

# GENERAL MOTORS CORPORATION REPORT FOR THIRD QUARTER 1973



GMC

PG-3

PG-6

CHEVROLET CAMARO Sport Coupe



\$7.6 billion, a 20% increase above the \$6.4 billion of a year ago.

GM's hourly employment in the United States for the 1973 nine-month period averaged 442,439. These employees worked an average of 41.9 hours per week and had weekly wages averaging \$265.62. In the first nine months of 1972, the average number of U.S. hourly employees was 402,395. The average work week was 40.6 hours, and weekly wages averaged \$242.14 during that period.

### A Review of the 1973 Model Year

The 1973 model year marked the second year in a row in which new retail sales records were set by the U.S. auto industry. A total of 14.9 million cars and trucks, including imports, were sold, 12% above the 13.3 million units of the 1972 model year. Passenger car sales, including imports, amounted to 11.8 million units, up 10% over the 1972 sales figures. Truck sales of 3.1 million units were 21% above the record sales of 1972.

General Motors shared in this dynamic growth and set new records in both car and truck sales. Three GM car divisions—Chevrolet, Oldsmobile, and Cadillac—established new sales records, and truck sales by both Chevrolet and GMC Truck & Coach also reached all-time highs.

A strong basic demand for full-sized cars continued, and sales of these cars approximated the levels achieved during the 1972 model year. However, rising consumer interest in smaller and intermediate-sized cars became increasingly evident as the 1973 model year progressed. To meet this demand, General Motors increased production and began realignment of facilities for increased output of the Chevrolet Vega and other small and intermediate-sized cars, as well as introducing two new compact cars—the Oldsmobile Omega and the Buick Apollo.

In the truck market, continued strong demand and increased availability resulting from additional capacity and a shorter changeover period, enabled sales of GM's 1973 light-duty

trucks to increase by 20% over the previous model year. There also was a significant sales increase in the medium and heavy-duty lines.

In response to the growing trend for recreational vehicles, GM expanded its product line by introducing the GMC Motor Home in February of this year. Customer demand for this new vehicle is very strong.

### Car Prices

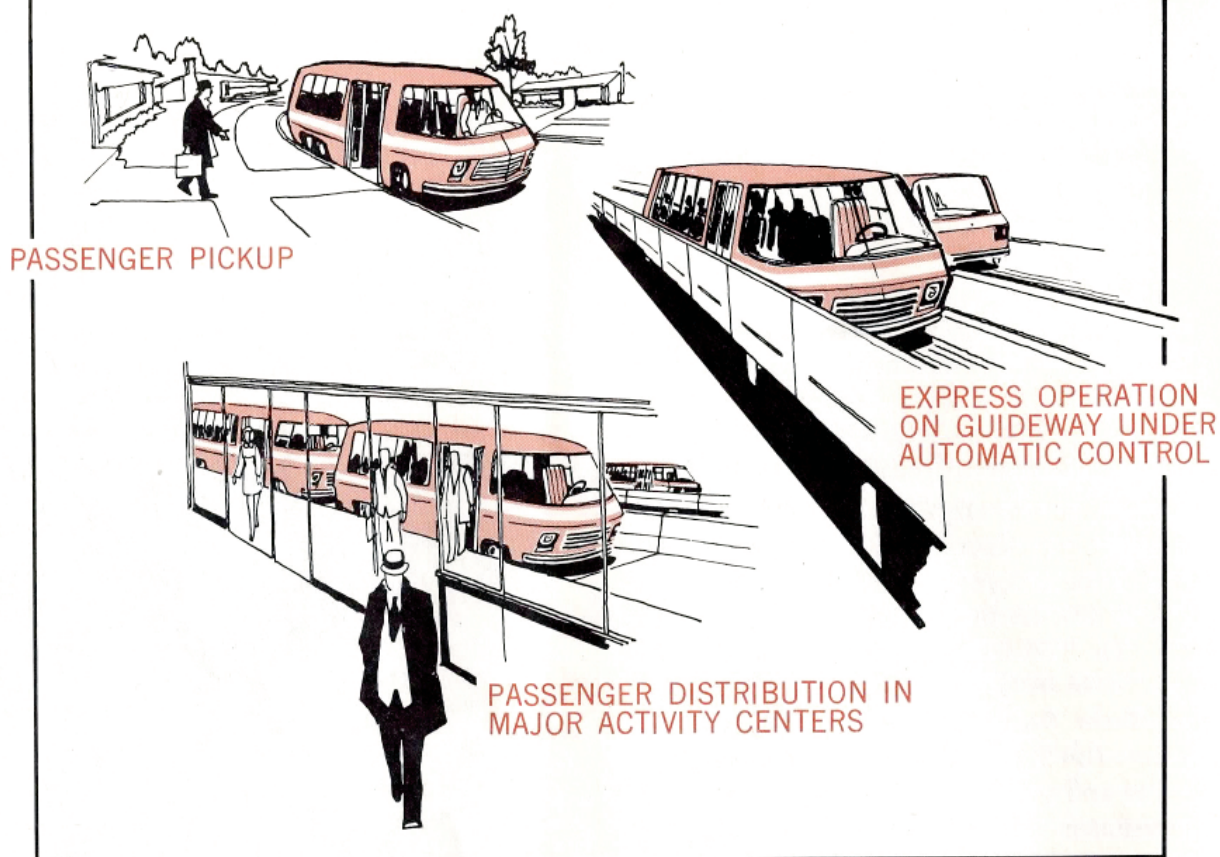
General Motors believes that inflationary pressures must be moderated to maintain orderly economic growth. At the same time, General Motors also believes that normal market forces of supply and demand exert a powerful influence on prices and wages, and if allowed to function properly, serve our needs better than any type of artificial control.

There is general agreement that the outright freeze imposed by the Government in August 1971 was the proper thing to do. GM was one of the first to support the Administration's program, and we have been consistent in this support through all four control phases.

In a period of sharply rising prices, General Motors has not increased North American-built car and truck prices since December 1971 other than to adjust base vehicle prices for optional equipment made standard and to pass along only a portion of the costs of Government-mandated safety and emission control equipment. The stability of car prices in a time of national inflation is demonstrated by both the Wholesale and Consumer Price Indices which show new-car prices virtually unchanged since the beginning of 1972.

For 1974 models, General Motors requested from the Cost of Living Council (COLC) a price adjustment on cars and trucks averaging \$102—\$85 for Federally-mandated safety equipment and \$17 for GM-initiated improvements. The proposed price increase was on a cost pass-through basis with no profit to GM or its dealers. However, the COLC granted GM permission to adjust retail prices an average of only \$73 (1.5%), an amount 28% below the cost of the equipment





*This drawing outlines GM's concept of a Dual Mode Transit System in which 17-passenger bus-like vehicles with drivers would pick up riders in suburban neighborhoods. The vehicles would then enter an automatically controlled guideway and deliver their passengers at downtown interchanges or major activity centers.*

types of job-entry activities aimed at training persons who want to become mechanics, but who lack the basic technical skills. These activities include a cooperative program with dealers and another program, in conjunction with the Government, to help returning servicemen make the transition to civilian work.

To assist independent automotive vocational training activities, the General Motors Training Centers host summer workshop sessions for vocational teachers from many schools and technical institutions. These tuition-free sessions are designed to bring instructors up to date on new car equipment, techniques, and service and diagnostic tools. The program has been so successful that approximately 60 colleges and universities now award credit toward certification or advanced degrees to teachers who attend this GM Training Center program.

#### **GM Awarded Transit Design Study Contract**

The Urban Mass Transportation Administration of the Department of Transportation (DOT) recently awarded GM a \$500,000 study contract for a Dual Mode Transit System development program. The system will incorporate two distinct operating modes—a manual mode and an automatic mode.

In the manual mode, a driver operates a 17-passenger bus-like vehicle in suburban, residential, or business districts for passenger pickup. The vehicles, dispatched in response to calls from system users at their homes or other convenient pick-up points, operate on surface streets which serve as collector lines feeding into access stations. At the access or mode interchange points, the vehicle is first checked for readiness. The driver then departs from the vehicle, committing it to automatic operation on an exclusive guideway.



In the automatic mode, the vehicle is controlled by electronic guidance equipment and cables imbedded in the guideway roadbed. It travels through urban corridors and into the central business district with intermittent stops at fixed off-line stations along the guideway.

The combination of manual and automatic operating modes would permit flexible routing on a demand-responsive basis for nearly direct point-to-point transit operation. The vehicle to be used in the GM concept is based on a modified GMC Motor Home with front-wheel drive and tandem rear wheels.

The overall DOT program has three phases. The first phase of study, for which GM has been selected as one of three contractors, will be a nine-month program covering concept development and system design. The second phase, if GM is selected to continue as a contractor, will consist of construction, operational testing, and evaluation of prototypes at DOT's High Speed Ground Test Center at Pueblo, Colorado. The third phase is expected to bring dual mode systems into service in cities by the early 1980's.

### **Energy Conservation Report**

Progress reports on two energy conservation programs reflect GM's continuing efforts to adapt as quickly as possible to changing patterns of energy supply and to find possible future sources of energy.

One program involves the substitution of coal for natural gas or oil as boiler fuels. The United States has nearly one-half of the world's known coal reserves. Most of this coal, however, is unable to meet national clean air requirements because of high sulfur content.

A sulfur dioxide scrubber, under development by GM since 1968, has proved itself capable of removing over 90% of the sulfur oxides from coal burning. This performance is equivalent to burning the lowest sulfur coal available. The scrubber is now being installed at GM's Chevrolet plant in Parma, Ohio, and is expected to be in full operation early next year.

General Motors is confident that this scrubber system will stimulate greater use of coal and help ease the demand for natural gas and oil as boiler fuels. A booklet, "Clean Coal Power," prepared by the GM Environmental Activities Staff, describes the system. Copies may be obtained by writing to: General Motors Corporation, 1-101 General Motors Building, 3044 W. Grand Boulevard, Detroit, Michigan 48202.

The other energy conservation program, announced by the GMC Truck & Coach Division in Pontiac, Michigan, is the development of a new refuse-burning system which will use industrial waste—scrap wood, cardboard, and paper—in conjunction with coal to produce a major portion of the Division's steam requirements.

The system, expected to be in operation next year, will dispose of waste from the GMC Truck & Coach plant as well as from other GM facilities located in the area. Approximately 55,000 tons of refuse a year will be converted into more than 800 million pounds of steam. To produce the same volume of steam power, about 37,000 tons of coal or 5.3 million gallons of fuel oil would be required.

In addition to reducing the GMC plant's annual consumption of low sulfur coal by