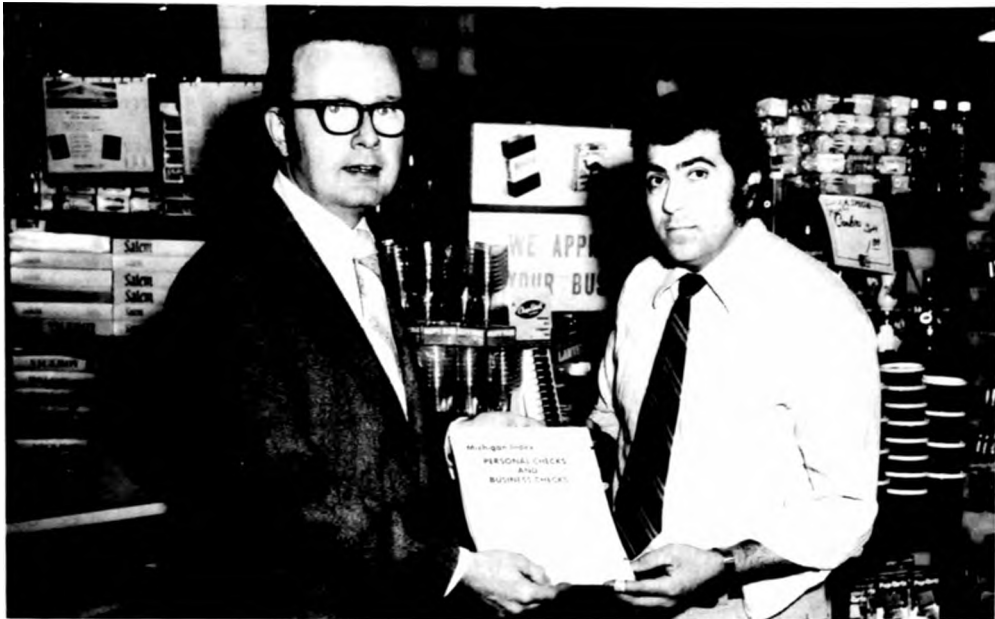
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AFD MEMBER



## Do You Have A Bad Check Problem?

The Associated Food Dealers has a solution that will help you reduce bad check losses. Pictured above is Ed Acho, right, of J-A Market, going over the timely and useful monthly directory of bad checks with Tom Durack, Jr., left, of Comp-U-Check. In his first month alone, Acho saved \$700 by using the AFD Check Verification Service, and hundreds more since.

Please send someone out to my store to explain the AFD's Check Verification Service. I understand I am under no obligation.

STORE NAME .....

ADDRESS .....

CITY ..... STATE ..... ZIP .....

OWNER'S NAME .....

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Detroit, Mich. 48220

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## ***AFD Coming Events***

Feb. 18-24, 1973 — "Grocers Week in Michigan," AFD's highly successful statewide promotion in behalf of Michigan's food merchants and food industry. Mark your calendar so your store or company will plan to tie-in with this big event.

Feb. 20, 1973 — AFD's Annual Food Trade Dinner and installation of officers to be held at the Raleigh House, Southfield. This is the highlight of Grocers Week and the industry's big social event of the year. (Companies interested in sponsoring portions of the banquet, or placing an advertisement in the program issue of The Food Dealer magazine, or banquet tickets, are invited to contact the association.)

## **ASSOCIATED FOOD DEALERS**

**"Michigan's Action Retail Food Association"**

**434 W. Eight Mile Rd. • Detroit, Mich. 48220 • Phone (313) 542-9550**