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[•]Area dealers say Car sales slump, but truck sales worse

By Mike Eliasohn

of the economy to the contrary, area dealers report car sales aren't that bad. It's pickup truck sales that are terrible, and they normally form a big chunk of their sales.

The dealers are still here, however, which is more than many of their now ex-brethren can sav

The combination of low sales and high interest rates dealers must pay for the cars they get from the manufacturers has forced many out of business, either because of bankruptcy or to avoid going bankrupt.

Automotive News reported that 258 dealers nationwide went out of business in the first three months of this year, the third largest number in a 90-day period since it started keeping track 19 years ago. (More than half were Chrysler Corp. dealers.) Some of those dealers were in the Thumb area.

Compared to the last big auto sales slump, in 1974, Ron Geiger of Geiger-Hunt Ford said, car sales are about the same, but pickup sales are down about two- all thirds

Compared to good times, car sales are down about one-third; pickup sales at least half

And the second second second second second

Aime Ouvry of Ouvry Chevrolet-Olds didn't get News reports and the state into specifics, but commented. "I can't complain about car sales. They're as good as can be expected at this period of time." Car sales are down, but not as much as for trucks, he said.

> The most optimistic of the dealers contacted was John Bukoski of Bukoski Chevrolet-Pontiac in Ubly.

"Quite frankly, car sales are very good," he confessed, adding that the key was to have the right inventory, namely smaller, more efficient cars.

As for pickup trucks. whereas he used to sell 8-10 of them a month, he now sells two. The only vans he sells nowadays are to businesses that need them

Those contacted at Rabideau Motors, the Cass City Chrysler-Plymouth dealer, declined comment.

The dealers agreed that about 50 percent of customers who normally buy pickups don't need them for business reasons. But with most pickups getting poorer mileage than cars, would-be pickup buyers are switching to cars if they're buying at

Bukoski said truck sales in normal times made up about 25-30 percent of his total sales; Ouvry, one-third, and Geiger, one-half.

LOAN RATES Until recently, the interest rate on car loans under the state law was 12.8 percent.

When interest rates started skyrocketing, it was costing banks more than that to get their money, therefore they were very reluctant to grant car loans

Bukoski said he had 50 cars "sold" in February and March, but then was unable to arrange financing for those who were going to buy them. "That's really discouraging."

Geiger said he was able to arrange bank loans for those with good credit ratings but lost some sales to those with marginal ratings who couldn't get loans.

Under pressure from car dealers, the legislature about a month ago boosted the maximum allowable interest rate on car loans to 16.5 percent.

Geiger said it hasn't helped sales any. "I don't know what car dealer thought it would." Loans are available, he explained, but the interest rate is too high to make them affordable.

Those who are buying cars either have enough money in savings or have arranged their own financing.

In contrast, Bukoski exelaimed, "The ability to buy a car has returned." For a young couple in need of a car, he offered as an example, a car loan at the 16.5 percent interest rate breaks down to only \$8 a month more over the fouryear payback period than at the old rate.

Ouvry thought it was too early to assess the impact of the higher interest rate.

DEALER INTEREST

When dealers obtain cars from manufacturers, they pay for them in the form of loans and the interest they now pay on the loans, in the words of Ouvry, "is definitely a killer.

On April 1, 1979, according to Geiger, the dealership was paying 12.75 percent. One year later, the rate was 20.75 percent.

On a big car, Bukoski said, interest payments can run dealer's financial status is obvious.

What are dealers doing about the high interest rates? They're not ordering cars.

Except for cars specifically ordered by a customer, Ouvry said he hasn't ordered any new cars in 212 months

The inventory at Geiger-Hunt is down by at least a third from normal.

Bukoski said he stopped orders on big cars six months ago and started whittling down the supply of big cars he already had.

With only a few big cars left, with General Motors granting dealers the first 30



EMPTY SPACES -- Car dealers are cutting down on the number of vehicles they keep in stock in order to reduce the interest they must pay. When a customer wants a car they don't have, they try to obtain it from another dealer. This is the Geiger-Hunt Ford lot.

status is financial status is Duncan charged in stolen truck and parts operation

Warrants were issued last Thursday charging ex-local speedway operator David Duncan with a total of 10 counts involving possession of stolen property

As of Wednesday morning. Sanilac county authorities had not yet found him to place him under arrest.

Issuance of the warrants by Sanilac County Prosecutor J. Anthony Sykora foldays interest free on small lowed intensive investigacars and with most of those tion since well over \$150,000 sold within that time period, in trucks, parts and other the situation doesn't look too - equipment were seized when

of stolen property over \$100 (the engine), misrepresenting the identify of a mechanical device and possession of stolen property over \$100. The latter two charges involve the tractor.)

The reason why it took so long from the time the search warrants were executed until the arrest warrants were issued, Sykora explained, was because of the difficulty in establishing the true identification numbers

equipment.

He also said he "can't rule It was easy to establish out" other persons being

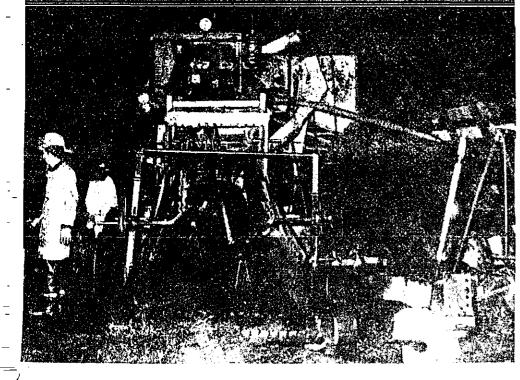
John Latimer of the Nation- property al Auto Theft Bureau and John McAllen of the vehicle theft investigation unit of the

Michigan State Police. Investigation is continuing regarding four other trucks, plus many truck parts (cabs, doors, frame members, etc.) the sheriff's department has seized and Sykora said he expects he will be issuing more arrest warrants.

A hearing was scheduled March 28 on the suit; however, at that time Judge Allen E. Keyes granted the motion of the Duncans' attorney that he disqualify himself as he had signed one of the search warrants.

The case has been reassigned to Huron County Circuit Judge M. Richard Knoblock but apparently no new hearing date has been set.

Sykora has been in contact with Duncan's attorney,



FARM FIRE -- The various farm equipment and other items destroyed Sunday night were valued at \$25,000. The shed, valued at \$7,000, and most of the equipment belonged to William Zink.

-Building, equipment fire loss \$32,000

Loss was estimated at \$32,000 in a fire that destroyed a storage building and its contents Sunday ____night.

Owner of the building on Robinson Road, east of Hoadley Road in Evergreen township, was William Zink. The 30-by-50-foot wood frame, metal covered structure was engulfed in flames by the time Elkland township firemen arrived about 9 p.m. They were there about 11/2 hours.

A son, Tim Zink, told the Chronicle the origins of the fire began Sunday morning when he burned some trash. He went away and returned in the afternoon to find that fire had ignited a grass fire. He, a brother and some friends and neighbors extinguished that fire, mainly by guiding it toward a ditch where it burned itself yout. That was about 4 p.m. At least everyone thought it was out. About 8:30, when

the family was watching television, brother Andy looked outside and discovered the building was on fire, presumably having been ignited by sparks from

the grass fire. Assistant Fire Chief Jerome Root Jr. estimated the building as being worth \$7,000, with contents valued at \$25,000. Tim Zink said his father had insurance.

Inside the structure were an old tractor, old corn planter, hay rake, hay mower, bean harvester that belonged to a neighbor, snowmobile, motorcycle, 75 bales of hay and some miscellaneous items.

Elkland firemen received two assists, one from Bartnik's wrecker service after the tanker got stuck in soft ground on the Zink property. The tanker was close enough so that a hose could be run to the pumper near the fire. The Lamotte Township

Fire Department brought a tanker.

WOODS FIRE

Elmwood township-Gagetown firemen spent three hours Sunday fighting a tough-to-extinguish woods fire at Hurds Corner and Cass City Roads.

About four acres of woods burned, all on the property of James Compo. According to fire Chief

Chuck Wright, Compo was burning some leaves and grass in a pit behind his house, left it unattended, and the fire spread to the nearby woods. The trees that burned

included some good-sized ones, Wright said. Firemen received the call at 3:45 p.m. There were eight of them there.

The Department of Natural Resources sent two trucks and three men to assist.

bad, he explained. Despite lots of empty space in dealer storage lots, they all said buyers can still

get what they want. If they don't have what a prospective buyer wants, they trade or otherwise strike a bargain with a dealer that does have the desired car. "If we don't have it, we will find it," Geiger said, pointing to his microfilm reader that lists all the cars held by Ford dealers in the Michigan district.

As for the future, none of the dealers was predicting better times just around the corner, but feel eventually they will improve. "I just hope they do," Geiger said.

Novesta

seeks levy for roads

A majority of the Novesta Township Board Monday evening voted to put a 112mill proposal on the Aug. 5 primary ballot to finance road construction.

If approved, the levy will run one year.

This year, the board decided, it will have crushed gravel put on the two miles of Severance Road between Englehart and Lamton Roads in preparation for. eventual paving, provided the cost does not exceed \$24,000.

In order to put rates more in line with what other cemeteries are charging, the board raised the price for a single lot in the township cemetery for nontownship residents from \$75 to \$175. Price for a half-lot (four plots) for non-residents was increased from

\$300 to \$500. The price for township residents remains the same. The board gave its consent to granting of Farmland and **Open Space Preservation** Act agreements for property owned by Floyd Trisch, Ronald and Marcia Mozden and Harold and Marilyn Deering.

Through October, when Daylight Savings Time ends, board meetings will start at 8 p.m. instead of 7 p.m.

search warrants were executed at Duncan's property March 19 and on two occasions since then.

Duncan and his wife. Florence, had been operators of the Thunder Road Speedway on M-53, north of M-81, Mrs. Duncan was the owner and in February sold the track and the 30 acres it was on to John R. Williams of Hazel Park on a land contract.

The Duncans retained ownership of an adjacent 9.46 acres, on which was located their mobile home and a large garage building, where the search warrants were executed.

They are renting a second mobile home on their property to Williams, who has renamed the track Cass City Raceway Park. He conducted his first races there Sunday. The Duncans are not involved in operating the track, according to the new owner.

Three warrants were issued, Sykora explained, each involving a separate piece of equipment that was seized by authorities.

The first is a 42-foot flatbed trailer. Count I charges Duncan with misrepresenting identity of a mechanical device (altering vehicle registration number) and II is embezzlement of mortgaged property (sale or attempted sale of the property without permission of the party holding the mort-

gage). The second warrant involves a payloader, a type of earthmoving equipment. The first count is possession of stolen property over \$100 and the second, misrepresenting identity of mechanical device.

The second two counts involve installing a different engine in the payloader. The charges are misrepresenting identity of a motor and possession of stolen property over \$100.

The payloader, according to Sykora, had been purchased by local used truckdealer Marvin Winter from Duncan. Winter became suspicious, and furnished information to the investigators. Meanwhile, he no longer has the payloader, which he paid money for.

The third warrant involves a semi-truck tractor in which the engine was switched. The counts are misrepresenting the identification of a motor, possession

that the identification numeventually charged in the bers had been altered, but it case took time to establish the A couple of weeks prior to original numbers, which re-

the issuance of the arrest quired working with the warrants, the Duncans filed manufacturers, and learn the original owners of the suit against the sheriff's department in Sanilac County Circuit Court, charg-

The investigation has been handled by sheriff's department Detectives Donald Trowhill and Lowell Grimes,

ing illegal search and seizitems seized from their still at large.

Joseph Freed of Detroit during the investigation and after the arrest warrants were issued Thursday, notified him that he should have his client turn himself in by 5 p.m. that day, otherwise police would be searching for him. Dunean didn't show and, as mentioned, as of this ure and seeking return of the Wednesday morning, was



HANGING TOGETHER -- As part of their study of the 50 states, students in Sally Goodall's fifth grade class at Cass City Intermediate School created this mobile. Most students each made a map of two states and, hanging from each map, a product or natural resource the state is known for. Hanging up the last of the items are Lisa Hirn, left, and Clayton Hobart.