

Big-Car Sales Booming In State

by a Financial Times Writer

All around North Carolina automobile showrooms are filled with smiling faces as the long, dry spell in car sales seems to be over.

The reports from major markets around the state are almost uniformly optimistic. Sales are brisk and consistent. The trend in what kinds of cars are being sold is a bit surprising—the full-sized gas guzzlers are going as fast as dealers can get them.

One of the reasons for this development, dealers agree, is that 1976 is the last year the full-sized American dream boat car will be available in large numbers.

Government pressure and an almost certain rise in retail fuel prices have forced the major auto companies to retool their production to smaller, more economical versions of their long-bodied, heavily powered models.

Chrysler will be the only holdout against that trend.

Says Pat Patterson of Charlie Wiygul Ford in Raleigh: "People are aware that this may be the last year they can get the full-sized automobile. So they're buying them up, just like they did the small ones back during the first days of the energy crisis."

Patterson added that small cars are still selling well but that his agency—the largest Ford dealer in Eastern North Carolina—had only 12 LTDs in stock. That, he said, "is almost nothing when compared to our overall inventory."

Greensboro dealers are ecstatic over the volume of business they've done in the past few quarters. The Piedmont Triad has been very bullish lately in its automobile buying.

"Car sales are up tremendously," said Bob Lafater, sales manager for Tal Williams Chevrolet. "We're doing twice as much business as last year, and could be doing three of four times that if we had the inventory. Intermediates are best and large cars next."

Ken Williams, sales manager of Black Cadillac-Olds in Greensboro, said last month's sales set a record. Cutlass Supreme was the No. 1 seller in the nation for domestics and Cadillacs and Olds 98s and 88s were also doing well, he said.

At City Motors in Greensboro, AMC sales manager Dewey Navey reports sales are up 25% over last year's comparable period. Pacers and Gremlins are fast items.

It's impossible to get enough Jeeps," Navey said. "Four-wheel, off-the-road cars are in great demand as recreational vehicles."

Said Mark Cooke, sales manager for Green Ford in Greensboro, "Our biggest demand is for the Granada. It's got ample room and gets

Greensboro Dealer Sets Sales Record

GREENSBORO—While large and intermediate cars have been the big guns among new car dealers lately, a dealer named Garson Rice zipped his little Toyotas to a national sales record.

Rice sold 550 cars during May, 401 of them new Toyotas, to set a new record for Toyota dealers outside of Japan. He put on a \$75,000 advertising campaign, mainly on television.

So impressive was Rice's performance that I. Makino, president of Toyota Motor Sales, USA, and some of his top executives came to Greensboro for a victory celebration last Thursday night. Toyota distributors were there, too.

Rice's campaign was part of one involving all Toyota dealers in the Southeast, who sold 15,000 of the little imports.

good gas mileage. There's heavy demand for LTDs, but everything in the whole line is moving today, down to Pintos and Mavericks. Trucks and vans are booming. Right now I could use 1,000 more than I have."

Harry Creekmuir of Gate City Motors in Greensboro said his full line of Chrysler-Plymouths are "almost double what they were a year ago. Cordoba is going well and so is Volare. There's been a 25% jump in New Yorkers, our biggest car."

In Fayetteville, where a large military installation insures a steady market for new car dealers, Royal Dodge reports that compacts and Chargers are doing well, but that full-sized automobiles are only "holding their own."

Jim Farnsworth of Royal's sales department said that the Aspen model, introduced this year is selling exceptionally well. He added, however, that his sales force is not happy with the way the big cars are going and they have been reduced in inventory.

"The Charger and the Cordoba are going well," he said, "but they always have. At any rate, this year is so much better than last that it isn't funny."

In Charlotte, Dave Ellison of Borough Lincoln said the trend in large-car buying is "absolutely true. The small-car market is dying, and the large-car market is alive and very well."

Said Ellison, "I think that people have more faith in the economy, and they are willing to buy and invest in a large, comfortable car. They are adjusted to the higher prices in gasoline now. I think people have just become used to being in a comfortable car and they want one."

Ellison said his company is selling its Marquis model and Cougars and "we can't

keep the Lincolns or Mark IVs on the lot.

"When our customers come in, they're just hungry for big cars. The small models just aren't selling at all."

Johnny Farabee of Town and Country Ford's financial operations division in Charlotte said the big cars are "selling much better than before," and added that "the smaller models are still going well, too."

"I think money's getting a little more plentiful, and people don't want to drive these little two-bit cars."

Although business is good overall, said Farabee (450 cars sold last month), "it still isn't as good as it was five years ago."

Patterson, of Charlie Wiygul Ford, waxed philosophical about the trend in car buying.

"It seems that there's been a complete turnabout from the rush to buy small cars to the demand for big ones," he said.

"But I do think this. People have been lulled into thinking that the energy crisis is over. I feel, and this is my personal opinion, that we are in the eye of the storm. We've come through one side, and we're going to have to go through the other somewhere down the road.

"Gasoline is beginning to climb and I won't be surprised if it doesn't reach 75 cents per gallon within the next year. This is something the Europeans have been living with for years and that's why they drive small, economical cars."

Ford, he said, will go to the scaled-down version of its full-size models in 1977. He said this is the last year that the Thunderbird will be a large automobile.

"The day of the big car, whether we want it or not, is over," he said. "And with the way energy sources are going, maybe it's just as well."

International Trade Seen As Key To World Economy

[Editor's note: The following is a global economic forecast prepared by Bank of America]

SAN FRANCISCO—While all signs point to continued global economic improvement in 1976 and 1977, the key to abiding recovery is solid and steady growth in international trade, according to Bank of America.

In its *Economic Outlook 1976: Global Report*, the bank said expansion of world trade relies on less developed countries bringing their debts under control, and all countries minimizing their trade barriers, particularly import restrictions.

Import controls and the threat of retaliatory trade action are in conflict with necessary international trade expansion and economic recovery, the bank's economists said.

"Once nations become aware of this inconsistency, we can expect them to cooperate in resolving balance of payments difficulties in a mutually satisfactory manner," the report said.

According to the report, there is good reason to believe that international trade and commerce are headed for a period of sustained expansion, "although hard bargaining lies ahead."

The bank's economists expect real economic growth in the non-Communist world to reach about 5% in 1976, while the inflation rate declines, averaging less than 10%.

Though the United States will lead world growth rates in 1976—expanding by more

than 6%—it will drop to about 5% next year, "a sustainable rate for long-term growth," the economists said.

Global recovery will gain momentum toward the end of 1976 and continue at more than 5% in 1977, while inflation drops below 9% by 1977, the bank said.

The economists said the economic growth in the United States is solidly based, and that the short-run economic outlook for the country is good.

The real gross national product in the United States is expected to grow at an annual rate of more than 6% in 1976, dropping slightly in 1977, according to the report. Price increases, moderate so far this year, will begin to rise by the end of the year because of increases in raw material, food and energy costs.

Although unemployment will proceed at the very high annual rate of 7.4% this year, it will fall to 6.8% in 1977, and could well drop to 6% by the end of next year.

The report also makes these observations on the American economy:

—Although the fear of a downturn has caused many corporate managers to postpone investment decisions, the probabilities of a boom-bust scenario are diminished as long as confidence in the economy returns slowly and speculation is avoided.

—While the 1976 balance of trade is expected to shift from last year's \$9 billion surplus to a \$3.9 billion deficit because of U.S.

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