

DON'T FORGET TO VOTE FOR YOUR 2006 OFFICERS!

(SEE BALLOT FORM BELOW)

ORDER YOUR 2006 CACTUS GTO CALENDARS!

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NEXT CLUB MEETING: WEDNESDAY, NOVEMBER 30

7:00 pm, Denny's Restaurant

Want more info? Call Club president Dan Long at 602.330.4486 or

Scott Svenheim at 480.464.8422

Valley of the Goats

Newsletter of Cactus GTOs Inc. • Phoenix, Arizona

www.cactusgto.com

October-November 2005

Letter from the Editor

The club has an important meeting this month—it is time to elect new officers for 2006. If you didn't receive an email with the ballot, another one is included within this newsletter.

Every club, whether it's for classic Goats or classic furniture, struggles to find volunteers to serve the organization. The work tends to fall on a few brave souls—some who are already overcommitted with family and job responsibilities—but feel that the club needs to be led. The Cactus GTO Club is directed by volunteers who make it a success—those who help organize breakfast cruises, manage our website, line up volunteers for the Kruse auction, organize picnics and parties, maintain our mailing list, balance the checkbook, take minutes at meetings, design our annual car club calendar...

You can see what it takes to run our club—maybe its time you stepped in and helped! There is always something to do. From the club communications area, I want to express special thanks to **Carlisle Gehle** this year for maintaining our website, and important contributors **Bill McCoy** and **Bob Paris** for their special columns. The site is one of the best among car clubs, with lots of pertinent info about club events, special columns about GTOs and Pontiacs, photos of our club events, links to other Pontiac websites, and upcoming events. If you want to know what we have planned next, www.cactusgto.com is the place to find it. Thanks guys for all your work!

P.S. Buy those club calendars (see below)!

2006 GTO Calendars Available NOW!



News Notes

- *Helping those who need it*—at our last meeting, we confirmed the Club’s donation to the Salvation Army to help the victims of Hurricane Katrina—and Bill McCoy’s ability to get his company, SkyMall, to match what we contributed, dollar for dollar. At the Nov. 30 meeting, we’ll firm up our plans for holiday contributors. If you have an opinion, make sure you are there!

- *Solstice*—a new day for Pontiac? While the future of the GTO remains cloudy (see Bill McCoy’s contributions in this issue), Pontiac’s new Solstice continued to turn heads. Club members Dave Salerno and Bill McCoy gave the car a test ride courtesy of local Pontiac dealerships last month. In the latest issue of *Autoweek*, reviewers said of the car: “Pontiac has a winner on its hands with a car that is wieldy and light on its feet, and provides plenty of grins. This car is a joy when it comes to top down driving. First off, it looks great, with the right shapes and proportions. There is enough power (just barely) from the Ecotec four, and the chassis is nice and stiff....”

Rumor has it a Solstice GXP is on the way, with a turbocharger to go with the four-banger.

- *Keeping it original*—in the same issue, automobile collector and appraiser Ken Martin featured a 1964 Pontiac Lemans convertible sold at a recent Mecum auction in St. Charles, Ill., as part of his weekly auction column. The car sold for \$14,175. Said Martin: “There aren’t many six-cylinder original Lemans convertibles left; the best survivors are often turned into fake GTOs by adding badges and a V8. ... We’re not suggesting the new owner should consider building a clone, but you can understand the temptation” with GTO convertibles going in the \$35,000-\$50,000 range. This car was a clean driver, with maroon/black, white top, 57,000 original claimed miles.

Will the '08 GTO survive? Will Pontiac survive?

Will GM survive?

Bill McCoy

General Motors is having financial challenges as sales have fallen to their lowest levels in many years and their stock has fallen to an 18 year low of \$21 a share. GM lost \$4 billion the first nine months of this year. Their great employee discount sale that took place last summer was so successful at selling 2005 models at a loss that it pulled money from future sales.

GM has also been hit hard with the high cost of gasoline. GM has had one of the higher market shares in SUVs and trucks that get poor gas mileage. So customers have been staying away from buying SUVs over the last two to three months. Now that gas prices have come down SUV sales are slowly starting to come back but not fast enough. GM and Ford are reporting October sales will be down over 20% each compared to October of last year. November is not looking much better. Toyota continues to do well with sales being up about 10% over last year. Toyota in recent months has a market share of 16.5%, which is only a point and a half away from Daimler Chrysler’s share and a couple points below Ford’s. Soon Toyota will be the second largest seller of cars in the U.S., probably on their way to number one. GM is planning to eliminate 25,000 jobs over the next three years, closing nine plants. They have a union contract that states they cannot close any plants until September of 2007. But they can “idle” the plants. It sounds like a play on words for closing. CEO Rick Wagoner stated last week that GM was not going to declare bankruptcy as many industry analysts have been saying. It is expected they will close or “idle” 4 assembly plants and eliminate some of the shifts at other plants. They currently have 36,000

employees that are eligible for retirement but are still working. This might be one way to lessen the blow of any layoffs.

Investor Kirk Kerkorian continues to buy more stock and will have the ability to pressure Wagoner to make cuts at a faster rate. Fortunately, GM has gotten some concessions from the UAW to lower their pension payouts to former employees. But it is not enough to make a big difference in their current state. GM is planning to sell their controlling interest in GMAC, their most profitable division, to help raise cash. Their biggest parts supplier Delphi is in bankruptcy and could be facing a strike from their workers that they are asking to take benefit and pay cuts. If Delphi's workers go on strike, it would cripple GM's ability to produce cars and trucks. One analyst says that the biggest threat of all to GM is if Delphi goes out on strike. He says that until there is no longer a threat that the markets will continue to punish GM. Some are predicting a late January strike of Delphi.

So where does GM go from here? They will be forced to continue to downsize. They are in a slump and one can always hope that the cycle will come back to them with increased sales next year. One never knows. Where will it all end? Probably with a smaller company that has huge pension and health care costs. **Will they be able to keep Buick, Pontiac, or Saturn as divisions?** If they do file chapter 11 some day, you can expect them to dump their pension obligations on the American taxpayer as many of the airline companies have done already. They need to get over their overt arrogance about how they design and market their cars and trucks. They need to get in touch with what their customer wants then provide a product that fits their customer's needs better than Toyota does. GM needs to sell more cars and trucks that have as high a quality level as Toyota and get their cost of producing them down to compete or become another grave marker in the cemetery of lost automakers next to American Motors, Packard, or DeLorean?

Club Officer Nominations for 2006

At the October 26 Cactus GTO meeting, nominations were opened for 06 Club Officer positions. Please see the list of nominations below. These are NOMINATIONS ONLY. Elections WILL be held at the November 30th Club meeting. If you would like to nominate/add anyone else to the list - PLEASE contact one of the existing Officers / Board Members with your ideas.

Please send the ballot below directly to Cactus GTO Club secretary Scott Svenheim (2060 N. Center St., Lot 230, Mesa, Ariz., 85201; scottsvenheim@cox.net) or bring the ballot to the Nov. 30 meeting.



2006 Officer Ballot

| Office | 2005 Officer | Nominations for 2006 | Elect by placing an 'X' here. |
|---|----------------|----------------------|-------------------------------|
| President | Dan Long | Thom Mohr | |
| Vice President | Rich Rendino | Bill McCoy | |
| Treasurer | Thom Mohr | Elly Mohr | |
| <i>Vote for Treasurer (Vote for ONE only)</i> | | Pam Salerno | |
| Secretary | Scott Svenheim | Scott Svenheim | |

Thanks for your time!

Pontiacs in the News and Other Things...

The good news is that GM and Ford are making some major gains in the quality of their cars. J.D. Power just reported that the new Buick Lucerne and the Chevy Monte Carlo had two of the higher ratings for initial quality. They also reported that American manufacturers have passed their European counterparts in quality and trail only the Japanese brands by a low margin. Let's hope the public finds this out before GM or Ford goes out of business. I thought you might find the following market share numbers interesting. U.S. sales year to date through August of this year:

| GM | # of vehicles | |
|-------------------|----------------------|-----------------------------------|
| Chevrolet | 1,914,886 | |
| GMC | 425,368 | |
| Pontiac | 299,699 | |
| Buick | 209,566 | |
| Cadillac | 166,293 | |
| Saturn | 149,087 | |
| Hummer | 31,211 | |
| Saab | 30,163 | |
| All Brands | 3,226,273 | <u>26.5%</u> Market Share! |

| Ford | # of vehicles | |
|-------------------|----------------------|---------------------------|
| Ford | 1,900,826 | |
| Mercury | 147,820 | |
| Lincoln | 84,014 | |
| All Brands | 2,270,560 | 18.6% Market Share |

| Daimler/Chrysler | # of vehicles | |
|-------------------------|----------------------|---------------------------|
| Dodge | 837,532 | |
| Chrysler | 449,856 | |
| Jeep | 327,908 | |
| Mercedes | 138,692 | |
| All Brands | 1,753,988 | 14.4% Market Share |

| Other Automakers | # of vehicles | % of market |
|-------------------------|----------------------|--------------------|
| Toyota | 1,641,227 | 13.5% |
| Honda | 991,754 | 8.1% |
| BMW/Mini | 856,342 | 7% |
| Nissan | 742,386 | 6.1% |
| Hyundai/Kai | 503,939 | 4.1% |
| Volkswagen/Audi | 192,422 | 1.6% |

Total Year to Date
All Automakers 12,178,891

Here's the scary part: GM had one of their best sales events ever in June and July with their employee discount pricing strategy and they still have only 26.5% market share. In September they actually sold fewer cars than Toyota—mainly because they had pulled many of their future sales into the June and July promotion period, hurting September results.

GM has huge pension fund and health care bills for many of their retirees dating back to the days when they had 50% market share. Fortunately, the UAW has agreed to lower their health and pension requirements but at the expense of those that are depending on GM to keep paying them. It is very possible in the next few years that GM will be forced to further renege on its commitment to their retired workers due to their inability to fund these programs. If GM and Ford continue to lose sales to the foreign brands we can expect the government will have to bailout these retirement programs. Let's hope that GM gets its act together and starts acting like a market leader instead of an old company that can't make the kind of cars that the market wants to buy. Time is running out for them to get their act together. It sure would be nice if they would lead the market in fuel-efficient vehicles instead of leading the market in trucks that get less than 15 mpg.

Sell those club calendars!

Until next time...

The Real Bill McCoy

What's it Worth?

Bob Paris

This is the fourth in a series of articles covering GTO values in the market place. Data is gathered from several sources (magazines, auctions, price guides, etc.) and reported in this column. There are so many variables when determining value that we can't get too specific and at best we might be able to have an idea of the value range. Remember the data from these sources are a lagging indicator of average prices. The prices are changing so rapidly that on the older dated publications prices appear lower. This month covers **1970 & 1971 GTOs**.

Price Guides

Sports Car Market

| | Low | High |
|-----------------------------|------------|-------------|
| 1970 HT | \$30,800 | \$39,200 |
| 1970 Conv | \$39,200 | \$49,000 |
| 1970 Judge | \$63,000 | \$77,000 |
| 1970 Judge Conv | \$175,000 | \$203,000 |
| ** all with 4 speed and RA3 | | |
| 1971 GTO | \$20,700 | \$27,600 |
| 1971 Conv | \$28,800 | \$33,300 |
| 1971 Judge | \$57,500 | \$74,700 |
| 1971 Judge Conv | \$143,800 | \$258,700 |
| ** all with 4 speed and 455 | | |

NADA (September 2005)

| | Average | High |
|---------------------------------|----------------|-------------|
| 1970 HT | \$26,300 | \$42,900 |
| 1970 Conv | \$33,800 | \$55,100 |
| 1970 Judge | \$37,300 | \$63,200 |
| 1970 Judge Conv | \$80,700 | \$120,000 |
| 1971 HT | \$24,400 | \$36,100 |
| 1971 Conv | \$33,900 | \$48,200 |
| 1971 Judge | \$35,700 | \$56,500 |
| 1971 Judge Conv | \$101,600 | \$147,600 |
| ** all with 4 speed and RA3/455 | | |

Hemmings (April 2005)

| | Average | High |
|------------|----------------|-------------|
| 1970 HT | \$15,000 | \$21,500 |
| 1970 Conv | \$21,000 | \$30,500 |
| 1970 Judge | \$28,500 | \$51,000 |

| | | |
|-----------------|----------|-----------|
| 1970 Judge Conv | \$47,000 | \$76,000 |
| 1969 HT | \$15,000 | \$20,500 |
| 1969 Conv | \$21,500 | \$28,500 |
| 1969 Judge | \$28,500 | \$58,000 |
| 1969 Judge Conv | \$51,000 | \$119,000 |

** all with 4 speed and RA3/455

Old Car Price Guide (Aug 2005)

| | #3 VG | #2 Fine | #1 Exc. |
|-----------------|----------|----------|----------|
| 1970 HT | \$19,600 | \$30,400 | \$43,400 |
| 1970 Conv | \$22,100 | \$34,300 | \$49,000 |
| 1970 Judge | \$29,400 | \$45,600 | \$65,100 |
| 1970 Judge Conv | \$33,200 | \$51,500 | \$73,500 |
| 1969 HT | \$18,900 | \$29,400 | \$42,000 |
| 1969 Conv | \$21,600 | \$33,600 | \$48,000 |
| 1969 Judge | \$28,400 | \$44,100 | \$63,000 |
| 1969 Judge Conv | \$32,400 | \$50,400 | \$72,000 |

** all with 4 speed and RA3/455

Auctions

| | | | |
|-----------|----------------------|----------|---------|
| 1970 Conv | Barrett-Jackson | \$58,000 | Jan 05 |
| 1970 Conv | Barrett-Jackson | \$36,000 | Jan 05 |
| 1970 HT | Kruse-Ft Lauderdale | \$27,700 | Jan 05 |
| 1970 HT | Kruse-Ft Lauderdale | \$23,300 | Jan 05 |
| 1970 Conv | Kruse-Scottsdale | \$51,500 | Jan 05 |
| 1970 HT | | | |
| Judge RA4 | Russo & Steele | \$87,300 | Jan 05 |
| 1970 Conv | RM-Phx | \$36,000 | Jan 05 |
| 1970 HT | Silver-Phx | \$24,300 | Jan 05 |
| 1970 HT | Mecum-Belivere | \$50,400 | May05 |
| 1970 HT | Leake-Tulsa | \$37,000 | June05 |
| 1970 Conv | Leake-Tulsa | \$79,000 | June05 |
| 1970 Conv | Mecum-St. Paul | \$20,500 | June05 |
| 1970 Conv | Leake-Tulsa | \$37,400 | June05 |
| 1971 HT | Barrett-Jackson | \$13,000 | Jan 05 |
| 1971 Conv | RM-Boca | \$30,500 | Feb 05 |
| 1971 HT | Silver-Coeur D'Alene | \$16,000 | Jun 05 |
| 1971 HT | Kruse-Verona | \$11,200 | July 05 |

1970 – Sales start to slide

The Judge was designed to help boost 1969 GTO sales, and its popularity carried the new model into the 1970 model year. Unfortunately, sales of all GTOs started to slide; only 3,635 Judge hardtops and 162 convertibles were sold, and total 1970 GTO sales of 40,149 units were down from '69.

The '70 GTO was mildly face lifted and, mechanically, they were as strong as ever. The economy two-barrel 400 engine was dropped, but a 360-horsepower 455-cubic-inch with an amazing 500 lb.-ft. of torque was added. Extra-beefy 12-bolt rear ends were mandatory when the 455 was ordered. The 455 wasn't offered on The Judge until late in the model year, so only 14 hardtops and three convertible Judges were built with the 455.

1971 – Lower compression foreshadows the end of an era

Increased competition, rising insurance surcharges, and tougher emissions standards hit the muscle car market hard in 1971. The GTO suffered along with all the other muscle cars. Adding to the lackluster sales was the corporate decision to drop compression ratios so all GM engines would be compatible with new low-lead fuel. The standard GTO 400-cubic-inch V-8 compression ratio was dropped to 8.2:1 from 1970's 10.25:1 – down already from 10.75:1 in 1969.

The Judge option barely made it into 1971. Production was halted in January after just 357 hardtops and 17 convertibles were built. All '71 Judges were 455-powered and today they are some of the rarest, most desirable GTOs. It was also the last year for the GTO convertible. Including the 17 Judge versions, a mere 678 GTO convertibles were produced. Ironically, poor sales in '71 have translated to high collector interest today.

Your Cactus GTO Club Officers – 2005

President: Dan Long • dan@arrowheadperformance.com • 602.330.4486

Vice President: Rich Rendino • errrgto@yahoo.com • 623.580.9647

Treasurer: Tom Mohr • thomohr@globalcrossing.net • 480.991.6106

Secretary: Scott Svenheim • scottsvenheim@cox.net • 480.464.8422

Assistant Treasurer: Pam Salerno • 480.357.9717

Board of Directors

Bill McCoy • Bob Paris • Dave Salerno • Mark Neumann • Tom Burton

Technical Advisors

Gordie Cowan (602.867.4328) • Carl Sikes (480.981.7612)

Valley of the Goats

Editor: Mark Neumann • newsmark@cox.net • 602.653.5074

Web Mistress: Carlie Gehle • carlie1@gehle.com

www.cactusgto.com