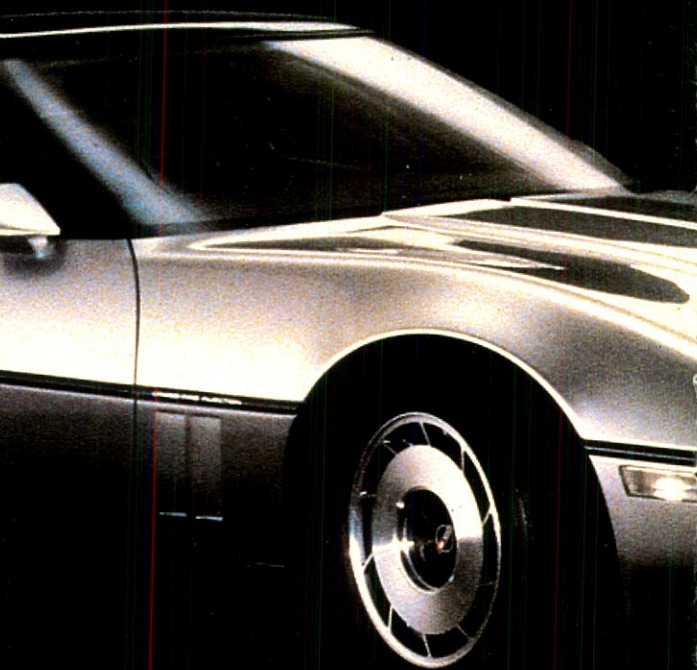
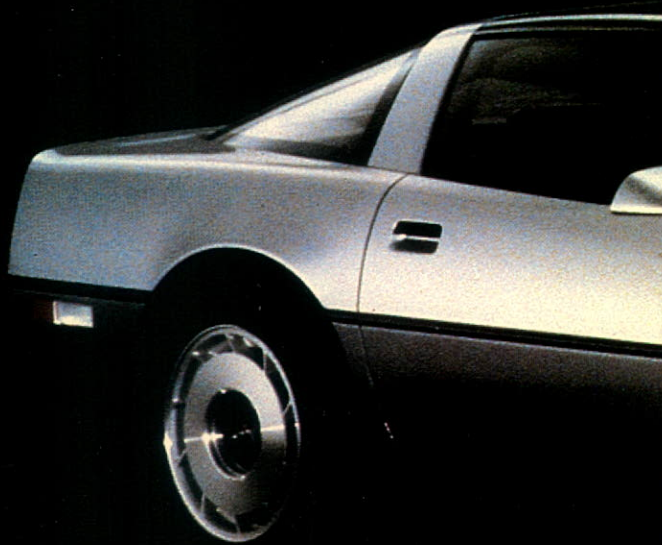


General Motors  
of Canada Limited

1982 in Review









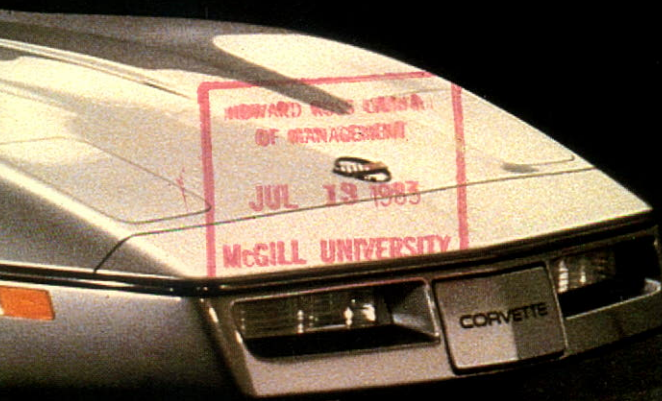
*Cover Photo and Inside Fold*

The 1984 Corvette (cover photo) with its top down and heading upward, is a careful blend of yesterday's Corvette styling with tomorrow's high-tech sophistication. Inside the fold, the Corvette shows its levelled lines in the hood area and sweeping new rear hatch. It goes on sale this month at dealerships across the country. Upper right is the new Pontiac 6000STE, assembled only in Oshawa for the world market, that is successfully challenging the high-priced European touring cars. Upper left is the S-10 Blazer, the Company's answer to the flood of foreign-produced compact four-wheel-drive units.

## 1982 in Review

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General Motors  
of Canada Limited



## Summary

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(Millions of dollars)

Net sales

Net income (loss)

Net income (loss)— percent of sales

Income taxes (recoverable)

Other taxes

Expenditures for plant and equipment

Expenditures for special tools

Payrolls

On-roll employment

Working capital (deficiency)

## Unit Sales

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Manufactured in Canada

Passenger Cars

Trucks and coaches

Total factory sales

Imported Vehicles

Total unit sales

Unit sales by areas

Canada

United States

Other countries

Fifty-three articulated GM buses were produced for the Ontario Government at the St. Eustache, Que., and London, Ont., plants of Diesel Division. They are now undergoing test runs on the streets of Toronto, Ottawa, Hamilton and Mississauga.



1982	1981	1980	1979	1978
<b>9,570.5</b>	10,416.1	9,451.3	9,409.8	7,721.1
<b>(71.7)</b>	(10.3)	55.0	246.8	203.0
<b>(0.7%)</b>	(0.1%)	0.6%	2.6%	2.6%
<b>(61.4)</b>	(34.9)	14.4	167.6	154.3
<b>78.5</b>	63.2	82.1	75.3	55.2
<b>201.6</b>	748.4	469.5	177.2	86.2
<b>122.6</b>	316.2	290.6	141.8	74.8
<b>1,006.6</b>	1,097.2	950.3	880.8	795.6
<b>36,503</b>	43,076	42,598	42,307	41,354
<b>(727.2)</b>	122.8	458.9	341.7	383.9

1982	1981	1980	1979	1978
<b>374,571</b>	478,774	512,385	555,428	569,433
<b>249,589</b>	277,657	256,404	287,357	283,463
<b>624,160</b>	756,431	768,789	842,785	852,896
<b>187,351</b>	266,766	303,131	329,319	265,438
<b>811,511</b>	1,023,197	1,071,920	1,172,104	1,118,334
<b>278,758</b>	474,941	554,343	690,140	560,474
<b>456,167</b>	404,326	421,522	405,487	478,347
<b>76,586</b>	143,930	96,055	76,477	79,513



## 1982 in Review

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Although the year 1982 did not produce the hoped for turnaround for the automotive industry, early indications point to a definite upturn in 1983. Inflation and interest rates are both declining significantly and with personal savings at high levels, the only ingredient required to convert these factors into market demand is consumer confidence. The recent upturn in the housing market is an indication that the Canadian consumer is once again re-entering the market and showing a willingness to undertake major purchases.

During 1982 high interest rates and a declining economy adversely affected the sales of cars and trucks in Canada. Industry-wide retail sales of 919,900 vehicles declined 23 percent from 1981. Foreign-sponsored imports accounted for 27 percent of retail deliveries in 1982.

The competitive position of the imports is enhanced by favourable federal sales tax treatment. Tax on imports is based on value at the time of importation versus the application of this tax at the higher wholesale price level on domestically produced units. In addition, the competitive position of the Japanese imports was further strengthened in 1982 by the continued undervaluation of the Japanese yen.

Retail sales of cars and trucks by GM dealers in Canada totalled 327,200 units, a decline of 33 percent from 1981. General Motors vehicles accounted for 35 percent of all new passenger cars and 37 percent of all new trucks sold in Canada in 1982, compared with 1981 penetration of 41 percent for both cars and trucks.

The Company reduced or held the price on more than half of the 1983 models introduced in September, 1982, with moderate increases on the remaining models. This action, coupled with declining interest rates, lower inflation and rising consumer confidence in both Canada and the United States, is expected to promote a recovery in auto sales in 1983. With an improvement in consumer confidence, the high personal savings should provide the base for a significant stimulus in the marketplace.

Expenditures for plant, equipment and special tools in 1982 totalled \$324 million. Since the start of the major modernization expansion program, begun in 1979, cumulative expenditures for plant and equipment total almost \$1.6 billion and for special tools, \$871 million.





Donald E. Hackworth  
President and General Manager

The modernization and expansion program is continuing and in 1983 the Oshawa assembly plant, currently producing the full size Chevrolet and Pontiac models, will be converted to produce front-wheel-drive mid-size cars. The models replaced will continue to be produced in the United States and will be imported as necessary to meet market demand.

In the past three years, the Company has introduced new car models at an unprecedented pace. A third of the 1982 product lineup was new, including five front-wheel-drive subcompact models and four mid-size models. The new sporty Chevrolet Camaro and Pontiac Firebird introduced in mid-1982 have been a real success story. In addition to this already strong product line, GM's 1983 models include a Buick Riviera convertible, and in the spring, convertibles will be added to the subcompact Chevrolet Cavalier and Pontiac 2000 series. Oldsmobile and Buick have added station wagons to the Firenza and Skyhawk models and in April Chevrolet will introduce the all-new 1984 Corvette. To add excitement to our subcompact and sporty cars, a new 5 speed manual transmission is now available on many 1983 models.

The highlight of 1983, however, may well be Pontiac's Special Touring Edition, the 6000 STE mid-sized sedan, a 1983 feature vehicle blending functional elegance and high quality with classic styling and performance. Built to compete with the best imported sedans, total North American requirements are being built in the Oshawa, Ontario, Car Assembly Plant.

In the truck line the 1982 Chevrolet S10 and GMC S15 small pickups have been recognized by customers as providing excellent value and quality and in 1982 proved to be the most popular small truck sold in Canada. In 1983, four-wheel drive and extended cab versions of these compact trucks have

been added and smaller, lighter Blazer and Jimmy utility vehicles introduced. Diesels also will be offered. GM continues to have the most complete light truck product line of any manufacturer.

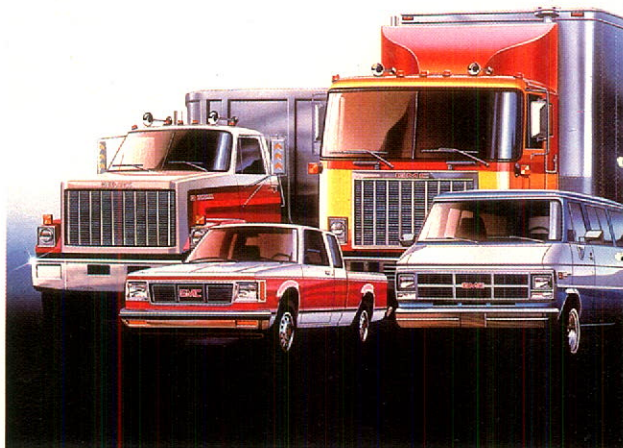
With these new products, we are confident we have the cars and trucks which best meet today's market requirements.

In 1982, GM of Canada factory sales of vehicles produced in Canada were 624,200 units, comprised of 374,600 passenger cars and 249,600 trucks, a decline of 17 percent from the 756,400 units sold in 1981. Sales of imported vehicles also declined from 266,800 units to 187,400 units, or 30 percent.

The largest decline, partly due to dealer inventory adjustments, was experienced in factory sales to Canadian dealers of 278,800 units compared to 474,900 units in 1981. Exports to the United States were 456,200 units, a 13 percent increase over the 404,300 units exported in 1981, reflecting the strong demand in the United States for the particular product lines manufactured in Canada. Exports to other countries of 76,600 units were off 47 percent from the 143,900 units shipped in 1981, an indication of the widespread global economic uncertainties.

Dollar sales in 1982 totalled \$9.6 billion compared with last year's record of \$10.4 billion, but still represent the second highest sales level attained by the Company. Despite major cost reduction programs, the reduced volume, coupled with major retooling expenditures and high interest costs, resulted in a net loss of \$71.7 million, a deterioration of \$61.4 million from 1981.

The reduction in unit sales volume and deterioration in financial results are major concerns. Inventories



The volume GM lineup from the small S15 Jimmy (right, front) to the massive Astro 95. Front Row – Left to Right: S15 Club Coupe, Rally STX

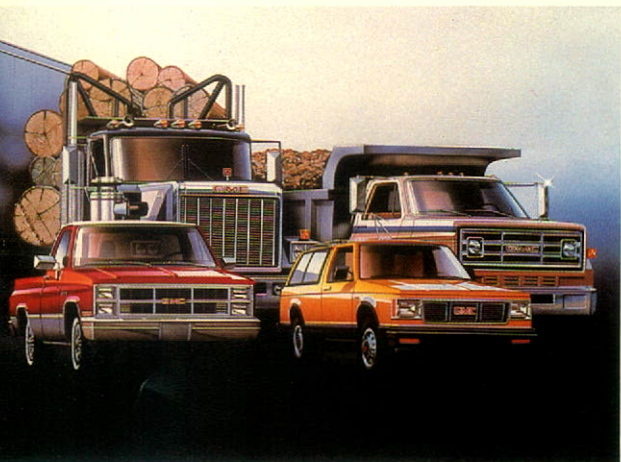
have been reduced and capital spending deferred where practicable. Volume is expected to improve, however, in 1983. Dealer inventory adjustments have been completed and, with the economy and consumer confidence both showing signs of improvement, an increase in factory sales is projected for 1983.

In 1982 Diesel Division was awarded a multi-year contract to supply almost 1,000 light armoured vehicles to the U.S. military. The 1982 value of the contract is about \$500 million with a potential of an additional \$775 million over the length of the contract, if all options are exercised. This is the largest defence export order ever awarded a Canadian company.

At year-end GM of Canada had 36,500 employees on roll, 6,600 fewer than at the end of 1981. Indefinite layoffs at December 31, 1982 totalled 5,800. This number was reduced by approximately 1,500 with the resumption of a second shift at Ste. Thérèse in January 1983 and a further 1,500 with similar actions at Oshawa, Windsor and St. Catharines in February. As the economy turns around, it is expected that most of the remaining employees on indefinite layoff will be recalled in 1983.

During 1982, GM of Canada and the United Auto Workers negotiated a new two-year contract. The negotiations were most constructive and the contract forms the basis for labour and management to work together in a spirit of cooperation for the future.

In early 1982, several modifications in policies and benefit programs for salaried employees were implemented to help finance the "Let's Get Moving" sales incentive program. We would be remiss if we did not take this opportunity to publicly thank our



Van, C1500 Pickup, S15 Jimmy. Back Row – Left to Right: Brigadier (Conv. Hood), Astro 95 w/ Drag Foiler, 5 Star General, C7000 Medium Duty.

salaried employees as well as our dealers and the many suppliers who contributed to make this program a success.

Our concern for the well-being of our organization and the people who support it continues to be a focal point in the formulation of our employee policies. As we grow, one of the primary factors behind our confidence is the quality of our employees — they have risen to past challenges and we are certain they will continue to do so in the future.

The GM dealer has been in the forefront of the battle against declining new vehicle sales. The number of dealers at the end of 1982 stood at 941, a decline of 12 percent from 1981, considerably less than the overall market decline, reflecting the stability and strength of the vast majority of our dealers. Total dealership investment in sales, service and parts facilities declined from \$493 million to \$460 million while dealership employment decreased from 33,100 to 28,100, or 15 percent.

The retail organization is able to deliver to the customer a high quality product at competitive prices. Our mutual goal is the complete satisfaction

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## Statement of Income and Net Income Retained for Use in the Business

for the years ended December 31, 1982 and 1981  
(thousands of dollars)

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### Net Sales

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### Costs and Expenses

Cost of Sales and other operating charges,  
exclusive of items listed below  
Selling, general and administrative expenses  
Depreciation of real estate, plants and  
equipment  
Amortization of special tools

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### Total

---

Operating income  
Other income less income deductions — net  
Interest expense

---

### Loss Before Income Taxes Income Taxes Recoverable

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Loss  
**Net Income Retained for Use in the Business  
at beginning of the year**

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**Net Income Retained for Use in the Business  
at end of the year**

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of every purchaser of a General Motors car or truck.

Our 1983 products offer outstanding value in every price range. Our people are building them with a new determination to show clearly our goal that "we build the best". We are confident that with the continuing cooperation and efforts of our employees, the union, our suppliers and our dealers, the buying public will recognize the value represented in buying General Motors products.

We are ready for the turnaround. Our plants are retooled and labour relations are at an all-time high. Our products are new and exciting and with consumer confidence on the upswing, we anticipate a strong resurgence in the sales of General Motors produced cars and trucks in 1983.



Donald E. Hackworth  
President and General Manager

1982	1981
<b>\$9,570,482</b>	\$10,416,050
<b>8,832,490</b>	9,854,349
<b>222,982</b>	148,428
<b>166,044</b>	107,739
<b>333,649</b>	178,734
<b>9,555,165</b>	10,289,250
<b>15,317</b>	126,800
<b>(2,938)</b>	3,739
<b>(145,449)</b>	(175,763)
<b>(133,070)</b>	(45,224)
<b>(61,384)</b>	(34,924)
<b>(71,686)</b>	(10,300)
<b>801,922</b>	812,222
<b>\$ 730,236</b>	\$ 801,922

# Balance Sheet

December 31, 1982 and 1981  
(thousands of dollars)

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## **ASSETS**

Cash and time deposits

Accounts and notes receivable

Inventories

Deferred income taxes and prepaid expenses

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### **Total Current Assets**

Real estate, plants and equipment

Less accumulated depreciation

Net real estate, plants and equipment

Special tools less amortization

Other assets

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### **Total Assets**

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## **LIABILITIES AND STOCKHOLDERS' EQUITY**

Bank indebtedness

Accounts payable

Income and other taxes payable

Other accrued liabilities

---

### **Total Current Liabilities**

Deferred income taxes and other liabilities

Notes payable to parent company

---

### **Stockholders' Equity**

Share capital without par value

Contributed surplus

Net income retained for use in the business

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### **Total Stockholders' Equity**

---

### **Total Liabilities and Stockholders' Equity**

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	1982	1981
	\$ 11,357	\$ 758
	236,237	560,707
	769,596	877,944
	27,378	102,560
	<u>1,044,568</u>	<u>1,541,969</u>
	2,429,817	2,269,096
	853,427	724,117
	<u>1,576,390</u>	<u>1,544,979</u>
	113,160	324,258
	17,683	19,572
	<u>\$2,751,801</u>	<u>\$3,430,778</u>

	\$ 59,686	\$ 301,055
	1,256,520	648,683
	24,662	32,524
	430,947	436,860
	<u>1,771,815</u>	<u>1,419,122</u>
	60,870	205,815
	115,343	930,382
	70,325	70,325
	3,212	3,212
	730,236	801,922
	<u>803,773</u>	<u>875,459</u>
	<u>\$2,751,801</u>	<u>\$3,430,778</u>

# Statement of Changes in Financial Position

For the Years Ended December 31 1982 and 1981  
(Thousands of Dollars)

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## Source of Funds

Loss

Depreciation of real estate, plant & equipment

Amortization of special tools

Deferred income taxes

---

Total funds provided by current operations

Proceeds from disposal of property

Notes payable to parent company

Decrease in other working capital items— (Net)

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### Total

---

## Use of Funds

Expenditures for real estate, plant & equipment

Expenditures for special tools

Retirement of notes payable to parent company

Other

---

### Total

---

Increase (Decrease) in cash and time deposits

Cash and time deposits at beginning of the year

---

Cash and time deposits at end of the year

---

## Decrease (Increase) in Other Working Capital Items By Element

Accounts and notes receivable

Income taxes recoverable

Inventories

Deferred income taxes and prepaid expenses

Accounts payable

Bank indebtedness

Income and other taxes payable

Other accrued liabilities

---

Decrease in other working capital items

---

Certain amounts for 1981 have been reclassified to conform with 1982 classifications and format.



1982	1981
\$( 71,686)	\$( 10,300)
166,044	107,739
333,649	178,734
( 141,058)	( 22,130)
<hr/> 286,949	254,043
4,099	2,635
—	815,800
860,693	321,701
<hr/> 1,151,741	1,394,179
 201,554	748,364
122,551	316,170
815,039	334,239
1,998	9,745
<hr/> 1,141,142	1,408,518
10,599	( 14,339)
758	15,097
<hr/> \$ 11,357	\$ 758
 \$ 324,470	\$( 6,255)
—	100,871
108,348	( 85,311)
75,182	( 16,230)
607,837	( 7,261)
( 241,369)	301,055
( 7,862)	3,472
( 5,913)	31,360
<hr/> \$ 860,693	\$ 321,701

## Schedule of Income Adjusted for Changing Prices

For the year ended December 31, 1982  
(millions of dollars)

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Inflation has a substantial effect on financial data. The accompanying tabulation shows basic historical cost data, as compared with two generally accepted methods of reflecting the impact of inflation — adjusted for general inflation (constant dollar) and adjusted for changes in specific prices (current cost).

In both of these methods, cost of goods sold and depreciation and amortization expense are adjusted upward since the historical amounts include costs incurred in years prior to 1982. However, sales

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Net Sales
Cost of Sales
Depreciation and amortization expense
Other operating and non-operating expenses — net
Provision for income taxes (recoverable)
Total costs and expenses
Net income (loss)
Net assets at year end
Net income (loss) — as a % of sales — as a % of stockholders' equity

---

A. Adjusted to a constant 1982 dollar base using the Consumer Price Index issued by Statistics Canada.  
B. At December 31, 1982, current cost of inventory was \$769.6 million and current cost of real estate, plants and equipment, net of accumulated depreciation, was \$2,053.0 million. The current cost of

dollars and other operating expenses are not adjusted since these dollars all occurred in the same year, 1982. The effect of inflation adjustments is to reduce income below the level indicated by historical cost.

As these data indicate, there is a critical need for national monetary and fiscal policies designed to control inflation and to provide adequate capital for future business growth which, in turn, will mean increased productivity and employment.

As Reported in the Financial Statements (Historical Cost)	Adjusted for General Inflation (1982 Constant Dollar) (A)	Adjusted for Changes in Specific Prices (1982 Current Cost) (B)
\$9,570.5	\$9,570.5	\$9,570.5
8,832.5	8,919.8	8,862.7
499.7	582.4	550.4
371.4	371.4	371.4
(61.4)	(61.4)	(61.4)
9,642.2	9,812.2	9,723.1
(71.7)	(241.7)	(152.6)
803.8	1,343.0	1,272.3
(0.7%) (8.9%)	(2.5%) (18.0%)	(1.6%) (12.0%)

property owned and the related depreciation and amortization expense were calculated by applying (1) selected producer price indices to historical book values of machinery and equipment, and (2) the Marshall Valuation Service index to buildings, and the use of assessed values for land.

# Corporate Directory

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## Board of Directors

**R.M. Colcomb**

Vice President and General Sales Manager

**F.E. Conlin**

Former Director of Manufacturing

**R.S. Duffy**

Secretary and Treasurer

**D.T. Frawley**

Comptroller

**D.E. Hackworth**

President and General Manager

**J.C. Larmond**

Vice President and General Manager, Diesel Division

**D.H. McPherson**

Vice President and Group Executive,  
North American Car Group, General Motors  
Corporation

**G.A. Peapples**

Vice President and Finance Manager

**E.H. Walker**

Former President and General Manager

**A.G. Warner**

Vice President and General Manufacturing Manager

**W.R. Waugh**

Former Vice President and Finance Manager

**R.M. Wilson**

Former Director of Purchasing

## General Counsel

**R.W. McFarlane Q.C.**

Material handling system located on the differential carrier finishing belt at the St. Catharines foundry uses a Robotic Vision System known as "Consight" to load castings into skids. The three Robots have the ability to perceive randomly placed grey castings on a grey moving belt. They count and pick up the castings as they pass by.

