

Where in the world are cars in San Diego?

Mexico has been relocated to somewhere south of Toledo, while Sao Paulo, Brazil, has been towed across the Atlantic to West Berlin. Hiroshima is in Flat Rock and Halifax, Nova Scotia, is now somewhere on the edge of the North Sea.

This somewhat fractured picture of international geography is what I get from trying to wade through the U.S. domestic car sales statistics reported in most major newspapers, including the Wall Street Journal and various trade publications, notably Automotive News.

Any fool should know what a foreign car is (it's a furin car, or an imported car, depending on the company you keep). It's one of those funny looking things made somewhere else that is taking all those American jobs, right?

Well, not exactly.

EVEN WAY back when, when the only imports we were worried about was Volkswagens, the Canadians were pulling a fast one by luring American car companies away and getting them to build auto plants sticking on their own mud flaps and bug screens and palming them off as "Canadian" cars.

Most of them ended back in the U.S. anyway, where the WSJ all counted them as U.S. domestic sales.

Even sneakier, Volvo built a small plant in Canada, shipped some of the cars to the United States, where the WSJ etc. counted them as imports from Sweden.

Then Volkswagen began shipping boatloads of parts to Pennsylvania (USA) and assembled them into Rabbits - which is when I lost the big argument.



auto talk
Dan McCosh

I WAS working in a car-counting operation at the time the car business tends to support this kind of thing, and my boss figured that the VWs assembled in the U.S. sales, sort of in honor of the new plant.

No way, I said. We're going to have millions of these cars in a couple of years, and we will lose all track of which cars are furin. I lost, but the WSJ agreed, and kept counting U.S.-built Rabbits as imports. For a while, anyway.

If you are bold enough to try to take note of import car sales today, you will note a slight decline, which is because most of the furin cars sold today are Japanese, and a lot of them are being assembled in U.S. or Canadian plants.

All of these U.S.-assembled Japanese products now are being counted as U.S. car sales by major business publications, including the WSJ, which changed its mind on the subject.

THE JAPANESE are happy, because they can claim they lived up to export restraint agreements, and now the gate is open to flood the U.S. with Japanese exports.

The U.S. government is happy, because several administrations in a row have been arguing that car imports aren't a real national problem;

the real problem is socks made in Taiwan. Undercounting auto imports reinforces this notion.

The WSJ (which leans toward the Taiwanese socks point of view anyway) sticks its tongue in its editorial cheek and claims a certain logical consistency to its methods.

THEN I noticed Mexico had moved. Mexican auto imports today are crowding BMW in sales volume. But Automotive News is counting Mexican imports as U.S. domestic car sales - apparently because they are sold in U.S. dealerships. Japanese imports sold in U.S. dealers, however, make the import column.

Lets try Brazil, which recently passed up Sweden's SAAB, for example, as an exporter to the United States. Brazilian exports to the United States end up lumped under cars from Europe in Automotive News, while Mexican cars become American, under a sales reporting system that breaks out U.S. sales into cars from Europe, Japan, Korea and the United States based on the national

ownership of the retail sales operation.

WITH MY head still swimming, I noticed a car sales report in Automotive News that carefully sorts out Canadian import sales and Canadian domestic sales.

If there is a single Canadian car company today, I must have missed something. My Canadian friends are quick to tell me all cars sold in Canada today are imports, as far as they are concerned.

Other than an abstract interest in how an important business statistic has become hopelessly confused, the only reason to be concerned about car sales reporting methodology is that the current system drastically underreports the effect of auto imports on the U.S. trade balance by a factor of about 50 percent - by pushing the dollar value of camouflaged imports into the "domestic" column with muddled figures.

It helps keep Washington's mind on those socks.

datebook

RETIREMENT INVESTING

Thursday, Dec. 7 - Free seminar, "Will You Be Able To Retire?" begins at 7 p.m. at the Holiday Inn, 1500 Opdyke, Auburn Hills. Reservations: Emily Ferry, 652-3200 or 1-800-772-6225. Sponsor: PalneWebber Inc.

BIRMINGHAM CHAMBER

Thursday, Dec. 7 - Florine Mark, president of the WW Group Inc., will speak on "You Can Do Anything You Want To If You Want To Do It Badly Enough" at noon at the Kingsley Inn, Bloomfield Hills. Non-member fee: \$20. Sponsor: Birmingham-Bloomfield Chamber of Commerce.

INVESTMENT SEMINAR

Thursday, Dec. 7 - Free investment seminars offered at 2 p.m. and 7 p.m. at the Clarion Hotel, 1-696 and Orchard Lake Road, Farmington Hills. Information: 746-4500. Sponsor: Dean Witter Reynolds Inc.

VENTURE GROUP

Friday, Dec. 8 - Sophomore Michigan Venture Group meets at Walsh College, 3838 Livernois. For information: Scott Eisenberg, 446-0100. Members include accountants, lawyers, consultants and other service providers who can assist in development of new businesses.

LABOR-MANAGEMENT

Friday, Dec. 8 - "Joint IML Leadership Skills in a Changing Environment" offered 8:30 a.m. to 4 p.m. at the Northfield Hilton Hotel, Troy. Fee: \$79-999. Information: Morris Center, 370-3124. Sponsor: Oakland County Area Labor Management Committee.

SELF-EMPLOYED TAX SAVINGS

Tuesday, Dec. 12 - Free seminar on tax-saving plans for the self-employed will be 7-8 p.m. at the Marriott Hotel, 27033 Northwold Highway, Southfield. Reservations: 350-3016 or 1-800-343-9532.

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