

1977's a year of change for U.S. auto companies

Visitors to the 1977 Detroit Auto show may find changes from past years more the result of government influence than consumer preference.

Part of the reason can be attributed to federal regulations calling for cars to average 20 miles per gallon in 1980 and 27.5 mpg in 1985.

But visitors will also find the auto industry in various stages of transition which may provide the clearest choice of products in 50 years, according to one auto executive.

The fuel economy standards are forcing manufacturers to overhaul many of their model lines, according to Motor News, the official publication of the Automobile Club of Michigan. Manufacturers must achieve the same government-imposed objectives, but they are taking different routes to get there.

Even before the Arab oil embargo, General Motors anticipated a steady increase in

gasoline scarcity and price. Because lead time for planning new models is still long in the auto industry, GM committed enormous resources in 1973 to make 1977 the year of its greatest single model change ever—shrinking cars to the size they were 15 years ago.

The process became public in 1975 when GM brought out its luxury compact Cadillac Seville and announced plans to downsize its other models through 1980, spending \$15 billion to do it.

Ford and Chrysler could not raise the cash to follow, had they wanted to, according to Motor News.

"Our resources are not unlimited, and we cannot compete in every market," Henry Ford II was quoted as saying.

Ford, GM's chief competitor, believes that there is still a big market for the standard-sized LTD, Mercury Marquis and Lincoln and Continental models.

"We believe big car buyers want a long wheelbase, good ride, comfortable interior and won't be disturbed by a mile or two less per gallon to get it," Ford President Lee Iacocca said.

However, to test the downsize market, Ford introduced the compact-sized Granada and Monarch models in 1975 and will downsize other models through 1980, at a cost of \$10 billion.

For 1977, Ford dropped its 460-cubic inch V-8. All Fords for the new model year share two engineering advances: a second-generation electronic ignition system which provides higher spark plug voltage during starting and running cycles and larger and more efficient catalytic converters.

Body size on Chrysler and American Motors cars remains mostly the same, but engine size has been cut, according to Motor News. Chrysler is touting

a new "lean burn" engine offering improved mileage.

GM has captured most of the headlines this year, thanks to the downscaling of its models. It has cut up to a foot in length, up to 900 pounds in weight and some width while boosting fuel economy to as much as 25 mpg for some full-size Buicks.

GM cars which have gotten the Vic Tanny treatment are Buick Electra and Le Sabre, Cadillac DeVille and Fleetwood, Chevrolet Impala and Caprice, Oldsmobile 88 and 98 and Pontiac Bonneville and Catalina.

Ford, while not undertaking nearly as massive redesigning as General Motors has some new sizes to offer its customers.

Ford spent \$125 million on the new Continental Mark V. Thunderbird and Mercury Cougar were redesigned for a 114-

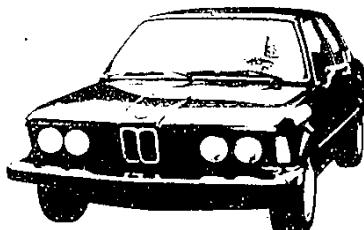
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