

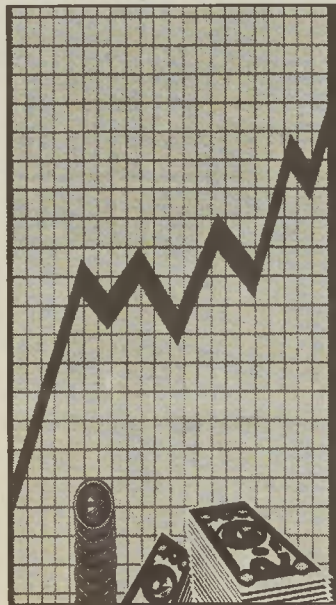
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AUTO SHOWCASE

Big 3 output dips

THE ASSOCIATED PRESS

SOUTHFIELD, Mich. — Michigan made a lower percentage of cars and trucks produced in North America this year, but an economist said it's probably not a cause for concern.



"The decline is temporary rather than an indication that Michigan is losing its stature as a leading region for vehicle production," said David L. Littmann, Comerica Bank senior economist.

Littmann estimates that car and truck production in Michigan dropped 5 percent this year to 2.93 million, or 19 percent of all North American output.

Last year, Michigan accounted for 20 percent of all vehicle output in North America.

Among the reasons for the declines were three strikes at General Motors Corp.; model changeovers at Ford Motor Co. and Chrysler Corp. truck plants; and sluggish car sales the led to production cutbacks at Ford plants in Wixom and Wayne and Chrysler's Sterling Heights plants.

It was a good year for North American car and truck production — the second best on record, according to the newsletter Ward's Automotive Reports.

Ward's said this year's estimated production tally of 15.39 million units is second only to the 15.68 million in 1994. The total for 1995 was 15.32 million.

The three-year total makes it the strongest three-year period for production in North American history.

Car production slipped for the third straight year, down by 2.9 percent, the lowest total since 7.47 million units were produced in 1992. Truck production increased 1.4 percent to a record 7.26 million, Ward's said.

Analysts told The Detroit News that trucks could account for 50 percent of North American production for the first time when more plants are making minivans, trucks and sport utility vehicles.

Four more North America plants begin building light trucks next year.

Toyota Motor Corp. begins making minivans at its Georgetown, Ky., assembly plant in August. Chrysler's plant in Newark, Del., and Mercedes-Benz AG's plant in Vance, Ala., and GM's plant in Arlington, Texas, will begin making sports utility vehicles next year.

TEST DRIVE



1997 Subaru Impreza Outback Sport

Subaru offers impressive Impreza Outback Sport



Winfred
B.
Cross

all-wheel drive station wagon. It's got the utility of an SUV and the practicality of a sedan.

First came the Legacy wagon. Now the Impreza Sport, for those who want something a wee bit smaller.

The Impreza Sport wagon is based on the Legacy Wagon's chassis. It's 4.3 inches shorter than the Legacy and some 345 pounds lighter. It's a subcompact but with enough room for four, five in a pinch, and lots of stuff. A handy roof rack gives you the option to pack even more stuff. Fold down the rear seats and you've got room for surf and galore.

The styling of the Impreza is wildly aggressive. The front

bumper is redesigned, sitting below a new grill and cooling vents. The hood has a raised scoop with vents. Yes, it's functional. It draws in air to cool the revamped 2.2-liter engine. More on that later. Fifteen-inch raised, white-letter all-season tires are attached to aggressive alloy wheels. The suspension is raised also to aid in off-road capabilities.

Inside, new seat fabric is found. The seats themselves are very comfortable. Proper support is given in all the right places.

The dash is simple and stylish, befitting of the exterior. There are enough gauges and all can be seen clearly and are arranged logically.

Head room is very good, as is hip, leg and shoulder room.

The Impreza Outback Sport gets a massaged version of Subaru's venerable 2.2-liter engine. Horsepower is bumped to 137 while torque is 147 pounds-feet at 4,000 rpm. That's impressive for such a light car.

The engine is wonderfully responsive. It won't set any speed records, but it's not sluggish at all. Acceleration could be better, but for a four-cylinder, the engine's got some pep.

The transmission is a four-speed automatic unit. It works well until you floor it, then there's a pause and wooosh,

you lunge forward. Otherwise, it works well, shifts without a lot of fuss and relatively little hunting for gears.

The suspension is of the four-wheel independent variety. It's raised to allow rumbling through bush country, if you so desire. If not, that's OK, too. The suspension isn't stiff enough to hinder the ride, which is comfortable on most surfaces. Bumpy surfaces degrade the quality a bit, but not a lot.

The four-wheel drive system is excellent. I didn't take the vehicle off road, but I still appreciated the system, especially on rain-slick highways. The system kept the car from sliding or feeling loose. That, in conjunction with the four-channel anti-lock brakes and dual air bags, make this vehicle feel as safe as other Subarus.

The price on the Impreza is surprisingly tame. For \$17,995 you get the above-mentioned stuff, plus air conditioning, 80-watt cassette stereo system, power door locks, windows and mirrors, two-tone paint (a lovely Arctic white and slate scheme) and an ignition-off head light system. The automatic transmission was \$800 while carpeted floor mats added \$64 and the alloy wheels cost \$629.

Throw in \$495 for destination and the as-tested price comes to \$19,983. That's not a bad price for something that will hold five folks while you traipse around in bush country. And, as long as Subaru's last, you could traipse for a mighty long time.

Mercedes-Benz experiences an unexpected sales surge in '96

THE ASSOCIATED PRESS

STUTTGART, Germany — Mercedes-Benz AG group sales rose to a preliminary 77 billion marks (dlrs 51 billion) in 1996, up from 72 billion marks (dlrs 48 billion) last year, the luxury car and truck maker said Friday.

The figure is higher than the 75 billion marks (\$ 50 billion) the company, a division of Daimler-Benz, forecast for the year in October. Mercedes also said it expects to post gains in unit sales, revenues and earnings in 1997.

According to the preliminary figures, Mercedes' passenger car sales this year were up to nearly 46 billion marks (dlrs 30.7 billion) from 40.4 billion marks (dlrs 26.9 billion) in 1995, while revenues in its truck division stagnated at around 31 billion marks (dlrs 20.7 billion), compared to 31.6 billion marks (\$ 21.1 billion) a year ago.

Company chairman Helmut Werner also said earnings were up from last year despite high investment spending. He gave no specifics.

In 1995, Mercedes posted a net profit of 2.28 billion marks (\$ 1.52 billion), up from 1.85 billion marks (\$ 1.23 billion) in 1994.

On a unit sales basis, Mercedes said its passenger car division shipped more than 640,000 automobiles in 1996, up about 10 percent from around 580,000 units last year.

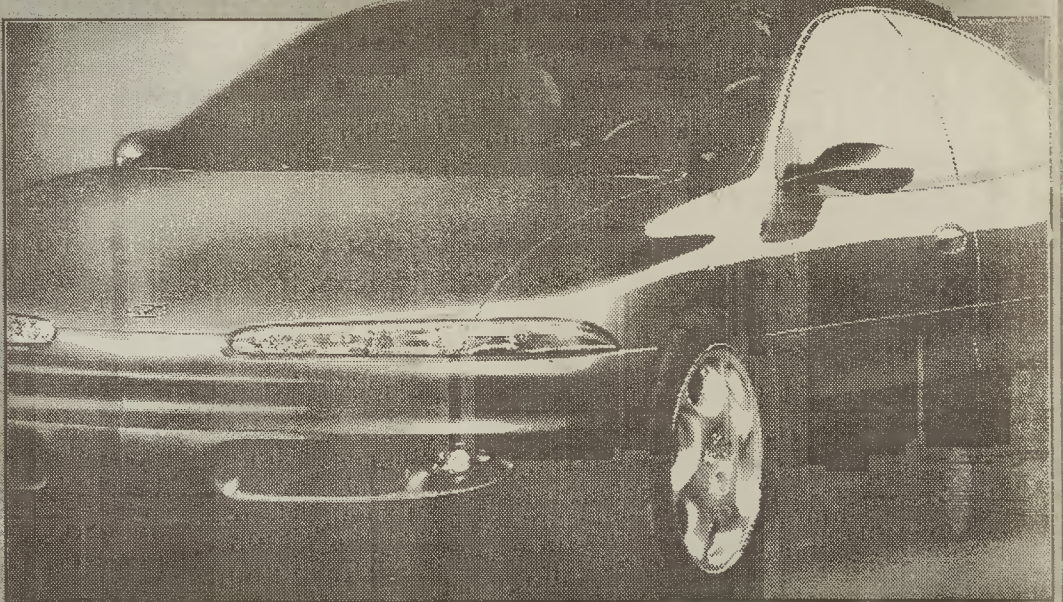
Domestic sales were up around 12 percent to 266,000 units versus 238,300 units in 1995.

Over 370,000 units were sold abroad, with 90,000 units shipped in the United States compared to 76,800 a year earlier.



1998 Mercedes CLK Coupe

Sports cars make comeback in L.A.



Oldsmobile Antares

By Brian S. Akre
THE ASSOCIATED PRESS

LOS ANGELES — Though sports car sales have been in a deep slump for years, the world's automakers are embracing the horsepower-and-testosterone market once again.

Sleek and sexy road rockets from the United States, Japan and Europe dominate the new-model introductions slated for this year's Los Angeles and Detroit auto shows, which open in early January.

They include a redesigned Corvette, the first all-new Porsche in 19 years, a supercharged Mercedes-Benz roadster and a new version of Acura's pricey speed machine, the NSX.

The new models are emerging as some venerable marques fall by the wayside, victims of rising prices and a shift in consumer tastes to sport utility vehicles and sporty pickups. Mazda stopped exporting the rotary-engined RX-7 to North America this year, Nissan ended the Z-car series when it halted production of the 300ZX, and Chrysler stopped importing the Dodge Stealth.

"Sports cars have been doing terribly over the past couple of years," said George Peterson, an industry consultant with AutoPacific Inc. in Santa Ana. "Everybody was trying to develop best-in-class products.

Consequently, they all got too good and too expensive."

The enduring success of the affordable Mazda Miata and the strong first-year sales of BMW's new Z3 roadster have proven that there's still money to be made with sports cars if the price and product are right.

Sports car fans in the United States will get their first chance to see and touch the newest entries at this year's Greater Los Angeles Auto Show and Detroit's North American International Auto Show. The L.A. show begins its nine-day run Jan. 4, followed by Detroit Jan. 11-20.

Los Angeles will be the site of the North American debuts of the Mercedes-Benz SLK and Porsche Boxster, and the world debut of the redesigned '97 Acura NSX, the mid-engine flagship of Honda's luxury division.

But much of the attention will be on Detroit, where the long-delayed redesign of the Chevrolet Corvette — the fifth generation of Chevy's red-blooded, high-performance sports car — will have its world debut.

Chevrolet managed to keep an unusually tight lid on the '97 Corvette until recent weeks, when some details and spy photos emerged as the car went into production at Bowling Green, Ky. The

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