

### Power Products Operations

The significant market decline for capital goods in 1982 was reflected in a 26% decline from 1981 in worldwide sales for GM's Power Products Operations.

During 1982, Detroit Diesel Allison Division (DDAD) assumed responsibility for the new 6.2 liter, light-duty diesel engine manufacturing facility located in Moraine, Ohio. The division continues to be the leading U.S. producer of light-, medium- and heavy-duty diesel engines and heavy-duty automatic transmissions. DDAD is also the industry leader in light turbines for helicopters.

In 1982, GM of Canada's Diesel Division sales declined due to lower Detroit Diesel engine sales in Canada and completion of the Canadian Government Armored Vehicle contract. Diesel Division manufactures locomotives, transit coaches, and off-highway electric haulers and during 1982 was awarded a multiyear contract to supply light armored vehicles to the U.S. Government.

In 1982, Electro-Motive Division (EMD) continued to experience a strong demand for locomotive components through its network of associate and licensee locomotive builders. However, the continuing economic slump in the United States and the world's glut of oil depressed sales of domestic locomotives and oil rig drilling equipment in 1982. EMD's new "50" Series locomotive is fuel-efficient, with superior performance to meet the railroads' requirements when the world economy expands.

### Corporate Restructuring Continues

In a continuing effort to strengthen its competitive position, General Motors made additional changes in its organization and structure during the year.

The consolidation of the truck manufacturing and assembly operations of the GM Assembly, Chevrolet Motor, and GMC Truck & Coach divisions into a single division within the new worldwide Truck & Bus Group continued a major realignment begun in July 1981. The new Truck & Bus Manufacturing Division is one of the largest U.S. divisions in the

Corporation. The division and group have headquarters in Pontiac, Michigan. Detroit Diesel Allison Division, which produces truck and bus diesel engines, heavy-duty transmissions, and gas turbine engines, also is part of the Truck & Bus Group. Dealer contracts and vehicle nameplates were not affected.

The Bedford Commercial Vehicle Division was established as a separate entity from Vauxhall Motors Limited in December to strengthen Bedford's position as a manufacturer of vans, trucks, and buses in the United Kingdom. Bedford is part of the Truck & Bus Group. The goal of all of these moves is to establish General Motors as the leader throughout the world in truck and bus manufacturing and sales.

In another restructuring, two staffs were reorganized to improve the Corporation's technical strength in product design and manufacturing. The advanced engineering and manufacturing groups were combined into one staff—the Advanced Product and Manufacturing Engineering Staff—to maximize interaction between the two disciplines. Also, various current product engineering and other corporate technical and nontechnical support functions were combined into a new staff—the Current Engineering and Manufacturing Services Staff—to facilitate day-to-day operations.

### Court to Decide on Restraints

Convinced of the life-saving potential of seat belts already installed in almost every car on the road today, General Motors is supporting the National Highway Traffic Safety Administration's (NHTSA) national seat belt effort with an innovative employee belt use program, as well as a national advertising campaign. GM supports mandatory belt use as preferential to mandatory passive restraints.

Whether auto makers will be required to install passive restraints (automatic seat belts or air bags) in future U.S. models will be decided by the U.S. Supreme Court. The Supreme Court has agreed to hear an appeal by the NHTSA and auto manufacturers of a lower court decision reinstating a rule requiring passive restraints.

### Safety Research Coordinated

Through the Motor Vehicle Manufacturers Association (MVMA), General Motors is cooperating with the NHTSA in programs that demonstrate the Corporation's belief that the NHTSA and the auto industry should coordinate their safety research where appropriate. This coordination can minimize expensive duplication of effort, increase mutual understanding of technological issues, and increase the productivity of both industry and government.

Over the past year, GM has worked with the NHTSA to coordinate research and to develop proposals in such areas as improved test procedures for side structure and steering assembly impacts, computer modeling of crashes, and methods of evaluating driver performance.

### Changes in Board of Directors

Three changes have taken place in the membership of the GM Board of Directors since publication of the 1981 Annual Report.

John G. Smale, president and chief executive officer of The Procter & Gamble Company, was newly elected to the Board at the Annual Meeting on May 21, 1982.

George P. Shultz resigned from the Board of Directors in July 1982 to resume a distinguished career in government as U.S. Secretary of State. He had served on the Board for one year.

We were saddened by the death on January 6, 1983 of J. Stanford Smith. A former chairman of International Paper Company, he had served on the GM Board with distinction since 1976.

PLAINTIFF'S  
EXHIBIT  
BRK-83