



Transcript for

**AUTOMOTIVE DESIGN ORAL HISTORY PROJECT**

**INTERVIEW WITH ROY D. CHAPIN, JR., 1987, 1988, and 1992**

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Staff of the Benson Ford Research Center  
November 2020



**AUTOMOTIVE DESIGN  
ORAL HISTORY PROJECT**

**CHAPIN, ROY D. JR.**

**1987/1988/1992**

**EDSEL B. FORD DESIGN HISTORY CENTER**

**Henry Ford Museum &**

This is David R. Crippen, and today is August 18, 1987. We are in the office of Mr. Roy Dikeman Chapin, Jr. who was, until very recently, a major force in American Motors. Mr. Chapin comes from an old Detroit automobile family, and we are hoping in his extended reminiscences we can explore, not only his career, but that of his father and of his mother, especially of Roy D. Chapin, Jr. This interview is conducted under the auspices of the Edsel B. Ford Design History Center of the Henry Ford Museum in Dearborn, Michigan. We'll ask Mr. Chapin to begin at the beginning and to develop his career reminiscences at his own pace.

A I'm one of six children, and my father was a very active man in almost every way you can conceive, particularly in areas related to the automotive industry. He was, at one point, Secretary of Commerce under President Hoover. He was always very much involved with what went in our nation and in Washington. In the earlier years, I was privileged -- and I'm speaking now when I was perhaps ten/eleven years old -- to go with him to Washington on some of these business trips. One of my duties was to make reservations on the train -- big, important things like that. And I had to answer the telephone. It actually was pretty good training, because when you're that immature, the chances are that things like that become a big challenge to you. But my father was always very understanding. He took me a number of times with him, so I got a taste of his multitude of interests fairly early in life.

Q When were you born?

A I was born September 21, 1915. I'll be seventy-two in next month.

Q Where did the Dikeman come from?

A I don't really know, which is probably very deficient of me. I've never been a great student of the family genealogy. However, there are two extensive books on the Chapin family that were put together a number of years ago. I have copies of them. They go back to our presumed original founder, Deacon Samuel Chapin, who came to this country from England in about 1624 and founded Springfield, Massachusetts, where there is a large statue of him in one of the squares. It's a very well-known statue by Saint-Gaudens. It's called The Puritan or, in some cases, The Pilgrim.

Q That was a Chapin?

A That was presumably modeled on Deacon Samuel Chapin. In any case, the Dikeman is buried somewhere in the past, and I really have never had the motivation to try to find out. But now that you've asked the question, maybe I'd better.

Incidentally, I have a younger sister who lives in Detroit -- Marian. She married Hugo Higbie, and she is the local family authority, if you have any interest in pursuing the Chapin genealogy any further.

The earlier days were very much family-oriented. My father was dedicated to his family, but, at the same time, he was an extremely active man, so he had to parcel his time out quite carefully. His interests were not only national, but international, with the consequence that he and my mother traveled a lot. During the 'Twenties and the early 'Thirties, he was away a very considerable part of the time. Those are the eras that I remember best.

When he died in 1936, I was still in school, and it was a great loss to the family. My mother was a very strong woman, but she was very

closely attached to him, the consequence of which was she suffered a nervous breakdown, and we went through a very trying period in the late 'Thirties. She came out of it completely and resumed a very important role in her circle of friends.

Q When did she die?

A She died in 1957. She never remarried. They were an extremely close couple, and it was a very difficult thing for her -- unusually so. And, consequently, for the children, because I, at that point, became the head of the family. I was twenty-one, and it meant that there was quite a change in the relationships with my brothers and sisters.

As far as my father was concerned, the 'Twenties were a very productive and prosperous era. The Hudson Motor Car Company was doing extremely well. They were in third place in the industry in terms of volume, they were very profitable, and he had a very large share in the company. As time passed, he withdrew more from the daily operations.

Q He'd been Chairman since 1923?

A That's right. In the late 'Twenties, they traveled a great deal and entertained a lot. My mother was a wonderful entertainer. She was a very interesting woman -- attractive.

Q What was her background?

A She came from Savannah, where her father, George Washington Tiedeman, was the architypical Southern plantation owner, complete with the white suit, the black string tie, the Panama hat, and the big cigar. He was an absolutely charming man. He owned the Tiedeman Mortgage and Finance Company, which preceded a savings and loan association.

Q You remember him?

A Very well. When my mother and father were away, they would occasionally send me down to Granny in Savannah. I've been accused of having a semi-Georgia accent, mostly induced by a couple of winters down there where I was largely in the hands of some of the Black help who were wonderful people and who looked after me like a little gem. Subsequently, he was the mayor of Savannah. One of the things he was proudest of was that the City of Savannah paid off their bonds. It was one of the few Southern cities that didn't default. I have one of their cancelled bonds somewhere. That was a high-water mark in his career as mayor. He also was the chairman of the county supervisors in Calhoun County and a wonderful bon vivant. I still have his recipe for mint juleps. They had a beautiful place -- the Isle of Hope -- a plantation outside of Savannah on the Skidaway River.

My father went down there for the Great Savannah Road Races. My grandfather was responsible for the organization of it, and my father went down as an automotive corporate representative just to see what was going on. In the course of which he was entertained by my grandfather and met my mother. That was the beginning of it all. They were wed in 1914 when he was thirty-four years old. For those days, he was fairly well along in years, and he had already accomplished a great deal. Financially, he had the company in good shape and was one of the more prominent young men in the country. That was the beginning of it all.

Q Your paternal grandfather?

A He was a lawyer for the Michigan Central Railroad. He lived in Lansing.

Q Your father was born in Lansing?

A That's right. In fact, I have a wonderful picture of the two grandfathers. They were both very distinguished-looking men of quite different types. My paternal grandfather, Edward C. Chapin, was sort of blocky with a beautiful, big head of hair and a granite face. He must have been a helluva lawyer. They were of modest means. They lived in a very nice house, which I have seen.

Q Is it still there?

A It was about eight years ago, the last time I happened to be in Lansing.

Q Where was it?

A On Ionia Street. I have a picture of it, but it's not very prepossessing.

Q Do you have any special recollections of your father as a boy?

A He worked for the Weather Department for awhile. He did a lot of things as a boy that produced some income and had some interest for him. He flew a weather balloon every day to find out what the temperature was.

Q His mother's name?

A Ella King. She was a tiny woman, but, boy, a powerhouse. She was the driving force in that family. My grandfather liked being a lawyer, but, particularly, he liked being a lawyer for the Michigan Central Railroad because he got free passes. He could go anywhere he wanted to go. Those perks existed even in those days.

If my father needed any motivation, she was probably the motivator. She lived here at the Whittier Hotel for a number of years. She had a nice apartment looking over the river, and I used to go down and see her.

She'd give me little mementos from years back. There are still some of them around. She had the same habit I have, which is she collected everything.

My father graduated from Lansing High School. He went for two years to the University of Michigan, and his older brother, named Cornelius Chapin, went the other two years, because their parents didn't feel they could afford to send any one son for all four. It didn't seem to hurt either of them. He attended from 1899 to 1900. He'd be nineteen or twenty years old.

Q What was his curriculum?

A In two years, in those days at the University, I don't know whether you even knew what you were studying. He, subsequently, got an honorary degree or two, but those are the degrees that you get for different achievements [other] than scholastic ones.

Q He got an honorary MA in 1922 from the University of Michigan.

A Yes. I faintly recall going out there for that, which was quite an event.

Q You mentioned a weather balloon. What happened next?

A He was interested in a lot of activities as a boy. But he went to the University, and then from there he went to work for R.E. Olds, which was then in Lansing.

Q Did that come about because he lived in Lansing?

A It might have had something to do with it. He was very interested in photography, and he got a job with Olds as a photographer illustrating their catalogs and also as a test driver. Probably the most spectacular thing about his position there was when he was selected to drive a 1901

Oldsmobile to New York from Detroit. That's been elaborately recounted in various publications.

Q What was the purpose of that trip?

A To demonstrate that the car could do it. He had a box on the back in which he told me at one time he had one spare part for everything on the automobile, and I think he needed most of them. He had experiences: terrible rains where he had to drive down the tow path of the Erie Canal scaring the mules. He had a lot of colorful stories. But the thing I remember most distinctly was he drove up to the Waldorf Astoria Hotel where Mr. R.E. Olds was staying, and he was so bespattered with mud that they wouldn't let him come in the front door; they sent him around to the service entrance. But, in any case, they got the car into the exhibit at Grand Central Station. They had an exhibit hall there where the show was. It caused a great deal of interest, excitement and many orders.

He was never one to go around and do a lot of reminiscing about it. He wouldn't tell you the same story two or three times, like some of us are liable to. But he was fifty-six when he died, and something does happen to your memory after some point in life.

Q Apparently, he did very well at those various early jobs?

A Yes. He went from Olds to Thomas-Detroit, and then Chalmers-Detroit.

Q He seemed to have a genius for -- first in sales at Olds, and then as an organizer and a treasurer/general manager?

A Yes. He was extremely good with people. He could get people to do what he wanted them to do or what he thought they ought to do, and he was usually right. He also had an eye for design. There's a well-known picture of him and Howard Coffin, who was part of the group that started the



Hudson Motor Car Company, "designing" a car on the sand at Sapeloe, which was an island that Howard Coffin owned in Georgia. I went over to see it several years ago. I was down at Sea Island, and Bill Jones who runs Sea Island very kindly took me over in his airplane to Sapeloe. Anyway, they sketched it in the sand with a stick.

Q You have a photograph of that?

A Yes. It's quite interesting. Let me just tell you now if you're interested in looking up anything like that, they would have been spread around amongst all of the children, because there was a vast collection of them. I have quite a few. Unfortunately, last week we had a plumbing leak in the house, and much of my memorabilia and a lot of my sporting prints and books were just plain ruined. It's very disappointing. But I don't think there's much automotive memorabilia ruined. That was in a different part of the basement.

In tracing his automotive career, it wound up with the formation of Hudson in about 1904/'05. Basically, the money came from J.L. Hudson in amounts that now everybody seems to have a different opinion of, but my recollection is it was twenty-five thousand dollars, which was a lot of dough in those days. There's an anecdote that my father used to tell that is appropriate. He and a fellow named Fred Bezner -- Bezner was the second tier down. Howard Coffin, my father, and J.L. Hudson were the prime movers. They tried to decide what to name the automobile, and nobody could pronounce Chapin. There are so many varieties of that, most of which are incorrect. You certainly couldn't call it the Coffin car! So they called it the Hudson. That may be somewhat of an oversimplification, but, at least, that's the way it comes out. But J.L. was the godfather of the whole thing.

Q Did your father ever say whether Hudson was interested in automobiles, or had he just simply thought it would be a good idea?

A He was quite a philanthropist. He was making a great deal of money with his J.L. Hudson Company here, and he liked staking young men in enterprises. I never heard that it had particular reference to his interest in automobiles.

Q But he had no real effect on the car company, beyond the initial...?

A No. Except that his descendants -- the Webbers -- Richard B. Webber -- were major shareholders in the company. Dick Webber became an unofficial director of the company. When my father died in '36 and A.E. Barit -- Ed Barit -- took over, he relied very heavily on Dick Webber's advice. Webber used to stop in at the Jefferson Avenue Hudson offices on his way up from downtown to Grosse Pointe with great regularity. He refused to serve on the board, as I recall it, but he, in effect, was a strong member of the board.

Q He represented a major block of the stock?

A Right. He and Barit would discuss problems without reference to the board. Getting back to my father, in the late 'Twenties, they traveled a great deal.

Q You said earlier on that he -- by the mid-'Twenties -- began to withdraw from the day-to-day operations of the company, even though he was chairman since '23?

A Yes.

Q Do you recall any particular reason?

A He never was what you'd call a production man. His skills lay -- he had good financial savvy. He had a great ability with people. He had

wonderful contacts throughout the industry and throughout the world, and, particularly, in Washington, which, in those days, was not nearly the factor in the industry that it now has become. He was a very fine front man. He was a good leader of the company. He had a fine public presence. He was an excellent speaker. All those little things that, in many cases, are part and parcel of the job of being a chairman.

Q He was also involved in the Good Roads Association?

A Yes. And what was then called the National Automobile Chamber of Commerce, which is now the Automobile Manufacturers' Association. He was very active when he was the chairman of that for a number of years. He headed a couple of commissions for the Federal Government on highway improvement. He was very active in the Lincoln Highway Association, which was a big deal where they identified a highway by painting stripes on telephone poles, which I thought was a great idea. That took a great deal of his time. He was tremendously interested in that sort of thing. Obviously, the less time he had to spend sitting in an office in Detroit, the more he could spend doing that sort of thing, which he did.

Q He was vice-president of the Lincoln Highway Association.

A I'm not surprised. And, actually, those interests carried over, as far as I was concerned, because I was chairman of the Automobile Manufacturers' Association, which is no big distinction. It happens to everybody. But I was also the chairman of the Highway Users Federation for about two or three years, and I became very involved in those things in Washington about forty years later.

Q He was, obviously, a mover and shaker and was rapidly reaching a plateau where he would be a much more public figure?

A Yes. It was not all purely automotive. I know he and Edsel Ford were very active in the Detroit Institute of Arts. He was interested in the Detroit Symphony, and he was a major supporter of it. A lot of things you are expected to do, but those were things he was interested in, and he spent a lot of time on. My mother was one who said, "I am not cut out to be a lady executive of any kind." She was a Southern lady, and, in those days, women didn't get as involved in civic activities as they currently do. But he did all these things. And they always wound up organizing a party for this or a reception for that, and that's one of the reasons that the house that Henry [Ford] II bought -- the Lakeshore Drive house -- was absolutely ideal. It was a perfect house in which to entertain. You could entertain a hundred people in it and do it nicely. In fact, the main hall as you came in had springs underneath the floor so it could be a dance floor. It had a lot of little things like that. They entertained -- they were the sort of people -- together with the Edsel Fords -- if anybody came to town, who would get a call from Washington saying, "Will you entertain...?"

Q We have an invitation: "The honor of meeting His Royal Highness The Infante of Spain, and Mr. & Mrs. Roy Dikeman Chapin request the pleasure of your company at 447 Lakeshore Drive." That was the family home?

A That was the house, yes.

Q I've read somewhere that they also had the Provençal Road house.

A What you're referring to is when my father died. The house at 457 Lakeshore -- the number got changed -- was a very big house, and it had extensive grounds and a tennis court, and it took a lot of people to

maintain it. That became a problem. Secondly, my mother just decided that she really didn't want to live in such a big house, so she retained an architect -- the same architectural firm that had done the big house -- to do a "smaller" version of it on Provencal.

Q You'd had property there?

A Yes. She bought a lot, and she built that house, and it's the house that Henry and Kathy [Ford] live in now. She died before it was finished. But it's a beautiful house, and it was designed with much the same floor plan as the big house, but condensed a little and on a considerably smaller piece of land. So when my mother died, my youngest sister, the one who is married to Hugo Higbie -- Marian -- took it over and finished it. Marian was much like my mother, everything had to be just so. She finished the house, and it's a magnificent house. They sold it to Henry [Ford] II. If it weren't for us, Henry wouldn't have anyplace to live! He had earlier bought 447 Lakeshore Drive, which I was instrumental in having happen, and I couldn't have been happier, because it was a magnificent house. And he's a guy that, A, can afford it, and, B, likes it, loves it, and, C, he's going to live there forever. It didn't turn out quite that way, but, at least, he was there for a long period of time, and he did a fine job of maintaining it. I thoroughly enjoyed being able to go back to the house.

When he decided to subdivide that, he gave my brother-in-law an offer he couldn't refuse, and they took it. So that's the Provencal house.

Q Your father was, in many respects, the prototypical public man of the day. Head of a very successful automobile company, well known in

Washington, he was, at one point, Secretary of Commerce in the Hoover administration?

A That's right.

Q You're growing up in a family in Detroit -- a marvelous family atmosphere -- with a gentle, beautiful mother and a very successful and presumably, loving father. It must have been great fun for you when in the early 'Twenties you began to realize what kind of a family you'd been born into?

A Yes. No question about it. I felt very fortunate.

Q Where did you grow up?

A In Grosse Pointe.

Q Were you on Lakeshore by then?

A That was built in 1927, at which point I was twelve years old. Up until then, we lived on Beverly Road in a little house that had been expanded so often that it looked like something out of a movie. Every time an additional child came along, why, they'd build a little wing, or a little cupola.

Q Where is Beverly?

A It's just inside Grosse Pointe Farms. It's the first little private street there. Subsequently, Bob Irvin, who had twelve children, lived in that house. He'd say, "Come on around, I want to show you." I said, "Where in hell did you put them all? We had trouble putting five in there." Because the youngest one, Marian, was not born in those days. It became, to put it mildly, crowded.

Q Which Bob Irvin?

A The Detroit News reporter -- the [automotive] columnist. In the

course of the years, I got to know him pretty well. He was a great fellow.

Q So your memories beyond Beverly are those of growing up on Lakeshore Road?

A Yes. In the late 'Twenties, I went off to school -- in 1929. In fact, October, 1929, which was the big market plunge -- The Crash. I remember that because I was going out to New Mexico to school.

Q What school?

A It was called Los Alamos. It was a great school. A remarkable school that had a hell of an effect on me. Father decided to take me out there. And I'm not sure exactly why they wanted me to go there, other than the fact that I loved all the outdoors. I never had any problem, scholastically. I think they felt I was here at the Grosse Pointe Private School, and I was on the football team and all that sort of thing, but I needed some broader exposure.

Q Were you at the University School?

A It's located where the Grosse Pointe South High School is now on Grosse Pointe Boulevard. Beverly Road was here, and the school was here, and I was practically a block away from school. It was called the Grosse Pointe Private School.

Q Los Alamos was...?

A Los Alamos Ranch School. It's quite an interesting story, because it was a microcosm of the world. But going out there, we were on the Sante Fe train. I was then fourteen, and I wasn't fully aware --to put it mildly -- of what was going on in the world. But I know my father kept getting telegrams at every stop -- every time they'd stop the train

-- and they'd hold it while he wrote a return telegram. What was happening was Hudson stock was going from, let's say, one hundred fifty down to fifty, but everything was just chaotic. That was Black Monday or Friday, whatever it was in October.\*

In any case, it was a four-day trip on the train out there, and he was just going out of his mind. He wanted to come out and stay. The place closest to the school was Sante Fe, which you can't get to on a train. He had wanted to come up to the school and see it, but when we got to Lamie near Albuquerque, he said, "There's no way I can do it." He got off at Lamie, and he got on the next train that came by going back East. I'm sure it was a frustrating period for him, because all of this was going on. In those days, you couldn't just pick up the telephone and call somebody, because there was nothing like the kind of information on the market activity that's available now. All the communications were different, and you couldn't get on an airplane, either. So he turned around and went back. It was a very trying period for him, because in 1930 and 1931 he was the Secretary of Commerce, and, meanwhile, the fortunes of Hudson were failing fast, the result of which, he came back to Hudson in '32. I know it was '32, because he was very much responsible for the introduction of the Terraplane, which was 1932.

Q I read somewhere that he decided to scrap everything and start over again?

A Yes. And it was a major undertaking when all the money in the world was not available. We were going through that period when Detroit was issuing scrip, and everybody was eating at penny kitchens.

\*Editor's Note: Probably Tuesday, October 29, 1929, the famous sixteen-million-share day. The panic, which began on Thursday, October 24, continued until November 13, 1929.



Q Was he involved in the Guardian Trust business with Edsel?

A Yes. Fortunately, he was not indicted. But that was, to put it mildly, a very difficult period.

Q How did he he ever stand up [to the pressure]?

A That was one of the problems. He was a rotund guy. He had quite a girth, he loved good food, and he loved the good life. He didn't smoke, he didn't drink much, but he loved good wine. But he was built that way. He was rather stocky. What happened was he just overworked himself. Between Washington -- here he was Secretary of Commerce in the "prosperity is just around the corner" days. He was out preaching the gospel according to Herbert Hoover, and people were out of work and selling apples [on the street]. It was a very emotionally and physically distressing thing to him. And then to come back and see the company in a very precarious situation.

Q Did the Terraplane revivify Hudson's fortunes?

A Yes, it helped. At least, it made a helluva an impression. But, in those days, it was very difficult to make any money, because you couldn't sell your product for enough. You had to cut the price to the point where -- at least, that's my evaluation of it. When I look at some of the prices they got for cars in those days, you wonder how they did it.

Q Back to the Secretary of Commerce. I'm interested in how it came about. Was he a friend of Herbert Hoover?

A Yes. He'd known Hoover through some of his highway activities.

Q Hoover was a highway engineer, initially?

A Yes, that's right.

Q They formed an association back then and when the beleaguered President of the early 'Thirties needed someone he could trust to handle Commerce chores, he asked your father to take the job?

A That's essentially what happened. And he and Mother moved to Washington. They took a town house, a typical four-story high and thirty-foot wide house. I used to go down there. By that time, I was in school in the East. I went to Hotchkiss in Lakeville, Connecticut. That was just for a year. But during that year, I used to come down to Washington at every opportunity. I always enjoyed it, because every weekend was a dinner of some kind. Two things I particularly remember are typical of that era: it was Prohibition, and everybody came to the party smelling of Listerine! I know that Mother and Father would have a martini before the group arrived, and then that was it, because you didn't have wine or anything else at dinner. And the other was that tables were seated in sequence of your importance, and any cabinet member sat at a certain place, at my mother's right or left. I always got seated practically in the pantry, and I always wound up, it seemed to me, next to the wife of the Congressman from Wyoming or something like that, and they were always rather matronly ladies. I thought I was a rather sophisticated fellow in those days, and I remember when they kept referring to me as Sonny. I thought, "Please don't call me Sonny. My name is the same as my father's." I didn't want this nice, rotund lady calling me Sonny all night. Anyway, my parents liked Washington very much. My mother particularly loved it. But that meant they had five children back here, so they did a lot of commuting back and forth. It wasn't like now, you get on an airplane, and an hour and ten minutes later you're there. It was overnight on the train.

I don't know too much about what happened in Washington, except I know what I've read in the papers. I have some very interesting scrap-books about that whole period. My mother, in fact, did a wonderful scrapbook on my father's whole career. I have a copy of it. And my youngest son has done one on me. In fact, he wasn't nearly as discriminating; he's done three!

It was a very trying time, and that's the best way I can say it. And then he was so busy with the company back here. But he loved that. The Terraplane was a very high-performance car for its day. Father used to like to go out and drive the Terraplanes, and he and I would do that together. He invited me to the press conferences. I really got started in the automotive business in those days, and I worked in the summers in the engineering department at Hudson.

Q What plant was that?

A That was Jefferson Avenue. The one that is now a parking lot! Just the other side of the Chrysler Jefferson Avenue Plant.

Q How long has that been gone?

A The merger with Nash/Kelvinator was in '54, and they ran that plant about a year after that, and then it stood idle for two or three years. It was torn down in 1958 or 1959.

Q Do you have any reminiscences about how the Terraplane came about? Can you recall conversations with your father about the design of it? Who was responsible for the concept of the automobile?

A This is based on what I remember. At that time, airplanes were becoming a big thing -- the earlier Ford Trimotor -- and, all of sudden, people invented the DC-3. So anything that had an aircraft implication

was interesting. It recognized the importance of weight, and weight distribution and monococque in construction, where you didn't have to have big, heavy frames. The Terraplane really didn't get there yet, but it was a step in that direction. And it was a relatively light-weight car with a high power-to-weight. I had a professor at Hotchkiss who had one of those little '32 Terraplanes, and he used to take me into Lakeville. One day -- the first time I rode with him -- we drove in, and he started up in high gear. We went into town, and he said, "I'll take you back." When I went back with him, he started up in high gear, and I said, "Mr. -- whatever his name was -- do you realize there are other gears?" He said, "What do I need those for?" He drove all the time in high gear. It had enough torque so that you could do that.

It was the kind of a car that you built an aura of excitement, performance, and modern design around. It was good looking, and it had a very speedy-looking bird emblem in the front on the radiator, which is the first time that anybody had made something that looked like it really would perform\*, and it did, fortunately. But then -- you never can trace these things exactly -- bit-by-bit it was replaced by bigger cars as the economy started to improve in 1934, '35, and '36. The Terraplane name, then -- first of all, it was an Essex Terraplane, and then it was Terraplane, then it was merged into Hudson, and then it became just Hudson in '36, which was a whole new series of vehicles -- all new designs. Basically, that's the early 'Thirties era.

Q Who was your father's chief lieutenant at Hudson?

Editor's Note: Mr. Chapin overlooks Edsel Ford's Model A "flushed quail" hood ornament (1928-31).

A After he returned from Washington, it was A.E. Barit. Before that, the president was a fellow named William McIneeny. Before him, it was Richard B. Jackson. Jackson was really the production guy. When Father was in Europe, which he was a great deal, I can remember telephone calls and telegrams back and forth to Dick Jackson, who was really running the show. McIneeny was very flamboyant, wonderful kind of a guy. He could have been a movie actor.

Q Frank Spring came in later?

A Frank was there when I first started to work in 1936.

Q He came in the early 'Thirties?

A Yes.

Q Was he a chief influence on the design?

A Tremendous. If I were certain of the dates, I would have laid the Terraplane on Frank's doorstep, but I'm not positive he was there at that time. But it's the kind of thing he would have done. He was full of wonderful ideas. He was one of my very best friends. We did a great deal together, and he was dramatically imaginative.

Q But your father is, obviously, terribly burdened by public duties and the professional disappointments brought on by The Depression. Do you spot a point where he began to fade physically?

A He didn't. His death was absolutely such a shocker that when I was at Yale in New Haven, a friend of mine said, "Will you come to New York? I want to talk to you." And I had to go down to New York and be told. It had happened overnight. He had diverticulitis. It was not generally known, and I'm not sure that that contributed to it. There are several theories, but the accepted one is that he died of pneumonia, because he

went to the indoor tennis court, which was owned partly by Edsel Ford and a group of Grosse Pointers, and played tennis there. And, apparently, he got overheated. If they'd had penicillin or any of the antibiotics we have now, it would never have happened. It was an instantaneous death. It just all clogged up, and that was it.

Q It was quite a blow to the family?

A Oh, it was. Mother was absolutely destroyed by it for about a year and a half. I was twenty. My brothers and sisters were relatively young. I was a junior at Yale. I graduated in May of '37. It was one of those things that -- here's an illustration: we had to do something, as far as mother was concerned, so we loaded her on a ship and took her to England with my eldest sister, who was then eighteen, and my eldest brother, who was then sixteen -- and we drove her around England playing golf courses. I think now to myself, gee, if I had a sixteen, eighteen, and twenty year old bunch of kids now, would I turn them loose in England? Anyway, it was a good thing for her, because we made her get up in the morning and get her suitcase packed. She had to live out of one suitcase, because we were all in one automobile, and it was such a change of pace and life that it turned out to be a very good thing. We were there for about a month. We survived it! We had a big Hudson sedan. Hudson had an assembly plant just outside London. I'll never forget getting in that big Hudson at the Dorchester Hotel -- first time I'd ever sat in a right-hand drive automobile driving out of London. After about an hour, you get completely used to it. I use that as an illustration because we had to do something different and dramatic to distract my mother. It still took her a year and a half to get over it. It was a very trying time.

I never had any experience in terms of working at Hudson other than summertime jobs in the engineering department. I didn't go to work for Hudson until 1938. I graduated in '37 and tried a year in the financial world, which didn't satisfy me.

Q What was your undergraduate major?

A I majored in business administration and took a lot of, what turned out to be, very useful courses -- accounting -- which were not usual in those days. For example, engineering drawing taught me not only to draw, but also to be able to read blueprints. At one time, I had the idea I was going to be an architect. I started out with those illusions, and that changed. If any college career really can prepare you for business, I came as close to it as you could, at least in the 'Thirties. I started to work for the Hudson Motor Car Company in 1938.

Q What was your first job?

A My first job was as a mechanic and a test driver, which, in those days, was a very informal kind of procedure. We had no elaborate proving grounds or test tracks. We just stayed East of Woodward Avenue. It was the basic rule. Up in Imlay City [Michigan] -- in the Thumb area -- was a big gasoline station at which we would gather for lunch. It was quite an interesting arrangement, because the drivers were real characters. Most of them were fellows like Al and Chet Miller who would drive for Hudson during the year, and then they'd run down about a week ahead of Indianapolis and drive the Indianapolis race. That's such a specialized thing now. It's inconceivable that somebody would live that way. They were a very attractive bunch of guys, because they were very macho, and they had great senses of humor. My impression is they had -- it is still

true today -- a lot of Southern blood in them. I thoroughly enjoyed it. I was a junior member of most of those teams, so when we had a run involving, say, [testing] springs on a gravel road where you had to eat dust all day long, I always got the tail car. But those were all the kinds of things that added up to -- at my age -- a helluva lot of fun.

The system was quite simple. You took a car out and tested it until something broke, and then you had it towed in. Or you called somebody up, and they came and got you. Then you and the mechanic who had been assigned to you would lie under the car until you took out the busted pieces. Then the engineers would analyze them and try to determine what needed to be changed or improved. So it was a relatively carefree life. When the day came that I was moved to other responsibilities, I regretted it, because I was only twenty-two years old.

Q Did Hudson have a pace car during these years at Indianapolis?

A Yes, but I believe it was prior to that time.

Q A Terraplane?

A We used Terraplanes primarily for speed work, and we did some Pike's Peak hill climbs and things of that nature. In fact, I owned the one that broke the Pike's Peak record. One day I came back in, and it was sitting around, and I made an offer to buy it, and they were kind enough to sell it to me with the financial help of my father. That was a lot of fun, because it had the big lettering all over the doors. In those days, that was a big deal.

We did have a pace car, because I remember working on the car, but I don't recall the year. I've never been to Indianapolis, so I had nothing to do with the actual running of it.



Q The Pike's Peak was in '32?

A That was when they were trying to establish the tremendous performance capabilities of the Terraplane, which it had, compared to anything else at that time.

Q At your father's death, he left the company in good shape, in spite of The Depression?

A 1936 was a profitable year. 1935 was minimally profitable. In '36, they made something like six million dollars, which was a lot of money then. And '37 continued to be profitable. Then the economy got into trouble again in the late 'Thirties -- the '38 recession. Things were touch and go until the war.

Q We talked earlier about the legendary Frank Spring. What was your first contact with him?

A We were attracted to one another, because he was a very interesting man -- very mercurial. When I was working in the engineering department, I don't know exactly how it started, except we were both interested in old automobiles. He had a motorcycle and an airplane, and we used to fly. For example, we'd fly down to Watkins Glen [New York] for the SCCA races in his airplane. It was a terrifying experience, because he was a take-off-no-matter-what kind of a guy.

We used to have lunch together quite regularly. I thoroughly enjoyed Frank. We became good personal friends, because he loved the same kind of things I did. He liked to fish, and he liked to hunt, and he belonged to a club up in Northern Michigan that he used to fly to. He was one of the stars of that whole organization [Hudson].

Q He left a remarkable legacy of design values?

A He certainly was one of the people -- perhaps the primary one -- responsible for developing the step-down design -- the unitized construction -- in the 1948 Hudson. It was very successful, both as a commercial product and as a stock car racer.

Q Do you remember [the design] staff in those days? Do you remember a young designer named Bob Koto?

A I remember that name.

Q He later went on to Studebaker to work for Loewy and then on to Ford. I interviewed him recently. He said his time at Hudson was most enjoyable, especially working for Frank Spring.

A The chief engineer at that time was Stuart Baits, who, subsequently, became the executive vice-president. And then Millard Toncray was the day-by-day engineering chief. There was a fellow named Jim Greig. There was a trio. It was fascinating the way it worked: Spring would dream up the idea, Greig would figure out how to make the thing practical. I've forgotten what his title was, but he would figure how to make it commercial. Then a fellow named Joe Eskridge who would figure how to make it manufacturable. He was the third leg of that stool, and they were a great team because each had completely different types of talent. They all got along very well, and they were all extremely bright fellows. Estridge, subsequently, went on to run the Special Products Division. I worked for him part of the time during the war when he ran our aircraft operations.

Q Tell me about these people in the context of what you just said.

A.E. Barit; do you remember working with him?

A I remember working for him.

Q He succeeded your father?

A Yes, he did. He had come up through the procurement end of the business. He was a purchasing agent and a very good one. He also had very fine financial understanding. He was a very reserved, very gentlemanly, very complex person. I spent a fair amount of time with him. We had a period that was not exactly a very pleasant one, because there was a point in the history when the Fisher Brothers decided they might like to buy into the Hudson Motor Car Company. They were talking to the Chapins and other people, who, like us, owned substantial amounts of stock, and we sided with them. There was a rather acrimonious annual meeting, which, through some legal technicalities, was declared invalid. The net result was that Barit considered this antagonistic to him, and it was. It probably would have removed him as the head of the company, although that was not the objective. The objective was to get the Fishers active in the company. I had a very tough decision to make: should I stay with the company, because I was in a very insignificant position at that time?

Q You had inherited some family stock?

A I didn't have it, personally, but it existed in some trusts. We did have a representative on the board -- my mother's brother -- my uncle. It was a difficult period for awhile, and I decided that the easiest thing would have been to check out, because there were plenty of alternatives. But I decided I really liked the business, and I might just as well try to sweat it through and see what happens.

Q You were your father's namesake, and it seemed logical?

A Yes. I was young, and, at that age, there were a lot of other things that looked pretty good. Barit and I didn't spend a lot of time

talking to one another for quite awhile. Then, bit by bit, that seemed to get better. Toward the end, which is certainly to his credit, he, in effect, decided I was okay. I would go with him in a group on various sales missions where you'd address a bunch of dealers. He was always ill at ease when he had to speak to people. The sales boys were very busy with all their contacts, so I'd spend more time with him than anybody else. A lot of them had their own problems, and they didn't want to be distracted.

This went on for a couple of years, and I got to know him much better. I recognized that my father had seen in him -- a great talent, which he had.

Q He'd been with Hudson since 1910?

A Yes. Originally, he started in the purchasing department.

Q He was a stenographer in purchasing for Mr. Bezner?

A Yes. Fred Bezner was one of the original group that started the company. As time passed, the merger with Nash surfaced. After having tried other alternatives, which Barit recognized were inevitable, there was talk about Nash, Studebaker, Packard and Hudson all going together. It was just impossible to put all four in one package. When George Mason came along with his proposal, I had been elected to the Hudson Motor Car board. I was an assistant sales manager, which was inappropriate, but my uncle had withdrawn from the board, and I was the only family alternative. So when the word came down, I was in Denver. I got a phone call from Barit saying that Mason wants to talk about putting the two companies together. "Do you have any opinions, or would you like to come back to Detroit and talk about it?" I just said, "No, do it." He hung up on me. He didn't think that was very discreet of me.

However, I did get on an airplane and go back to Detroit. We had a board meeting, and one thing led to another, and he stayed on. He and I were the two people who survived -- continued on the American Motors board -- that were Hudson people. Then he saw that he was not going to have anything to say about running the company, he withdrew from the board after a period of less than a year.

Q He was a major influence in the late 'Thirties and Forties?

A Oh, very definitely. He was it!

Q And he'd worked with your father long enough so there was continuity of your father's policies? They'd worked closely together in the 'Twenties and 'Thirties?

A Yes. The war period, in some ways, was a savior because the company made some money. I don't think we performed as well as we might have on a couple of contracts, but neither did anybody else. If you said you were going to have something done by a certain time, you ought to have it. But there were so many obstacles in terms of procurement and the quality of people. That period was a nightmare.

Q Quality of parts was a problem?

A Yes.

Q I'd like to talk to you about someone you mentioned as one of your early mentors -- Stuart Baits. Was he a force in the engineering area?

A He was a "brain." He was one of the smartest men I've ever met and a wonderful man. I had great admiration for him. He's a very diffident personality. He doesn't come on very strong. He's a shy man. We had a substantial age difference, to say nothing of responsibility difference, so I didn't see a great deal of him. We never lunched together. His

primary interest was photography, other than his business. Everywhere he went, he had a little beret and a camera around his neck. He was a tall, good-looking, a very impressive man, and a very wonderful man. But we never became particularly good personal friends.

Q He'd, apparently, moved out of the engineering area about the time you came on?

A Yes. Engineering reported to him as the executive vice-president, is the way I remember it. He spent a great deal of time in the engineering department. He was in that building probably more than he was in the office building.

Q He became first vice-president in 1936 and had been a director since 1929.

A I didn't realize that.

Q In 1938, he paced the start of the Indianapolis 500 in an ivory-painted Hudson convertible.

A That's the car I worked on. We had to put a little jumpseat in the back of that, because they took somebody along as an observer. We also had to do quite a few things to the automobile to make it go fast enough, because that Hudson was not distinguished for its performance. Apparently, we got away with that. I do recall the little cream-colored automobile. I'm glad you reminded me.

Q Dick Langworth in Automobile Quarterly said that Baits was an outdoor type and was fond of football, hunting, fishing, motor boats, fine guns and cameras.

A He's kept the hunting and the fine guns, at least, a secret from me.

Barit was a great boater. He loved to go out on the lake. That was one of his real joys. He was a man of very sophisticated tastes, in terms of music, and art. He appreciated the refinements of life, and he dressed beautifully. Baits was more casual. He'd usually be in a sport coat. He was a camera nut, and if he had any interest in the shooting and fishing end of the world, it was not apparent to me.

Q You were reported as saying that he was a genius?

A He really was. A perfectly remarkable man.

Q Do you remember H.M. Northrup?

A Very well. He was also a very retiring and very intelligent man. A charming personality -- gentle and gentlemanly. He talked in a very low voice and had a mental process that was just beautiful -- everything flowed in sequence. I used to see quite a lot of him, particularly because he was the head man during the war. Baits was running the naval ordnance plant out in Warren, and Northrup was running all the stuff here in Detroit. I was the production manager for the aircraft end of it, which was mostly what we did. So I used to see him quite a lot during that period.

Q He ably filled Baits' shoes?

A I would say so. I never thought of him as a day-by-day basic engineer. By that time, Millard Toncray was really the guy. He sat on top of that engineering department, and he ran it. He was another excellent man.

Q Spring was another Renaissance man. He seemed to be interested in almost everything.

A He used to have all these wonderful theories. Toncray was the

realist. Toncray told me that Spring said to him one day, "I've discovered that if you add water to gasoline, it improves the compression." Everybody knew that, but Spring said, "I've discovered that you can put it in the tank, and it'll work." And Toncray said, "Come on?" He said, "Yes. I've been running a test, and I've got up to the point where it's fifty percent gasoline and fifty percent water in the tank of my car." Toncray said, "That's very interesting, Frank. Just what do you think it'll do for you? How's it for performance?" Spring replies, "Well, the performance really isn't very good. It does stumble a little bit. It doesn't have much acceleration if you get too much water in it, but just think of all the gasoline you'd save!" Toncray said, "Did you do anything to check the gasoline mileage on your car when it was running with just gas?" Spring said, "Yes. I got about twenty miles to the gallon." Toncray said, "Now, when you've got half water and half gasoline, did you check how much gasoline consumption you get then?" Spring said, "Well, as a matter of fact, I haven't." Toncray said, "Why don't you do that?" Spring came back a couple of days later and said, "I see why you mentioned it. I'm now getting ten miles to the gallon in the tank!" In other words, he's using half as much gasoline, and he's getting half as much mileage. That was a typical Springism. He'd go off on a tangent like that. But it was wonderful. There was never a dull moment. He always had something cooking.

Q When something fascinated him, he explored it. Both your father, you and Frank Spring were interested in aviation?

A Yes.

Q Your father was one of the founders of the Aero Club in Detroit?



A That's right. And I was active in the Aero Club.

Q You've said that Frank Spring was one of the first to own an autogyro in Detroit?

A Yes, he did. I think it was subsequently owned by the Detroit News. But he also had his own plane. He had a stagger-wing Beech; a biplane that he used to fly.

Q One of the acrobatic types?

A It seemed like it when he flew it! I'm not sure it was made for that, but it was a version of a commercial private plane. I remember going down to Watkins Glen, and I remember leaving Watkins Glen. When we got to City Airport and landed, there were leaves off one of the trees when we took off at Watkins Glen. We cleared them, and we picked up the leaves in the undercarriage. He was that kind of a guy. I never quit riding with him, but I'd always make sure my insurance policies were intact before I did!

Q Did you have a pilot's license?

A I've never had one. I'm not a pilot. I was more concerned in the Aero Club with trying to get a decent airport for the City of Detroit. That's what I spent most of my time on. Where the Windsor Airport is now, we had a dream of putting in a limited access highway, in, because people would fly over Detroit -- this is in the 'Forties -- and look down and here's all of Detroit on the North side of river, everything was spreading for miles in every direction with all the suburbs. You look across the river, and here's the little town of Windsor, and then just miles of nothing but open, flat farm land. You'd be ten minutes from downtown if you'd put it over there, but the international complications were just too much, so we just never made it work.

The big aircraft expert in our family is my sister Sammy. She was a licensed commercial flyer. She flew during the war in the WASPS ferrying B-25's.

Q That's her nickname? What's her name?

A Her name is Sara Ann.

Q Does she still fly?

A I don't think so. She still has her license. But she flew multi-engine, unlimited, with thousands of hours. And she used to race.

Q Your aviation experience was technically as a passenger?

A Oh, yes.

Q But you were devoted to the advancement of aviation?

A Yes. It was like everything else, it was something that, at that time in Detroit, was quite an active issue, and I had a lot of friends who had airports or airplanes. And my sister, subsequently, ran the whole aircraft operation for Essex Wire. She had about five or six pilots working for her. She was the chief pilot and flew the chairman around in an assortment of airplanes. She's quite an accomplished young lady. It got to the point where if she and I were flying together, you'd come into some airport, and she'd call in, and the tower would say, "Hi, Sammy." They knew right away who she was. There weren't many lady commercial pilots then.

Q One more thought about Spring. If, as Langworth says, Baits left his mark on the company with making the Terraplane a lusty symbol of the company's strength and importance, wouldn't you say that Frank Spring certainly was the man who made it a good-looking car to drive?

A Yes. He had a great eye. He had fastidious taste. If he said a line was correct on an automobile, you could figure it was. I remember

after the Nash/Hudson merger we used to work at the modifications that were then the product of the company over at the Hudson styling studio. George Mason would [convene] a meeting there every Friday, and I would be invited because I was one of the few Hudson residues. Frank was not there. He'd left the company by that time. Mason would look at the car, and there'd be a molding that didn't look right, and he'd say to me and others, "What do you think about that?" And everybody would have an opinion. And I'd say to myself, "Gee, if we just had Spring here, he wouldn't even let 'em show it like that!"

George Mason was pretty smart. We'd have that meeting on Friday morning early, and maybe at 8 o'clock or 8:30, and he'd say, "Roy, why don't you decide what you think from a Hudson point of view and handle it," and he'd be out the door. City Airport was just up the street, and in thirty minutes he was in the air on his way up to Grayling.

Q That was his favorite spot?

A Yes. That was his fishing camp. At first, I didn't realize why we always had the meetings early on Friday morning, but then I figured it out.

Q Your interest was gravitating toward engineering and sales, but were you also interested in design?

A Yes. I had a fairly decent eye for what something ought to look like.

Q Were you happy with the designs in the 'Thirties?

A Yes. The '32 Hudson and Essex were absolutely classic automobiles. My father was very interested in them. For example, we had one of the first woodgrain instrument panels. It was the '32 Hudson. And the panel

-- the woodgraining, itself -- which is done with a photographic process -- was taken from a leaf of our dining room table at home. My father had them photograph that, because it had a perfectly magnificent grain. That was the instrument panel decor for the '32 Hudson. Those two cars didn't get nearly as much play as did the Terraplane because of the economic situation. The Terraplane was the lowest priced automobile of the line. But they were classic automobiles. Everything was in good taste, and they were very successful. That Terraplane had a certain spirit to it that was typical of the touch that Frank had.

Q The Essex was phased out eventually?

A The Terraplane, originally, was called the Essex Terraplane in 1932, and by '33 they dropped the Essex name. Then by '34, they had, in effect, discontinued the original Terraplane. They used the name Terraplane on a completely-different automobile. It didn't even look like a Terraplane in '34, and that was carried over into '35 and was moderately revived. By the '36, the Terraplane name was gone. It was called a Hudson.

Q You mentioned that you went into sales early on. Do you remember working for W.R. Tracy, the vice-president of sales?

A No. I never worked for him. I remember him, but he was gone by that time. I didn't actually get into sales until after the war. It was '45 and '46. I was in production throughout the war. It was 1946 when they sent me to Chicago to work as a District Manager. I remember it distinctly because it was just almost impossible to find a place to live. I had a helluva job finding a place to live in Chicago, but I finally succeeded.

It was the days of rent control. My wife and I went to Chicago, and we left our two children here with a nurse. We kept the house here. We stayed in what is now the Hilton Hotel for about two weeks, then they kicked us out. We got wind that there was an apartment available in the Ambassador East, which was a very fine hotel on the North Side of Chicago. We knew a woman who was responsible for the rentals there. She said, "I can get you an introduction to the owners. I'll take you in and let you talk to them, but they're going to Europe for the next six months, and there is no way you're going to get that apartment." I said, "Okay. We'll take a shot at it." So we went in with our best demeanor, and we were talking to them. Their name was Foreman. They had a beautiful corner apartment with a living room and a kitchen, which was just what we needed. The woman said, "I'm really sorry. I hate to disappoint you, but there's no way we can do this. But if you'd like to see it, I'll show you our bedroom." In the bedroom was a picture of a boy. I said, "Are you John Foreman's mother?" And she said, "Yes." I said, "John and I were in school together. We're good friends." This was at the Los Alamos Ranch School twelve years before. She looked at me suspiciously and said, "John happens to be right here in Winnetka. Let's call him up," thinking she really had me nailed. So we called him up, and I said, "John, this is Roy Chapin." He said, "Why you old son of a bitch!" And she's listening all the while. That's how we got the apartment. And I'll never forget, it was a hundred and twenty-five dollars a month for one of these. You'd pay that for half a day now.

That was the beginning of my career in the sales operation. I stayed in sales from then up until the merger in 1955.

Q In 1940, the Terraplane line has been phased out, and you have a completely restyled line?

A Yes.

Q I notice some of the advertising used the phrase "Symphonic Styling." Very clean and attractive, utilizing the best features of some nice cars. How did that evolve?

A I remember that we went through a period where "Symphonic Styling" really meant that there were a number of interior trims which, instead of having everything gray, or everything tan, you could combine it with certain exteriors, so that the two were a "symphony of colors." They complemented one another rather than clashed, and that was really what it got down to. The instrument panels were also painted that color.

The thing we tried to do during that period, because, after the war, the '46-'47 cars were all, basically, the same. We changed a few things, such as taking the running board off. But we also went through a period of trying to sell safety, which must have been around 1940-'41.

Q One of the very early ones?

A And there were a lot of saleable items on the car. How many cars safety has sold was always a favorite topic of discussion in the industry, but Hudson did have quite a few features. They had a whole list of so-called "firsts," and some of them weren't exactly earth-shaking. For example, the hood was hinged in the front so that you could raise the back. The theory was it couldn't blow open in your face. There was a mechanical follow-up system on the brake pedal, so that if the hydraulics went out, it would then engage what is the parking brake, which was just a mechanical system to the rear brakes. It didn't work

very damned well, but, at least, you didn't put your foot to the floor and have nothing happen. You didn't stop right away, but you slowed down.

They had a fluid cushion clutch in Hudson, which was a very nice clutch if you kept it in shape, but if you let the fluid go, you lost your clutch. Pinned piston rings were a big deal then. There's a list of about a hundred or more things, some of which are very minor like the ash tray is in a different location.

Q It was mentioned that fully-independent front suspension was used.

A Yes.

Q With wishbone. Telescoping shock absorbers inside the coil springs.

A That sounds like Nash. What's the date on that?

Q 1940.

A We had semi-elliptics as long as I can remember.

Q Was 1940 the year you went back into racing?

A Speed trials. We had a good V-8 engine, and we discovered that we could do things out on the [Utah] Salt Flats with it. Reed Railton got us started again on that. He was an Englishman who modified Hudsons during the 'Twenties and made really spectacular sports cars and spectacular town cars. He made them very British. I drove one of his sports cars at the Brooklands [England] Track. There was a famous picture that you used to see in magazines of it coming over a hill, and, literally, all four wheels are three or four feet off the ground, and the British gentleman driver sitting there with a pipe clenched in his teeth. It's the most absolutely British photograph you'll ever see in your life -- a

little cap on and a pipe in his teeth. He's got all four wheels off the ground. It's a priceless picture.

Q What year was that?

A That would have been about 1927 or '28, or perhaps in the early 'Thirties.

Q The Miller brothers were involved?

A Yes. Chet and Al Miller, ultimately, were test drivers at the same time I was. Al used to have a filling station around Grayling, and every time I went up North I always used to stop in there and chew the fat with him. He was a great fellow. He lost a leg, but he still could drive. He could drive with one foot.

Q The Hudson Eight became well known at speed trials?

A Yes. It set over a hundred records.

Q A hundred and twenty-one.

A Yes.

Q According to this chronology, you'd lost money in '40, but '41 was a very good year. 3.7 [million].

A The war came on, and we had a '42 model.

Q Very briefly?

A Yes. Everything then became war production.

Q What was your role in war materiel production?

A I was the assistant production planning manager for the aircraft division. Then they got in trouble with the government, not because of any fault of ours, but we couldn't get what they called GFE -- government furnished equipment. What we were building was the aft section of the fuselage for the B-26 and the wings for the B-26. Chrysler built the



forward section, and Goodyear made the middle section. We shipped it all out to Glenn Martin in Omaha where they stuck it all together in a finished airplane. And, subsequently, we did the same thing for the B-29's. And, in fact, in the B-29 that dropped the bomb on Hiroshima, the pieces were built by us. I have a plaque to that effect.

Q The "Enola Gay"?

A Yes. I moved into the contracts division, because they couldn't get out of Wright Field Air Force Materiel Command all the stuff we needed to build the airplane. We were holding up production because -- it wasn't our fault -- the government didn't [move]. So they said to me, "You go down and get this stuff sprung loose."

I went down there and spent a lot of time. I got to know a couple of the sergeants, and I'd go out into the warehouse, and I'd help them find stuff. But having somebody on the spot expediting -- if it was a question, do we ship this to Chrysler or Hudson, it probably went to Hudson! So I worked in the contract section. I was the assistant contract officer for awhile. When we got the B-29 contract, I went back as the assistant general superintendent. I was next to the number one guy running the operation.

Q Your headquarters were still on...?

A Still out in Detroit on Jefferson Avenue. I was about to be -- they decided I ought to be drafted. This is getting toward the end of the war. Let's just say our contracting officer was not a fellow that I had a great deal of admiration for, and we were at cross purposes, because I thought he was screwing things up. And I just plain didn't tell him things. In any case, he decided that I was a thorn in his side,

and he was going to get rid of me. This is hypothesis, because, obviously, I can't prove it. But all of sudden, out of nowhere came a draft notice. So I went down, and I had my physical. I was in fine shape. I don't know how old I was, but I was young enough. I had three kids, but, in any case, I was headed for the infantry or some menial job somewhere. And Wright Field found out about it, and they came down like a brick. In fact, they transferred the contracting officer and did a few other things. They said, "This guy stays right where he is." So, that was the extent of my military career.

Q You would have been wasted in...?

A Fortunately, they seemed to feel the same way, because there were a lot of temptations. During the beginning of the war, there were all kinds of opportunities to go into various exciting things.

Q You also did some work on the Hell Divers and the Aircobras at that time?

A Yes. We made wings for the AT-6, and the Navy version -- SNJ.

Q The Bell Aircobra was an early fighter?

A Yes.

Q You also did landing craft engines, mine anchors, and naval guns.

A That was all done at the Naval Ordnance Plant, which was out in Warren. I'd been out there, but I had nothing to do with it. It was run like a separate company. Baits was sent out there to take it over, and he ran the whole damned thing, because I practically never saw him during the war. Northrup and Barit were in charge of the rest of it.

Q It must have been an exciting time?

A It was a frustrating time, because you work seven days a week and about ten hours a day. The frustrating part of it was the caliber of the

people that you had to work with, because aircraft manufacturing -- even then -- was a fairly precise business. You couldn't say, "That's only a quarter inch off, so don't worry about it."

We got the dregs of the [unskilled] labor market -- mostly women. And without going any further, the problem was that you'd give 'em a wrench that just fit the nut, let's say, and you'd come back an hour later, and they had a pair of pliers tightening the nut. It used to drive me crazy.

I had an expectation that you do things right. We even had to fight the union on some things. That was one of the jobs I liked the least. And there wasn't negotiation. In those days, a lot of it was just plain name-calling, and I had to try to keep things on an [even keel]. I was damned glad when the war was over.

Q Hudson is in a good position as the war ends. You've got a couple of years of facelifts, and the public will buy anything you put out.

A Even with wooden bumpers and no rear seats, we shipped 'em. "Get 'em out." People were so glad to get them, they didn't give a damn. And sooner or later, you'd send the bumpers to them.

Q So you reworked the front end for '46?

A Changed the grille and took the running boards off.

Q You were poised, as everybody else was, for an exciting postwar push. Do you remember any details?

A The only detail is that it was purely a seller's market. I was a District Manager, which means the guy who is the lowest form of animal life in the sales end of the automobile business. And I had about twenty dealers. In those days, all you were was a car distributor. You just

allocated. And I was fairly conscious of the fact that I wasn't selling anything. What you were doing was selling accessories. You sold everything down to lace pillows to put in the back seat. The package might also include electric shavers and hydraulic jacks. You sold all that. It was all useful stuff, but it was the only thing you had to sell, and I developed some techniques that worked out fairly well.

Q Anything that you'd like to go on record with?

A This is a little later. When I was a district manager in Chicago, I had everything from South Chicago down to Champaign/Urbana. I'd go down to Champaign Sunday night, work my way back North and try to get to South Chicago by Friday night. The thing I really enjoyed about it was you had to be two completely different people. You had to be one kind of a guy in Champaign or Kankakee, and, by the time you got to Blue Island, and South Chicago, and Cicero, you had to be an entirely different kind of a guy. I really enjoyed it.

Q Multiple roles?

A Because you were dealing with entirely different kinds of people. From there I graduated to what we called a Regional Manager. In those days, Hudson still had distributors, and each distributor had a big retail operation, but then he had from fifteen to twenty dealers in his particular territory. I had Cleveland, Akron, Columbus, Toledo, Detroit, Saginaw, Grand Rapids, Kalamazoo, South Bend, which was a hell of a big region. But, geographically, it was fairly compact. My job was to sell the distributor on all of these packages of items of equipment, from polish to radios, which were not factory-installed. He would buy them and resell them to his dealers.

I discovered an absolutely wonderful technique. I had typed up -- very efficiently -- the quotas for each distributor, but I'd double them all and leave a copy on the desk when I would go to get my papers or something. I'd arrange it so that I'd be out of the office, and he'd look at it, and he'd think he was awfully sharp if he only had to take two-thirds of his so-called quota, because I'd tell him what the quota was. And so I was always selling fifty percent more than my absolute necessity. I always, at least, met my quota.

Q Did anybody catch on to that technique?

A Nobody ever admitted that they'd caught on, because they'd have to think that they were pretty stupid to have bought it in the first place! It was not a very subtle technique, but it was one that I had very few returns. That worked out pretty well. Those fellows were very successful. But then we decided to turn to direct operations, meaning Zones, which were factory owned and factory operated. That meant going to these same distributors and telling, let's say, the guys in Kalamazoo, and Saginaw, and Grand Rapids, and Toledo that they're going to be under the Detroit Zone. And I got the job of going around and setting up Zones, finding the building and getting somebody to operate it. Normally, we just brought in our own people. But then you had to go out and convince these ex-distributors that they should stay on as retail operators, but they would no longer have any wholesale responsibility. And that was a little sticky. They all knew it was coming. We were the last in the industry to do it. Nevertheless, they had had that way of life for years, and some of them were extremely successful; top-notch business people. Like up in New England we had a company called Henly-Kimball

that had Maine and all of New England, and they had headquarters in Boston in a magnificent building on Commonwealth Avenue.

Q Distributors?

A Yes. They were the distributors. Fred Ordway who ran it was a good personal friend of mine, and, as it happened, I had to go break the news to him that he was out. He had four branches. That was a tough period, because you hate to -- although these guys were realists, they knew it was coming, and they just wanted to make the best deal out of it that they could. There was a lot of loyalty to those people, too, on the part of their dealers, and, in a sense, you had to overcome that, so you had to go around and talk to a lot of dealers.

Q Were you good at that?

A I don't know, but, at least, they kept me on the job! I enjoyed it, mostly because it was a challenge, but it meant living in a lot of different parts of the country, the result of which, I ran a number of Zones when we didn't have a qualified Zone Manager. I'd just stay in a place for two or three months and run it until we got somebody to take it over.

When I became Regional Manager, I moved right back to Grosse Pointe and stayed there. But I'd go and stay two months in Boston or three months in Philadelphia, for example. I enjoyed it because it was something new and different every day. It was a little wearing, because there was a lot of travel.

Q Sales, and especially the kind of generating and regenerating process that you had, was the lifeblood of the industry?

A Yes. Subsequently, I was the guy who went around and did territory

analysis where you go in and you look at it, then you say, "We've got too many dealers here and not enough over here."

I'll tell you an interesting anecdote. I was sent out to San Francisco because the distributor had messed it up. We'd put one guy in; the whole place was just a storefront operation. It was a nothing thing, and he was getting under the hide of a good, big dealer whom we really needed to protect. So I wrote a report on the trip, and I sent it to Norman Vanderzee, who was the vice-president of sales and my boss. His brother was the sales manager for Chrysler -- Abe Vanderzee. I wrote a rather discreet report suggesting that this fellow was mislocated. And Vanderzee sent it back to me saying, "Just what do you mean?" And I wrote in the margin, "Cancel the son of a bitch!" We did cancel him, and, unfortunately, he sued us. His lawyers subpoenaed all the papers on the case, and included in the file, of course, was my note.

Q Vanderzee hadn't destroyed it?

A No. He stuck it in his file. We lost the suit. It's the only one that we ever lost. I was in San Francisco for nearly a month as a witness in this thing, and it was unbeatable. He was a meek little guy, and he literally came into the court with an American flag in his hand. He brought his wife and his kid, and here's this monster company grinding this poor little fellow under its heel.

Q He had a jury trial?

A Yes. Our lawyer, who was a young guy at that time, is now the head of one of the biggest law firms in San Francisco, and I see him quite frequently. I say, "Jack, I hope we never have another trial like that one." He says, "Me, too." It was one of the few black marks on his reputation.

As a result of this change to Zone operations, there was a certain level of dealer loss -- dealers that quit, or went broke, or whatever happened to them. So the next job, I had was this so-called Special Representative, which is a very fancy title that says you're in charge of finding new dealers. And I had a group of about five or six real hotshots working for me. Our job was to go around the country and dig up dealer prospects, which was not easy, because I'm speaking now of the early 'Fifties, and the bloom is off the Hudson rose, meaning the Hornet. Life was very difficult. Nevertheless, we were able to do a reasonably acceptable job. I used to have to write a report directly to Barit every week of exactly what happened. He paid attention to it, to my surprise. If I ever didn't repeat something, having said I'll report on this next week, he would remind me of it.

Sometime in the course of all that, they decided I ought to be assistant sales manager because I had organized the Special Representative job on a fairly effective basis where we had representatives in each zone. I had written all the book of rules on how to do it, and where you prospect, and how you find them, and how you close them. That was about 1953. And then in '54, the telephone call came to Denver saying, "Mason wants to talk." The merger was effective in May of '54, so that was the end of the Hudson period.

Q What had happened? You had started out bravely with the Hornet. I seem to recall reading about Spring and talking to Bob Koto that it had been designed back in the late 'Thirties but had been put on the shelf.

A That I was told. I don't know that for a fact, but I was told that it was there and had been thought through. They were waiting, I suppose,



for a period when there was enough financial muscle to be able to do it, because it was a completely-new tooling job. It was a revolutionary approach to building an automobile, and it was not one that you could just take a basic platform and modify it, which is what most everybody does even today. So I'm sure that was the case. It wasn't hatched during the war.

Q Barit was against it for awhile, even after the war, apparently. According to Langworth, he complained it was too low in '41, and he wasn't interested. Those facelifts wereselling very well, but then that market dried up, and Spring hauled out the step-down and said, "We've got to do it." According to Langworth's anecdote, Barit drove it home, still muttering about the styling, and, literally, changed his mind overnight when he found out what an excellent road machine it was.

A That's interesting. That's an aspect that I never heard.

Q But the Hornet, as great as it was and accepted as it was, eventually began to taper off. What happened?

A My interpretation is this: first of all, inherently, the design of that vehicle did not lend itself to modification, because the structure was right there. It was all built right into it.

Q Mono-built?

A Yes, mono-built. And that included the structure inside the roof or inside the quarter panels -- the whole thing. And any radical change, in terms of making it wider, or narrower, or longer, or shorter, whatever, was expensive and complex. The whole industry then went on that splurge of fins and perfectly god-awful, gaudy automobiles. And when we made an effort to do that, we put an artificial air intake on the front

of the hood, which looked like hell. We put artificial extensions on the tops of the rear fenders, which looked equally bad. We did a whole lot of junk like that. We put artificial overlays on the fenders to look like a contour change, which it wasn't. Everything that you did to it just made it look worse, but it was an effort to make it more in keeping with the trend to this elongated, heavily-chromed automobile that people were buying.

And the money that was necessary -- then the question was, shouldn't we have a competitor in the lower end of the field, and that led to the Jet. My feeling is that the money spent on tooling the Jet, if they had taken that same money and extensively retooled, let's say, the Hornet, it would have been much better directed, because the Jet turned out to be a homely automobile. I remember going around selling the idea to our distributors who were still left or our major dealers, as they mostly were then. We had a little presentation package with a rendering of the Jet, and somebody had taken -- you know what they can do with a camera -- the thing and stretched it out. They elongated it, because the Jet was a square, little -- it looked like a German automobile, and, in the picture, it was really pretty damned good looking. You'd lead up to this, then you'd flip the page -- you had a little presentation easel -- and you'd show them this glamorous picture. It was a terrible mistake. I hadn't even seen the car at this point -- none of us had -- and when I saw it, and I knew what I had been selling, it just didn't look like the car that we had been telling these guys, "Wait, this is coming, this is coming, this is coming." There's nothing worse than overselling something and having it become a terrible disappointment.

And the dealers looked at me, and they couldn't believe that this was the thing that I and others like me had been out there convincing them was the savior.

Anyway, hindsight is certainly a lot easier. But it wouldn't have taken a lot of foresight to look at that automobile and tell you it was a mistake, in my opinion. It wound up by being compromised in order to accommodate the interior dimensions, and it was just out of proportion.

Q After the initial surge of enthusiasm, it didn't sell?

A I don't even remember the initial surge of enthusiasm, but I'm glad to know there was one! And it was instrumental in putting the company in a cash-shortage position, and putting them in a position of having a lot of money invested in tooling. Although Murray Body put up a lot of the dough to build the tools for that.

Q Apparently, five million dollars.

A Is that all it was? Isn't that beautiful, because you can't tool a fender for that today. Whatever it was, in those days, it was a big number. I never did find out what finally happened to those tools. I heard a story one time that they were sent to Japan, which is a most unlikely prospect. But, anyway, they never got worn out, I can tell you that.

Q Who was responsible for the Jet? Who forced that on the company?

A No, I don't really know. Mr. Barit probably got the blame for it, which is not unusual.

Q There had been a change here in the engineering area about this time?

A Toncray was the chief engineer. He was never the chief stylist. I've forgotten when Spring left.

Q Spring, apparently, continued as chief body engineer in the late 'Forties. Does that ring a bell?

A No, it doesn't.

Q Apparently, something went wrong. Someone forced the Jet onto a somewhat reluctant company. You say it might have been Barit? So the storm clouds are gathering. The Jet is practically a disaster, and you're losing money, and Barit sees a way out?

A Yes. Something had to happen. At that time, there was talk about Packard, Studebaker, Nash and Hudson all getting together.

Q This was about 1953?

A Yes, the early 'Fifties. Like most of those things, it's almost impossible to rationalize all the different points of view when you have as many diverse characters as we had running those companies. Ultimately, Studebaker and Packard did get together. Then in May of '55, the Nash and Hudson merger took place.

Q Apparently, Barit and Mason had had some discussions some years before about common tooling?

A Yes. There was also a discussion that Packard would supply the engines. It was going to be "let's get together and each do something for each other."

Q That might have worked?

A It sounds good in theory, but there were just too many competitive aspects to make a four-way thing like that really work, unless they're all under one general ownership. In some holding company you might do it, like General Motors, but I can't imagine it would happen just as four independents all agreeing to supply one another.

Q If you had Packard, Nash and Studebaker forming a triumvirate, that would have been a fascinating experiment?

A I wasn't privy to any of those discussions, but I know a lot of people recognized the handwriting on the wall and were trying to do something about it. George Mason was the prime mover; he really got things going, and he finally decided that he could do something with us best which delighted me.

Q Mason was the spark plug?

A Yes. And he had the most advanced approach to automotive design. That Nash Airflight was a very fine automobile. It had some little weird things about it. And he was smart enough to go to Italy to get [Pinin]Farina to do the body styling.

Q And George Walker?

A Yes. George was in at some point.

Q They were the first to employ a fairly well-known European Italian designer. That was a great move?

A It was. And Farina had an influence. I have an anecdote about that: when the word came out that we were going to get together with Nash, I thought, well, I'd better go around and look at these automobiles. So I went to the Nash dealership in Grosse Pointe, and, at that time, the front fender opening, where the front wheel is, was enclosed on the Nash. There was no cutout the way you normally would see it on an automobile. I thought it looked strange, and I couldn't imagine what purpose it had, other than being distinctive. So I asked the salesman, "Why do you have these wheels enclosed like that? That looks awfully strange." He said, "Oh, that's very important." I said, "Why is it

important?" He said, "It inhiments the turmulence." I said, "It does what?" He said, "It inhiments the turmulence." I said, "Would you please tell me where you got that phrase?" He said, "It says right there in the sales book." "It inhibits the turbulence" is what he was trying to say. If anybody ever worried about turbulence around the front wheel, it's the first time I ever heard of it! Obviously, they were being asked that question by a lot of people. The next year, they opened it up.

Nash had unitized construction, and they had a very high level of economy with the then Nash 400 or 600 which, subsequently, evolved into the Rambler. And they had George Mason, who was an absolute gem of a man.

Q Tell us about him. By this time you probably had a chance to meet him and work with him?

A I knew him quite well, mostly because we were both very active in something called Ducks Unlimited, which was a conservation organization. George wasn't the national head but was the head for this part of the world, and I worked on it with him. He had a beautiful place near Amherstburg [Canada] -- a duck shooting place -- and he loved it. He used to entertain a lot of people down there, and I got invited a couple of times. I discovered that the reason I was invited was that if he was short one of his guides, he'd get me down there, and he'd say, "Roy, now you take the boat, and the decoys, and the dog and our guest here and take 'em out to so and so." And I'd go out and punt the boat, and set the decoys, and handle the dog, and retrieve the ducks, and maybe even shoot 'em for the guest if he was having trouble. I recognized my role, but, boy, I loved it. It couldn't have been better. And George got a kick out of it, too.

Q Amherstburg is the mecca for all duck hunters in this area?

A That's the Downriver area, and there's a lot of good stuff up on the other side of Lake St. Clair, too, where I had a marsh for twenty-five years. But that's how George and I got to know one another. He had a great interest in it. And he was a fine fly fisherman; a dedicated trout fisherman. In fact, the first board meeting that we had of the new American Motors was in June -- Barit and I were the two Hudson survivors -- it was up at George's camp on the Au Sable near Grayling. There are all kinds of stories attached to that, but for me it was terrific, because I was right in my element. I never had a better time.

Q Can you tell us one good story one about your relationship with George?

A George was a tremendous host, and he just wanted everybody to have a good time. Up there, he had several boats. They're long Au Sable River boats, which are quite narrow, but long, piloted by an experienced guide, and you go down the river and fish. Barit never had done anything like this, but, of course, he was included. Apparently, they went down the river, and Barit got out on a little dock. He came to get back in the boat, and he put one foot in the boat and kept the other on the dock, and it's the typical story: the boat moved away in the current, and down he went. They brought him in, and I was late getting in; I was fishing. When I came in, everybody was in the big living room, and in a wing chair over in the corner wrapped in blankets was Barit. I said, "My God, what happened to Mr. Barit?" because he was very formal. He probably had his three-piece suit on when he was fishing. And a complete gentleman. Really a wonderful gentleman. And I said to one of the guys, "What happened to Barit?" He said, "He fell in!" And I said, "Gee, is he all

right?" He's sitting there, and I went over and said, "Mr. Barit, how are you?" He said, "Hello, I'm just fine [slurring his words]." They bundled him in blankets, but they'd filled him up with bourbon whiskey. The antithesis of what I'd known in Barit for twenty-five years, but it was pretty funny.

It was interesting to see those different characters, because most of the people on the Nash board were people that George fished and shot with. There were guys who, at least, if they were close in the company, were at the various vice-presidential levels, or they were from outside the company in the banking world -- Percy Abbott, Chairman of Chase [Manhattan Bank], and people like that. They were all great sportsmen. Others were what you might call the intellectuals -- one who was the Dean of the Business School at the University of Michigan, a senior partner of the law firm Sullivan & Cromwell, Harlan Pierpoint, who was an Eastern capitalist. Those are the ones that immediately come to mind. George Romney was on the board. George was executive vice-president at that time; number two man in the company.

Q He was a Mason protege?

A Right. We had three ex-Ford fellows there, and they were all just characters -- wonderful guys. One of whom had run purchasing, and one who ran the Kelvinator division. They were all guys who were very comfortable with Mason -- the fishing and the shooting. Great storytellers and great gin rummy players. They were damned good men. So I just loved it. I fitted right in there. That was fine with me.

Q You'd been an outdoorsman since your early youth?

A Yes. That had been something I'd always been interested in and I knew how to do.



Q Do you think Los Alamos gave you some of that?

A That had a lot to do with it. That's how they got you started getting comfortable in being outdoors.

I'll tell you one on Romney. It's pretty funny, but it's a perfect one of George. He and I were assigned to fish together the first day, and I had just met George. I didn't really know him. I'd seen him around and had been introduced, and he was a tremendously attractive, dynamic guy -- still is. We got in the boat, and he's the executive vice-president, and I'm a little assistant sales manager, so I said, "George, why don't you fish first." So he gets up, and George is the kind of fisherman: bang, bang -- everything is very tense. Finally, not much happened, and he finally sat down. Then he said, "You fish now." So I got up, and, God, it was beautiful. The sun was shining, and the birds were singing, and we were on the South branch of the Au Sable, which is a stretch that Mason, subsequently, left in trust to be maintained. I had done a lot of trout fishing, and soon I caught a little fish, and I had a lot of fun with it. Then I said, "George, it's your turn now." He said, "No, no. You keep going." So I said, "Well, okay." So I got on with fishing, and I turned to George and said, "What are you doing?" I looked at him, and he's sitting in the center of the boat. He said, "I'm writing a speech." So help me! And I thought, boy, that's the ultimate in dedication. I couldn't even think about a speech where I was at that point.

Q The mystique trout fishing occupied your whole being?

A Absolutely. Once I did that, I couldn't think about anything else, which is one of the great things about it. You may be loaded with cares

of the world, and get out on the trout stream or bonefish flat, and you just can't keep 'em. At the same time, it was a great tribute to George because that's the kind of a guy he was and is. He's dedicated, and he really made things happen.

Q Was he involved in the merger?

A Mason was. Mason was the mover on the merger, but then Mason died in October of '54 -- only six months later -- and Romney took over.

Q He'd come from government service?

A Yes. He was a secretary to one of the senators from Utah. He was in Washington, and then he became head of the Automobile Manufacturer's Association, and George Mason lured him away from there. In October of '54, Romney took over.

Q By this time, the merger had become a reality?

A Yes.

Q How did they decide on American Motors?

A That was a name that was just there. I remember discussing it in a board meeting, but I don't even remember any alternatives being suggested. George liked it, and it gave you a chance to be -- which, I'm sure, Mr. Iacocca is going to take advantage of to tie it into more of the American [motif]. I always wanted to do a little more patriotic approach and incorporate a little red, white and blue here and there.

Q And, you did.

A We put it on our racing jackets and things like that.

Q And your logo?

A That's right. You're absolutely right. That was the beginning of, what you might call, the "Rambler Era."

Q There was a period for a couple of years in which the merger was kind of awkward. You were in Kenosha, and you were here...?

A That didn't last very long. It was about a year. Because we had a Hudson Rambler and a Nash Rambler, which was just a matter of putting nameplates on the front. And the Hudson was -- the old Hudson people called it a "Hash," which was a Hudson emblem and a few little things on a Nash body -- a different grille, and a few little changes like that.

But the biggest problem we had, and I was involved in this, was keeping it from becoming an "us and them" kind of thing, or "we and they." And I was one of the people who was obviously a Hudson man, born and bred, who was expected to set a pace to discourage, and, wherever you saw it, eliminate that kind of thing. It was a trial for, maybe, six/eight months, but then, bit by bit, it became perfectly obvious what the route was. And then Rambler became sort of the symbol of the company.

Q Was Romney in the vanguard of the development of the Rambler?

A He was very enthusiastic about it. In fact, that's where he fell apart with Clay Doss, who was the sales manager for Nash who had come from Ford and who was a "big car" man. Clay was a delightful man. He was what I'd call a typical old-time automobile sales manager. He was tagged, right or wrong, as a big car enthusiast, and Romney was convinced, as it turned out correctly, that the Rambler was the way to go, and that's when Abernethy came on the scene.

Q What happened to Barit?

A He resigned from the board.

Q He was unhappy with the dropping of the Hudson name?

A Yes. I think he felt that Hudson was going to continue more as an entity than it did. I don't know why he felt that way, because it seemed to me we never made any commitments that I knew of. That meant nothing to me. And, I think, he felt that he was going to be a lone voice on the board. That here I was on the payroll, and so I was, obviously, going to be part of the Nash influence group.

Q You had looked realistically down the road?

A And he just didn't see that it was going to be any -- just being "a" director. There was no executive committee. He had absolutely no role at all. In fact, I don't even know if he was on any of the board committees. I don't think we had any board committees in those days. George Mason ran everything. It wasn't beautiful, but it was very effective.

So then Barit left, and I'm not sure when, but I would think in the Fall or Winter of that same year. He stayed until '56?

Q December of '56.

A I thought he left sometime in the Winter of '55. It's not important, but....

Q That was the reason he left? He was still a Hudson partisan and hated to see his influence diminished?

A That was the most important thing, as we all could understand.

Q You and George Romney must have gotten along well, because he turned to you for very important situations. How did that come about?

A What happened was that they suddenly woke up to the fact that they had a vice-president of finance who was sixty-three, and a treasurer who was sixty-four, and really nobody behind them. They called me in one day

and said, "What do you know about finance?" I said, "I know the difference behind a stock and a bond, and I can balance my checkbook, and I know where the bank is. What's the question about?"

Q You'd had a year on Wall Street?

A Actually, it was Griswold Street! And they said, "You're the new assistant treasurer." I said, "Well, that's interesting. Maybe I'd better go find out what a treasurer does." And, fortunately, our treasurer was a wonderful man.

Q Who was that?

A Godfrey Strelinger. He was extremely helpful. He realized that he was headed out pretty soon, and he'd better cover his tracks. So I got a lot of responsibility quite quickly, even more so than I expected because about three or four months after I came on as the assistant treasurer -- probably the Spring of '56 -- his wife became very ill, and he took early retirement.

He was supposed to stay until '56, but his wife became ill, and he took early retirement and left, so I became treasurer rather quickly. In '55 I became treasurer. The other fellow who had been Strelinger's boss -- a fellow named Howard Lewis -- had an interesting arrangement. You would adjust your responsibilities to the individuals. Howard Lewis was a great internationalist, so he ran all the international business, meaning most Kelvinator overseas, and also all the finance. He was both; he was chief financial officer and chief international officer. So I inherited that role, which was really inappropriate. As things got more difficult, as finance became more complex, as you got into big credit agreements, it was just impossible to run around the world when you've

got a financial problem. But I ran that joint job for a couple of years.

Q Mr. Chapin, things were tough in the early 'Sixties for AMC. You'd lost, at one point, about \$75.8 million, and you desperately needed a change of corporate image. But before we get into that, what would be your thumbnail assessment of the Romney years? You worked with him closely.

A Those were exceptional years in many ways. George took over in the Fall of '54 after George Mason, who was the architect of the American Motors merger with Nash and Hudson, died unexpectedly. It was quite a wrench, because many of the people in the company were people that Mason brought in. And George Romney was the champion of the small car. He was convinced that he had to have people who believed in the small car, in this case it was the Rambler initiated by Mason. It turned out, that Romney was absolutely right. Bit by bit, after digesting the merger in the late 'Fifties, we went almost exclusively into the concentration on what became known as the compact car -- the Rambler.

We still continued with the American Motors models and bigger cars, but the emphasis was definitely on the Rambler, and it turned out to be an extremely fortuitous and timely thing, because we achieved some, for those days, relatively spectacular volumes. We made very good money. Then about 1961 or '62, George decided he was interested in becoming the Governor of the State of Michigan. He'd always been extremely interested and active in politics. So, it was '62 that he left to become Governor of Michigan.

Q Was there any internal dismay at his leaving?

A Yes, there was concern, because George was a very visible leader, a wonderful man, and a dynamic personality. He was "Mr. American Motors," which has been repeated since by others in other companies. There was concern, but, by that time, the organization was pretty well put together with the same objectives -- the same understanding. Roy Abernethy, who had been brought in by Romney from Kaiser Frazer because he was a "small car man," was the sales and marketing vice-president and a very logical successor. He became the president .

Richard E. Cross became chairman. Dick was our counsel. He was a prominent Detroit lawyer and a delightful man. He was with Cross, Rock, Miller & Vieson. He's still counsel to that law firm in Detroit. He was an excellent candidate for the position. My feeling always were that Dick was not an automobile man, and he made no commitment that he was going to work seven days a week, but he spent a lot more time at it. I was surprised at how much time and effort he put into it. But I always had the feeling that George was kind of keeping his eye on that seat as chairman just in case he was not elected governor of Michigan. As it turned out, he was. And Dick handled his position very well.

Abernethy was the guy that ran the company. At that time, I was the chief financial officer.

Q You were vice-president and treasurer.

A And, subsequently, executive vice-president. Then it was about '62 that I took over the international operations. We had a situation that had grown out of that -- people. You often design jobs to fit people, and our chief financial officer was also in charge of all the international operations, which were primarily Kelvinator -- the appliance

business -- but we decided it had to be split. I was given the choice between did I want to run the financial end of it or did I want to see what I could do with the international? I thought the international sounded a lot more exciting. Although the financial end was plenty exciting, because keeping the cash coming in faster than it was going out was quite an undertaking. That's about as quick a sketch as I can give you of the Romney exit period and the people that took over for him.

Q What about Abernethy? Was he a good executive?

A He was a wonderful sales manager. Yes, he was a good executive. He was a man who had a great rapport with the dealer organization, which was very important. Unfortunately, he didn't have a very good rapport with the fellow who succeeded Cross as chairman; namely, Robert Beverly Evans. Roy was really a gentleman at heart. He had a very forceful manner, and, as I say, he was a natural-born salesman. He was a Packard dealer for years in Hartford. He knew the automobile business from the retail level right on up.

Q You'd had a history in the last forty-eight years of promoting the sales people to top jobs, because, obviously, the key to American Motor's success is sales?

A Yes and no. I'm not sure I would agree with that, because starting with '67, when Luneberg and I took over, he was strictly a manufacturing guy and a wonderful one. And I had a lot of different experiences, but, basically, I was a financial man and salesman, too.

Q Of interest to me is that in the 'Sixties someone thought you needed a sporty image. AMC seems to have been mired in the sensible small car image, and someone felt that -- maybe Dick Teague, your director of styling. Do you remember the impact on those events?



A Very well, because it was an obvious need at the time for us to have some method of having -- people still didn't know what or who American Motors was. They knew about Rambler, and Rambler, while it was our mainstay and our godsend and our lifeblood for quite a few years, had developed a reputation of being a good, substantial, inexpensive, economical, sensible, piece of transportation, all of which it was. But to be a successful company, we figured we had to do more than that. The Javelin was really Dick Teague's inspiration. It was tremendously effective in doing what we wanted to do, which was, first of all, to convince the dealer organization that we could do something more than build a little pedestrian automobile, and, secondly, to give us something that we could use, in this case, in television, in magazines, in the advertising and promotional aspects of it.

Two things helped the Javelin do its job: first, it was a good-looking, up-to-the-minute, good-taste automobile, Secondly, with a little tinkering here and there, it could really perform. We entered it in the SCCA racing -- road racing. Third, it lent itself to dramatic TV stuff. In order to make that third aspect of it really register, we decided we were going to move from one advertising agency to the then very controversial Wells, Rich, Green Company.

Q Which one had you dropped? Was it local?

A No. It was a New York agency, and, for the moment, it escapes me. It was a very big agency. They did a fine commercial job. This now was a period when I had to make the decision, and I felt we had to have somebody who would be absolutely dramatic as hell. Wells, Rich had that reputation and that capability. They knew nothing about automobiles, and

there are a wealth of fascinating stories on that score. But they did some really memorable TV stuff, which I and a lot of other people still remember.

Q Do you remember a particular one?

A In one, a fellow drove up to a stop light, and he was so proud of his Javelin. A guy next to him wanted to race him at the light, and he leaned over and said, "Sorry, goldfish," and pretended he had a bowl of goldfish, because he didn't want to tear up his automobile. Then he takes it to a parking garage and turns it over to the attendant. You hear this scream of tires and the roar of engine as the attendant charges up the ramp in this car. Wells, Rich had a capacity for hiring people that were just priceless. It was as good as going to the movies.

They did a very controversial magazine ad that was very effective where they did a comparison between the Javelin and the Mustang. The Mustang was a very hot vehicle at that time. I had some discussions with Mr. Henry Ford II on the subject, and I pointed out to him that it was all positive. Nothing anywhere in it said anything bad about the Mustang. It just said the Javelin is better because on this count, and this count, and this count. It raised some hackles, but it also got a lot of attention.

Q And some good conversations in the Detroit club?

A Yes, I heard about it from various people. But the interesting thing was, not long after that, Lincoln-Mercury did a similar one -- I believe they used Oldsmobile as the other comparison. We just happened to have done the first -- Wells, Rich did the first. And they were really one of the first to do, what you might call, entertaining commercials that were attention-grabbers.

Q Did you get to know Mary Wells and her husband?

A Yes. I knew them both quite well.

Q Dynamic people?

A Yes. They were wonderful. Mary used to show up occasionally for the advertising meetings in the offices, and she always made a dramatic entrance. She always had something to say. She's a fantastic woman.

They ran the kind of ad that was effective if you want to stop people and make them pay attention. They may not like it or agree with you in the long run, but that was what we were looking for, and we got it, in terms of getting attention. And we had the automobile you could do it with, because the Javelin just cleaned up in the SCCA races.

Q Somewhere along this line, this interesting person that you mentioned, Robert Beverly Evans, comes on the scene. How did that happen?

A Robert Beverly is one of the most delightful people you've ever met in your life, but he's also one of my oldest friends.

Q Was he good for American Motors?

A He saved the day at one point. In May, or whenever the annual meeting was, Romney didn't come to the meeting because he had appendicitis. And Cross is casting about for something to say at the meeting that was anything but extremely depressing, and he finally made me get up and make a presentation on the international activities, which happened to be doing extremely well. But you can pad a meeting about so long. And Evans let it drop that he had bought two hundred and some odd thousand shares of American Motors. That was the greatest boon at that particular moment -- somebody showing that kind of confidence in the company -- that could have happened.

Q Did he want to become chairman?

A Yes, and he was chairman. I became chairman in January of '67, so he was chairman from May, 1966, until then.

Q Teague mentioned that he thought Evans was a shot in the arm as far as the AMX Javelin program?

A I'm sure he was.

Q He felt that this was something they should pursue because it was exactly what you needed?

A Yes. He's a man who has a million ideas, and if one out of fifty is feasible, they're usually good enough so it's worth listening to the other forty-nine. He used to drive Abernethy nuts, because Abernethy was an absolutely right-down-the-road kind of guy with years of automotive experience, and Evans had had none. Evans would come in to his office and give him all these suggestions as to what he ought to do.

Q He was a non-automotive person who impacted the outcome?

A He really kept the pot stirred. He was great.

Q About this time, you had a Vignale prototype AMX made, and you'd also done a prototype Javelin. This is in the late 'Sixties, and you and Teague pushed this into a racing program that was startlingly successful.

A I'd forgotten that Vignale had had any part of it, but it was the basic Javelin with modifications. We had Roger Penske. We couldn't have picked a better person there, either. He had about half a dozen drivers: Mark Donahue and a guy named Skip Scott, who were sort of wild men, but, boy, they knew how to drive automobiles.

I remember just one anecdote, because this relates to something that was important. I went to Watkins Glen to see the SCCA road race

there. It was the first time the Javelins had really appeared in force in public. We had a tent. We must have had a hundred and fifty dealers there, and they came from all over the East. We gave away red, white and blue jackets. I knew a lot of those dealers. When I went in that tent, there were some of those fellows in there with tears running down their cheeks. This was the first time they had ever seen this kind of excitement. Most of them didn't know whether the Javelins were winning, or losing, or what. But they saw these red, white and blue cars out there just tearing up that road track and doing extremely well. And they sounded great, and they looked just great. It did more for dealer morale, just the mere fact that they were there. I don't remember whether we won the race or not. To me, it didn't make a damned bit of difference!

Q You did well. You came up with some key victories in the late 'Sixties. But money was very short. In fact, you were losing millions, so you and Bill Luneberg decided to take over. How did that work?

A The board made the decision.

Q Luneberg had come from...?

A Ford. He had run the Rouge Plant, and he ran the big St. Louis defense plant. He was also a finance man. He did a lot of financial analysis work at Ford, but he was also a helluva manufacturing guy. He was very strict and very -- "This is how it's going to be." But, he could take you apart limb by limb and put you back together again, and you'd love it when it got all done, after you got over nursing your wounds. He was a perfectly remarkable man.

Q Did you work together as a team?

A Yes. He was the vice-president of manufacturing. It's January, 1967, and I was the executive vice-president in charge of the automotive division.

Q Was there any problem with getting Abernethy and Evans to step aside?

A It wasn't exactly a joyful meeting.

Q You were present?

A I was asked to leave the room. Obviously, I didn't vote on it. Then some key members of the board just decided that they -- in fact, I have to admit it came as a bit of a surprise to both Bill and me. I thought that at some point it might happen, but I didn't think it was going to happen then. One of the problems was that we really were just plain out of money. We didn't have any cash. In order to try to come up with a good '66 calendar year, a lot of cars were built in December and did not get shipped. We had a staggering inventory, and you can't eat inventory. I know when Bill and I came in, which was around the 7th or 8th of January, there was real concern as to whether we could meet the payroll on January 15th. This was a matter of days. But the first thing we did was to hop on the plane and go to New York and gather our bankers together.

Q How did they react? They didn't want you to go under?

A That was the thing that saved us. They didn't want any part of lending us any more money, and we went through the first day's meeting, and we weren't getting anywhere. So we re-grouped, and we worked well into the night, and then everybody was just mad at everyone, and I said, "Come on, knock it off." So we went back to the Plaza Hotel, and we had

our finance vice-president, and our treasurer, and Luneberg, and me, and our controller. We had gotten absolutely nowhere the first day with these bankers.

Q Was it a consortium or was it one particular bank?

A We had a credit agreement, and this was the group of banks in the credit agreement, of which Chase was the lead bank.

Q Were they counseling shutting down?

A They just said, "You solve your problem. You're not going to get any money out of us." I went through the story a few times, and, at some point, they realized the facts of life. In fact, Luneberg made a magnificent gesture. He had a short fuse, and he was listening to all of this stuff about, "You fellows have got yourself into this; you get yourself out." And he finally got up, and he took a bunch of keys out of his pocket, and he said, "There are the keys to the plant. Who wants them?" And, boy, there was dead silence.

We went back to the hotel, and we sat around. I said, "Look, we're getting nowhere, so let's think of a new approach." We couldn't really come up with an entirely new approach, but we got a new angle. I said, "Okay, we're all through with the meeting. We're going to Trader Vic's and have dinner." We went down there, and we had dinner -- a typical Trader Vic dinner, after which they always give you those fortune cookies. Everybody was half depressed, and everybody had a drink or two, and they were just beginning to feel sorry for themselves. Finally I said, "Well, listen to this." I had opened my fortune cookie, and it said, "Have cash, can travel," so help me! So I read it to them, and the next day we got twenty million bucks!

I just thought it was really odd. In fact, I met a fellow on the plane coming back from Norway yesterday who was our vice-president of finance at the time, and he said, "Do you remember the evening in the Plaza Hotel at Trader Vic's?" It impressed a lot of people.

Fortunately, we had embarked on a program of getting rid of that inventory, which is another long story.

Q But you did it fairly successfully?

A Yes.

Q I was reading an article, and the author says, "As soon as Mr. Chapin settled into the new position, he informed his close friend, Henry Ford II, of his intention to go talent hunting at Ford Motor Company. 'That won't do you any good,' Ford responded. 'Not many Ford executives would leave Dearborn to head for Plymouth Road.' The man AMC really needs left the Ford company in '63 to start a private consulting service. Chapin was quick to heed good advice, and, shortly thereafter, Victor Raviolo joined AMC as first group vice-president in charge of auto engineering and research, styling and product planning."

A That's essentially true. In fact, he [Henry Ford] recommended Vic. He was a tremendous boost to us because he really knew the business. But he had a very strong personality. He made major contributions, there's no question about it. But, he was only with us about two years, perhaps three.

Q What happened?

A It was his decision. He felt that maybe Bill and I were too personally involved in the product design and with decisions. I think he was more used to having, at least, a free hand to the point where it is



turned over to the executive committee. I think he felt we were too daily involved. He never told me this. We parted friends, and I have tremendous respect for him. But it was his decision to leave, and, by that time, we had what we really needed on the way, meaning in terms of design and development.

Q The article goes on to say that, "He put together a committee, including Carl Chacmakian, Bob Jensen, George Code, and Jim Alexander, and out of this came the Javelin team for the Trans Am racing season. And he also picked up a gentleman named Craig Breedlove, who helped you. Did that work out fairly well?"

A Yes. He was another spectacular fellow, which all added to the total package. He had set a world's speed record. I don't know if it was on a bicycle or what it was. I've forgotten the background, but we had a couple of meetings in California, and he drove some of the dealers around in a Javelin and scared the pants off them. I liked him. He was a great guy. I don't know what happened to him.

Q But these people -- Raviolo's committee and Breedlove -- certainly added to your luster with the racing successes for the AMX and the Javelin and gave you an image that was exciting for the late 'Sixties?"

A It was what we'd looked for. The AMX added quite a lot to it because it was made from the Javelin, but we did enough ingenious things with it. It was a two-seater. It established itself as almost a different kind of a car.

Q This same author quotes William S. Pickett. At the time of the introduction he was then the AMC sales vice-president. He said, "From the standpoint of price, performance and standard equipment, the AMX has

an individual character of its own and should not be compared with any other car."

A Nobody else, except maybe Corvette, was making two-seater automobiles of that configuration at that time.

Q What was your relationship with Dick Teague during this decade? Did you work closely with him?

A Dick and I were together practically every day. He's one of my close friends and a tremendously talented guy. We shared not only the interest in what we were doing there, but he was also our authority on antique automobiles. Although I had never collected them, I've always been interested in them. Dick was a jewel.

Q He had to work with the awkward situation of not being able to come up with new automobiles from the ground up.

A And not having money. It's that simple.

Q So you and Teague became quick-change artists where you cannibalized components from various lines?

A Sure. One perfect example being we made the Gremlin out of the Hornet. The total tooling bill was six million dollars, and you couldn't tool a left front -- hell, you couldn't tool a bumper guard for that now. And more than that, we got it so we hit the market with the first "subcompact" before anybody else. Dick was tremendously competent that way. He'd sketch something on the back of an envelope at lunch sometimes. He was that kind of a guy.

Q So he was just the man you needed. With great good humor and great talent, he was able to work in this rather awkward situation with little money and...?

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Q So he was just the man you needed. With great good humor and great talent, he was able to work in this rather awkward situation with little money and...?

A I really think he enjoyed it. He enjoyed having -- we'd sit down and talk about it, and I'd say, "Dick, you've got eight million dollars to build a whole new automobile." We'd kid one another about it, and we'd say, "How can you utilize this and still have it look and feel like something new?" It wasn't just a question of bending the sheet metal a little differently, there were a lot of aspects that he was a genius at.

Q The AMX really didn't quite -- it had a lot of potential?

A We never had any big volume concepts. We figured we'd hit a segment of the market -- almost the manufacturer's segment of the market -- where, at that time, Corvette were the only people making a two-seater of that nature. I couldn't even remember what the volumes were. But, more importantly, the AMX got an image. Hell, for what it cost us to adapt that from the Javelin, it was certainly worth it.

Q And the Penske teams strove mightily to burnish up your racing image?

A They were tremendously successful. Roger is one of those fellows who never misses a beat. He's incredible.

Q You were coming up with bread and butter cars: the Hornet, for one?

A We were selling Ambassadors and Matadors and whatever we called them at that time. But we still had, essentially, a full line of automobiles.

Q Dick is quoted in this article as saying, "The Javelin always suffered, in my view, from it's Rambler American heritage. It suffered a bit from the dash actual arrangement. In other words, the wheel was too far back, and I always wanted a long hood. The only way on that chassis to get a longer hood was to add overhang." But the Javelin prevailed. It was a fascinating automobile.

A I know several people who still have them.

Q And this article shows several of them still being kept up by their original owners.

A I'd better go back and read that book! After twenty years, one's memory, and mine in particular, you remember things that impressed you at the time.

Q Tell us about Gerry Meyers, who seems to be up and coming in the latter part of this decade?

A Gerry was really the guy in charge. Teague reported to him. He was responsible for all automotive development. I don't remember what title he had. He was probably executive vice-president, but manufacturing reported to him. He had the operating aspects. Operations, procurement, manufacturing and personnel reported to Luneberg at that time. Finance, public relations and international reported to me. It was typically the case in a company where you divide it up depending on the attributes of the people you've got running it. Although, marketing all reported to Bill McNeely at about that stage. And, frankly, our hope -- Bill Luneberg's and mine -- was that both Meyers and McNeely, who were tremendously capable people each in his own way, but each quite different. It was very similar to the Chapin/Luneberg combination, because Bill didn't want anything to do with the outside, and that was my problem. I didn't want to try and run the plants; probably couldn't -- certainly not as well as he. We had a mental picture that between the two of them, that we had another winning team. And they were great, as long as Bill and I were sitting there refereeing. To my eternal disappointment, when Bill and I left, and it was turned over to them, essentially, it just didn't work. McNeely left first, and Meyers continued.

Meyers is a very forceful man. McNeely left and had a couple of excellent jobs, one of which I was instrumental in referring him to them. And he never quite put it together. I regret to tell you that right now I don't even know where he is. He's just disappeared out of my orbit.

But, interestingly, the cover of Fortune magazine about a month ago had a picture of Scott McNeely, who was the head of Sun Systems. He's the flaming success in the electronics business, and that's Bill's son.

Q I'm fascinated by AMX II. Let me read what I'm thinking of:

Meyers thought it was time for a blockbuster type of image car, and what could be better than a mid-engine American sports car. As a starting point, Meyers and Teague were at that year's Geneva show [mid-'68] and then travelled to Italy where Meyers commissioned Gorgio Giugiaro to prepare a styling prototype to compete against the proposal prepared by the AMC's own styling department.

Do you remember that episode?

A That's a fairly standard thing to do: go outside and have somebody do one, you do one internally, and then you try to run a clinic to decide which. I remember the automobile distinctly, because we got it. We had a prototype in running condition. And we got BMW to do the engineering development for us. I went to Munich and drove the car.

Q What did you think?

A It was a spectacular automobile. We had the budget all put together. I came back, and Bill and I sat down and looked at it. This was just what we believed to be the end of the "muscle car era." We had three, maybe four, of them built. One of the guys that worked for Teague, for example, was driving out to Bloomfield, and he went over a manhole that was raised off the pavement by about a inch and a half and

tore the whole muffler system and maybe half of the rear end out of it. It was a lie-down-and-drive kind of a car. It was a helluva a car. I really got a tremendous kick out of driving it in Europe.

But one thing led to another, and the more we looked at it, the more we thought this is exciting, but maybe we might get twenty thousand units a year. We had the price and the volume, and all the rest was all thought through; at least we thought we did. Finally, we just said, "Look, we're bucking the trend. The world is headed towards oil shortages, gasoline rationing." And we were absolutely right as it turned out, because we wouldn't have had the car out until 1972, so we shelved it.

Q You'd been consulting with BMW?

A Yes. They did the mechanical. They put the mechanicals together, because it was our engine, and I forget who made the drive train. It was, essentially, an assembled automobile.

Q In 1970, Meyers and Teague are quoted as being interested in having Kharman do the bodies for the AMX II. Was there a problem with the price or the price of the car as it would have to go up to make any money on it?

A I'm sure that was a consideration. But, if there was a basic motivation, it was the conclusion that the trend is going to be all in the other direction. The muscle car era was going to end. We were doing fine, but we just decided it did not suit our future prospects because we didn't think it suited the future market.

Q You mentioned three or four AMX's. This article mentions that there were five.

A Were there five? I've really forgotten.

Q An interesting footnote to this. "Last spring [this was '80] Teague discovered one just ten miles from Torino owned by Mr. Diamonti, who acquired the AMX II components from the subcontractor and had put one together."

A I never heard that.

Q He said he had to scrap four incomplete shells in order to have a complete AMX II body. To do so, he told Teague, pained his heart. Teague says, "I have no regrets about the fact that he kept the car. In fact, I'm delighted he did so because it's the fairest one of all. It's really a gem."

A Dick had one himself for awhile.

Q When he left American Motors, he told me he was taking it with him. He didn't want to part with it. Dick said the AMX was the Camelot years for him. He felt those were the most exciting times he had working with you, Luneberg, and Meyers. He said he had a great time with you.

A It was an exciting time for all of us.

Q In '70 you pulled the styling department back to reality -- the bread and butter cars. How do the 'Seventies look to you at this point? How is your financial situation?

A In 1970 we bought Jeep for one thing, and it took us about a year and a half to really get that all coordinated, get our own engine in, and all those things that we knew were going to make a helluva difference. It was in '72 or '73 that we made eighty some million dollars, which was a lot of money in those days.

We were doing a lot better, and we had simplified our line to the point where we didn't have a vast variety of things, but we had a pretty



representative line. Jeep turned out to be a plus. It took awhile for it to get going because Kaiser was losing money with it when we bought it, but we saw all the prospective advantages that we could bring to it with what we already had. So the 'Seventies started out well. By about '75 or '76, we could see that in the long range we'd had a philosophy of seeking niches in the market where other people were not intensively competitive. Where they either had a token entry or they really didn't care about it. We figured that we could find enough of those to keep us in a pretty nice business. That we weren't going head on with our then three competitors. At that moment, Ford and G.M. were the ones we worried about.

Bit by bit, we saw that it was not going to be a viable, long-term thing, and we knew that coming into this country, the technique of building a Toyota, or a Saab, or a Volkswagen, or a Renault, you throw out all the U.S. stuff. Everything is different. The door handles are different -- everything. You have to build to an entirely different scale, and you have to have engines that are suited to that size product, and we didn't have any. There was no way we figured we were going to be able to bring them in on our own, which is when we started looking for a partner. I had talked with Renault for a long time, and that was what lead up to the Renault negotiations.

A Compared to the Renault, the Rambler was an entirely different class of car. To make a smaller, light-weight car, you can't just start modifying a basic U.S. automobile. You have to pretty well start from scratch. And the Japanese, of course, were in the process of perfecting that quite effectively. I had been running our international business

years before and had gotten to know people at Renault and also at Fiat. I had previously made a trip to Germany and had interviewed people who, in my mind, might be prospects for a merger of some nature. I spent quite a little time with Agnelli at Fiat, but they had had an unhappy experience in this country, in fact. They finally just discontinued distribution in the U.S.

They had a very effective man here, whom I knew, and he and I went to see Agnelli. We had some good talks, but I could see we weren't going to get very far. This was some time ago. At the same time, I had become really quite good personal friends with a fellow named Bernard Vernier-Paillez, who, at that time, was the third guy in line at Renault. One thing led to another, and we got to the point where we became very comfortable with one another. He was a wonderful man. Incidentally, after he left Renault, he became the Ambassador to the United States from France. He was in Washington for several years, and they came and visited us in Nantucket on summer.

He was the real mover behind the putting together of the two companies. Renault, for reasons of their own, were absolutely adamant that they did not want control of American Motors. They had forty-eight percent, and that was it. They had subordinated notes of some kind -- I've forgotten exactly what now -- that could be converted into stock, which might have given them control. But they were quite explicit in the fact that they did not want to be in a position of controlling the company.

Q Did they say why?

A It was very difficult for me to understand why. I guess, it had something to do with their feeling that, maybe, they didn't want to be

thought of as a French company that owns an American company. In any case, we embarked on an import program, and, subsequently, an assembly program.

Q How was this set up? I've often wondered how effective that was in terms of the product that came over here from Renault?

A You mean, what did we do to the product that came?

Q Were they assembled in France?

A Yes. But they were modified to American, primarily, safety standards.

Q There or here?

A They were done in France, as I recall it. In any case, it was a good relationship, because they were a progressive company, even though -- this is not the politic way of saying it -- they were government-owned. But the French government, at that time, left them to themselves -- let them run it. They had some very good automobile men in there. I'll tell you one anecdote. The fellow who, ultimately, finally, came over here from Renault, after a year or two, and became president of American Motors....

Q What was his name?

A His name was Jose Dedeurwaerder. Jose was here for some time. But, just coincidentally, Jose had been running a plant in Belgium back in the early 'Sixties when I went over and convinced Renault that they ought to distribute Rambler automobiles. Jose was the one who had to do the modifying in Europe to make the Rambler a "big car," because Renault, at that time, didn't have any large car, in effect, to compete with Citroen and others. They were determined to see that deGaulle rode in a Renault.

So we took a Rambler Classic.... This is a flashback, obviously, but it's kind of interesting in its ultimate impact. The Classic was the lowest priced American automobile, but, dimensionally, it fit just what Renault was looking for. So we took a Classic over there, and I mean, literally, Jose and I -- he was then their plant manager at Haren, Belgium, which was an assembly plant -- modified it. We put broadcloth upholstery in it. We took all the bright work trim off. It was, basically, a classic-looking car, anyway. By the time we were through fooling around with it -- we put a chauffeur's partition in it -- we really had quite a presentable product. Unfortunately, it was not the kind of a car that was going to sell in any volume, but they sold, maybe, five/six thousand or something like that. That may even be optimistic. The dealers would each buy one, and they'd sell it, and then they might buy another. But it gave them a car of the size they lacked in the Renault line.

There was an armored version of it, which deGaulle had. Chase bank had one to pick up customers at the airport and bring them to their offices. It was that kind of vehicle, and it had a Renault nameplate on it. That was an experience. Jose, being a production manager, it drove him nuts to have to do this to modify a vehicle, which he knew he was going to have only a little volume with anyway.

Years later, in '78 or '79, he came over here. I knew they were sending a fellow over, and I really didn't pay a whole lot of attention. He was going to be the vice-president of manufacturing here. He walked in the door, and he looked at me, and I looked at him, and he said, "Oh my God, do you remember our days in Haren, Belgium?" I said, "I certainly do." Because he was a really terrific guy. We still correspond

with one another. He is now running a big brewery in Belgium. He's out of the automobile business, but he was instrumental in what went on in American Motors for quite a few years.

For some time things went reasonably well, but not as well as they should have. There are all kinds of people who would like to explain why. But what really finally terminated the Renault relationship with American Motors, in my opinion, was the change in government. When the Socialists, under Mitterand came in, they changed management at Renault. Vernier-Paillez was out, and the man who followed him, Bernard Hanon, was an excellent automobile man, also. Next, however, the government put a fellow -- who was a nice enough man, but a bureaucrat and didn't know anything about the automobile business -- in charge of the company. And, bit by bit, it became quite apparent that they were just trying to find a way to get out. Finally, they put a gentleman named Levy in, who is still there, and he was a person with whom it was very difficult for us to do anything. He, obviously, had a mission. In my opinion, the mission was to extricate Renault from their deal with American Motors.

Renault was losing a lot of money, and the attitude was, "Look, we're not going to pour any more money into America, because we're not getting anywhere. We really don't have any real piece of the market." And we were losing money. It's perfectly understandable. In my mind, it was unfortunate, because I don't think it had to turn out that way. However, it did, and that resulted in the ultimate decision to break. Now, they were smart enough not to make the break until they had arranged the deal with Chrysler.

Q They did that themselves?

A I don't how publicized this is going to be, but, yes. They negotiated the sale of their forty-eight percent interest to Chrysler without bothering to tell us about it. I can go into excruciating detail on that, because I was pretty upset about it, as were others. However, God bless them, they had to look out for their skin, and they did.

Q Was it a done deal before you heard about it, or was it still in negotiation?

A Effectively done. We had a pretty good idea what was going on, but nobody would admit it. Then, when it was done, with forty-eight percent of the company already in other hands, that was it.

Q Did you have a hope or a feeling that you might be able to work harmoniously with Chrysler in a tandem situation?

A Probably not. We didn't have really much of an automotive product line at that time, relatively low-volume, specialized cars. But Jeep was the mainstay, and we did some heavy calculating on whether we could just say, "We're going to split Jeep off and run it as a company unto itself." That had major obstacles, one of them being money. So, we finally concluded that we couldn't go that way. In Chrysler's view, of course, it was a boon, because, to them, having Jeep was the main attraction of American Motors at that time, and it also turned out they got a lot of very good people.

Q How did the discussion initiate? Do you remember any of the details?

A Renault came to us and said, "Look, we've made this deal with Chrysler. You'd better sit down and talk to them about what happens to the other fifty-two percent."

Q Who do you remember talking to about that?

A There were three of us: Paul Tippett, myself, and Ed Lumly. We negotiated with Ben Bidwell and Steve Miller. Steve was kind of the lead man. He was then Chrysler's chief financial guy. It was an agonizing negotiation, because they wanted to do it in New York. I'm living in California. I made five round trips to New York in two weeks or something like that, because they'd say, "Well, we're not getting anyway, 'bye." Lee [Iacocca] never showed up for any of the discussions, so I'm sure what happened was they went back and talked to Lee and then decided we should meet again the next day. All we were trying to do, with not a very strong hand, as you can guess, was to get as much as we could for the fifty-two percent of the shares that were owned by, generally speaking, American shareholders.

Q You were aware they wanted Jeep? Didn't you feel you were in a bargaining position with that?

A Yes, but with forty-eight percent already in their hands, in most mergers or takeovers, if you've got forty-eight percent, just forget it. You know you're going to get the other three that you need sooner or later. We spent all the month of April -- that was '87 -- and finally came up with the best deal we thought we could make and to which they agreed. A deal of that size takes a little while to put together, so the actual takeover, as I recall it -- the actual consummation of the sale -- was August of '87, and that's it.

Q Steve Miller was the highest officer you talked to?

A Yes. Steve was a vice-chairman, and he was, certainly, the executive vice-president of all the financial aspects of the company. We had

the usual accompaniment of investment bankers, God bless them. I've got a whole briefcase here full of studies as to why it ought to be \$4.33 instead of \$4.27 a share and that kind of stuff. You had to go through it.

Q What was the actual selling price?

A I think it was \$4.50. I could be wrong, but that's pretty close. I didn't thoroughly enjoy the process of negotiating it, but it had to be done, and I was probably as knowledgeable about it at that time as anybody. So, that's how it turned out.

Q What about the Alliance? It seemed to go fairly well.

A It was a very good car. It was a remake or a modification of an existing Renault automobile -- I believe the R-18 -- and it was a good car. There were some things about it that I wouldn't say were perfectly suited to the American buying public's taste. One of the beauties of the Japanese cars is they are very smooth, they are very quiet -- even the little ones. It's remarkable how much of that characteristic they build into them. The French -- and I shouldn't be as categorical as this, but, generally speaking -- want something that will go fast, and they don't give a damn if it's noisy, and you have to shift gears a lot, and it's a little rough handling. Witness the way people drive in France and the things that they like in their automobiles. The Alliance never achieved the level of what I'd call refinement from a luxury and comfort viewpoint that some of the others did. Even though we did a lot of modifying of that nature to it. We followed that with the Encore, which was a two-door. I had both of them, and they were very nice automobiles.

Q For awhile, I think you had some thoughts that everything might go well with those two?



A Yes. That was certainly the hope. It was very difficult to say exactly where the fault lay that made the program really not succeed the way it should.

Q Were your dealer networks disheartened at this time, or were they demoralized?

A I don't think really, because Jeep was doing very well, and they were looking for a small car because the Japanese were coming into their own at that time. They recognized that there was no U.S. manufacturer who could effectively build a competitive small car. So, I would say, it was well received. We had some minor quality problems, which needn't have happened. But, again, the attitude toward that sort of thing between the French buyer and the U.S. buyer is quite different. If the door handle comes off a French car, he says, "The hell with it, I'll use the other door." This is putting it mildly and an over-simplification, but you don't have somebody coming crying back the next morning to the dealer wanting a whole new car. That was part of it. It was, potentially, a very good relationship that, again back to what I said before, in my opinion, the things that spoiled it were the political changes and the lack of profit.

Q Mitterand's Socialist government took a more heavy-handed approach to industry than the previous administration?

A Absolutely.

Q Do you recall any specific problems you had with the government over there?

A No, I don't, because most of our problems stemmed from the management that they installed.

Q Levy?

A Yes.

Q Was he antagonistic to the American Motors arrangement?

A Let's say he felt he had the whip hand. We had a board meeting in Paris in February of 1967. At that time we were told, "No, we're not negotiating with anybody." On the 9th of March they announced they had made a deal with Chrysler! And that really burned me up. Suppose they had told us on the 15th of February what were we going to do, go to Chrysler and tell them, "Oh, don't do it, it's a bad deal?" It's just the way some people's minds work. It was unnecessary.

Q You wouldn't have minded an orderly transition if you'd been involved?

A It would have been better. It turned out to be orderly, as a matter of fact, because Chrysler was very good about it. One of the things I know, because they confirmed it, they were absolutely astonished and happily surprised at the caliber of the people they found at American Motors, and they moved them into very key slots, and that speaks well.

Q How did the French receive the Jeep? They certainly knew about it from World War II. Was there any reciprocal sales?

A We started a program with them. Gerry Meyers was really responsible for this. In fact we played around with it over the years, but they kept telling us they wanted a diesel engine, so we got a little Cummins and adapted it to the vehicle, but it wasn't all that great. Finally, the idea of Jeep just sort of took off in Europe. I think the reason that Renault regenerated their interest was because of public opinion, or customer demand, or whatever you want to call it, made it obvious that it was something they ought to be doing.

Q But, it did take off -- the Jeep in Europe?

A It's done well in the last few years, yes. It was the middle-to-late 'Eighties that it really took off. The sale to Chrysler was August of '87 and was right about that time that the Jeep began to become a hot item -- a stylish item; an "in thing" -- in Switzerland and France. In England, they were still talking about the Range Rover, but they're getting over that.

Q Was it a spontaneous thing that built up over the years, or was it something Chrysler did?

A I don't think Chrysler had much to do with it.

Q You didn't have a dealership network over there?

A That's true, not of any dimension.

Q The date on the Renault buy-in was?

A About 1978 or '79. We talked about it a long time while I was still there. I retired in '78, and it was fomenting at that time, but it really came to pass several months after that, as I recall it -- early '79.

Q You retired as chairman of the board?

A Yes, and C.E.O.

Q You owned a large block of stock?

A Well, not all that much.

Q Family-owned?

A They had pretty well sold their holdings. American Motors had a period when it was the darling of the stock exchange, relatively speaking, and our family holdings had been a conversion from the Hudson stock. I had a mental process which said when American Motors stock gets

to a certain level -- it had been depressed after the merger -- which was the equivalent of what our Hudson stock was at the time of the merger, I wrote each of my brothers and sisters and said, "It's at that level, you're on your own. Buy it, sell it, do anything you want to do. Forget about asking me what's going to happen." I felt justified. It wasn't as if I arranged the Hudson/Nash merger, but I felt sort of a mental block that the stock was worth less than what they might have gotten for it if they had sold before the merger.

Q Did they?

A Most of them. I sold some, too.

Q So your negotiations with Steve Miller indicated that you would be receptive, and you wanted the best deal possible. Of course, the key selling point was the Jeep?

A Yes, and the personnel.

Q Of course, Steve was a very canny negotiator. Did he indicate to you that they felt they were trying to rescue you?

A Oh, no. This was a business deal. There was no charity involved, believe me!

Q I understand Lee desperately wanted the buy-out. The Jeep was the key from later accounts?

A I think that has subsequently become apparent. But I wasn't surprised.

Q I don't want to delve into your personal finances, but let's take your case as a case in point. How did it work in terms of your transferring whatever block of American Motors stock you had for either Chrysler stock or for purchase?

A I'm embarrassed to tell you, I really can't remember. All I know is that American Motors shareholders, with almost no exception -- at least none that ever surfaced in my view -- thought the deal was a satisfactory, good deal.

Q Basically, did they get Chrysler stock one for one?

A Chrysler stock and some cash. It wasn't one for one. I've forgotten just what the ratio was.

Q But it was satisfactory to all the stockholders?

A I think I got one letter from somebody saying, "Why did you sell our company," or something like that, but you could have sold it for \$100 a share and gotten a letter like that.

Q You must have had certain personal qualms about the long-time family involvement?

A Yes. American Motors had been something I'd worked at all my life. While I had retired, I was still a member of the executive committee and chairman for quite a while and had a consulting contract with them. I was expected to show up, and I did. I had an office there. I got invited to come and talk with the operating people and go out to engineering and look at the styling, and....

Q This is at Chrysler?

A No, this is prior to the Chrysler purchase but after my retirement. In other words, between '78 and '87.

Q So you had an active consultantship?

A Yes. As I say, there's nothing worse than a consultant who keeps sticking his nose in a meeting, but there are a lot of things that happened that needed a little background. At that time, my memory was a lot fresher, and I was able to be useful.

Q You were uniquely situated?

A Yes. Then Bill Luneberg died, unfortunately.

Q What happened?

A He had a heart attack. It was tragic.

Q Did Tippett come on then?

A Yes, Tippett did. Then what he and I had visualized was that Gerry Meyers, who was a very fine manufacturing and procurement man and Bill McNealy, who was a spectacular, imaginative marketing man and who worked -- as long as Luneberg and I were there -- together very well. I guess, we were not very good judges of human nature, because once Bill and I left, the two of them just couldn't get along. It was a tragedy, too.

Q Who?

A McNealy and Meyers. Unfortunately, because both their personalities and their capabilities complemented, but it didn't work. Then Paul Tippett came in, which was great, because Paul is a very, very good operator. He's a very sophisticated man. He knows how to make things happen; make people do things.

So it was turmoil there, which was most unfortunate. I don't think it affected the Renault decision, because we were diligently marketing the Renault product. But, anyway, that was one of the disappointing things that occurred in the transition period.

Q How did Luneberg happen to have a heart attack? Completely unexpected?

A I'll tell you how unexpected it was, very briefly. I was the volunteer president of the Detroit Science Center, and Bill was helping me. He had just offered to help revitalize the Science Center. We were

having one of our weekly organization meetings, and Bill excused himself from the meeting room and went, I assumed, to the bathroom. He didn't come back. He had a heart attack right there and was unconscious but alive. We got an ambulance immediately, and I went with him to the hospital. He lingered on for, maybe, twelve hours. I went out to Ann Arbor and got his wife and brought her in. He was not an old man at all; he was a couple years older than I was, but that was the end.

Q Meyers had taken over at this point?

A Yes, and very actively encouraged the Renault relationship, which was good.

Q He consulted with you from time to time?

A Yes. Less and less. It was on things like product design and financial relationships. I had competence and background in those areas. I had nothing to do with running the company, nor did I want to. Gerry was the guy that really finally put the Renault deal together. This was the Winter of '79, and it stayed together for eight years with varying degrees of success.

Q In the styling area, when did Dick Teague come in?

A I couldn't tell you.

Q What I'm leading up to, in the last few years you were there and beyond, was Dick good for American Motors?

A Oh, he was miraculous! He could take nothing and make something out of it, or take something and make something different out of it for a million dollars. In fact, we used to have a joke: I'd say, "Dick, we've got to have a whole new car. Here's seven million bucks." He'd say, "Well, let me see, if if we do this, and this, and this....." He was a genius.

Q A design magician?

A Yes. And always thinking. We'd go to lunch, and he'd wind up with little scratches on the back of an envelope as to how you ought to change the rear of this and things like that. I loved it. We were good friends.

Q He stayed on for a couple of years after you left?

A Yes. I've forgotten just when he retired, but, I think, it was about 1985. He recently died.

Q Yes. What about Vince Geraci, his successor? Do you remember him at all?

A Geraci, yes. He was originally in charge of interiors and did extremely well. He had excellent taste. He didn't always jibe with some of the other people there, but, at least, I usually agreed with him, which was helpful. And he's one of the nicest people you'd ever want to meet. Incidentally, he's a very talented artist. I have some drawings he did for me that are a delight. I haven't seen Vince in five years. The last time was at one of the motor shows.

Q I understand he was, the last time I heard of him, doing very well at Chrysler.

A I think so; I hope so.

Q The Chrysler situation: as you say, Renault went around behind you on that? Did you feel good about the eventual outcome of the buy-out?

A Looking at it from the point of view of our people, it worked out very well for them, for the reasons I just said. From the point of view of shareholders, I think it was the best deal that they could have gotten in light of the lack of profitability of both Renault and AMC. It kept



AMC in the industry. It kept it in America. It kept it alive here. From the point of view of the dealers, I would say it was also a good deal, because, in most cases, they kept Jeep, and they added Eagle to it. Chrysler didn't make any big waves in the distribution field. They didn't do any wholesale cancelling of outlets. I'd say that, first of all, Chrysler handled it very well. They did a good job. When you're putting two organizations like that together -- and we went through this back in the Nash/Hudson days -- you're liable to wind up in a us-and-them mentality or we-and-they. I spent a lot of time back in 1954 and '55 trying to make sure that didn't happen, as one of the few Hudson representatives who had any position -- and not much of that. More recently, I went to Chrysler a couple of times to see Francois Castaing. He wanted to show me the upcoming -- what is now -- the Grand Cherokee and go over some of the styling ideas they had. I was standing in the engineering department lobby waiting for Francois, and it was the shift change -- it was five o'clock -- and a flood of engineering employees came out. I'll tell you, about every fifth person coming out said, "Hi, Mr. C." They were ex-American Motors people, which was very gratifying to me.

Q Was that a condition of the sale? Did you insist that they keep a certain number of key people?

A No, not specifically.

Q Job protection?

A There was some arrangement under which if they were laid off -- if they were discharged -- they got a form of farewell compensation, but I don't remember exactly what that was.

Q But they did take some pretty key people on? Didn't they take Tippet to run their overseas division for a while?

A No. It was Joe Cappy, who had become president of AMC.

Q He had taken over from Tippet?

A Yes. Joe is still their vice-president of international. I talked to him three weeks ago, and he's doing well. He says it's a different world, but he knew it was going to be like that.

Q Any key people that you remember that were absorbed?

A I'll tell you one in particular, John Tierney, who was our Vice-President and Controller, is now the Chairman of Chrysler Credit Corporation. He runs the whole credit operation. He's a very capable guy. He and I spent a lot of time together back in the days of AMC's bank problems. I had lunch with him about a month ago. He's got his problems now with the credit ratings of the Chrysler Corporation, but he's surviving, and they made a lot of money last year for the parent corporation.

Q Vince Gerasi went over from design. Tell us about Francois Castaing. He's a rather interesting man.

A He came from Renault, and he was the engineer on the American Motors related products. That I know. Now, what else he might have done, I don't know. We used to see him regularly in France, and he used to come over here a lot. He's a very facile man. He has wide interests. He has great ability and a very good way about him. Coming to Detroit, in a sense cold, he moved into our engineering department, and it was a blessing. He's very good, which is why he's running all the Chrysler engineering.

Q He's now the vice-president in charge of engineering and body development?

A Yes.

Q What about the dealer relationship? Tell us about the Eagle and how that set up the Jeep/Eagle division? Was the Eagle a Renault product?

A No, not really. The AMC Eagle was a four-wheel drive version of the Concord. Bob Evans was the father of that, and he believed firmly in a four-wheel drive compact car. He still drives one. I rode with him a while ago, and it was in beautiful shape. That was our move in the direction of a passenger car, or a station wagon, or a sedan with four-wheel drive. It's a good car, and you still see them running, particularly in places like Vermont and Colorado.

Q That used to be your ace in the hole?

A We never visualized any big volume, but we did know you could get a lot more money for a four-wheel drive than you could for the conventional two-wheel drive as we discovered through Jeep. We built a reasonable number of them, but it had a good name, and it had a good reputation as a car. I think what Chrysler decided was that, as long as they had to give a product to the Jeep dealers, that they would give them the Eagle, and then they would add to that Renault-built products which would carry the Eagle name. And they're good products, generally speaking. It's been a very satisfactory move. They're talking today about having too many lines and do they discontinue Plymouth or Eagle? They're going to pick whichever one they think they can make the most money with.

Q What would be your suggestion?

A Now, how the hell do I know?

Q Brand loyalty aside, the Eagle will probably win.

A It's a good name. It hasn't really gotten off the ground. That's the big detriment there. It's going to take a real push to get that moving, but they've got some outstanding new products with the Eagle name for next year.

Q I would like to focus on your feelings on how the business came out of the actual management. And you've noticed the developments -- both here and abroad. Your father had a wonderful career, and you've had a wonderful career with Hudson and the formation of American Motors. How do you feel about your whole life looking back on the professional aspects? Would you have done anything different? Something major?

A I don't think so. I achieved my objective, which was to head a company, part of which genesis was my father's company, and that's very important to people if you have a strong family identity, because he was a very well-known, very successful man. Sometimes the firstborn doesn't get quite as far as they'd like to -- doesn't turn out to be like their father. Of course, I'm not like him. But to follow in the footsteps, you might say.

Q How are you different from your father?

A I may be a little more attentive to detail. I may not be as broad a personality, have as broad a range of interests as he. He loved everything that had to do with the structure of the industry and its relationship with the government and one country versus another country. I'm not all that great at that. I've been through it. My interests are, perhaps, more of personal gratification. I love to fish, I love to shoot, I love to travel, I love to run my ranch. His interests were much broader than mine. To some extent, we have the same characteristics, in

that he was very good at getting people to do what he wanted them to do, and I've been quite successful at that.

Q I suspect you were rather low key? Persuasion was...?

A I found low key got me a lot farther than some other -- there are a lot of emotional people in this business, and, who knows, maybe it wasn't the way to go, but it worked for me. To answer your basic question, I feel that I've been very fortunate in the way my life has turned out. Good health, happy, I've got a family that's all together and not in the newspapers all the time. I have a wonderful second marriage with, again, four children, so, in effect, I have eight children. It's a little hard to spread all the sentiment around, let's say, but that's not a major problem. I'm perfectly content that I still have enough responsibilities in the business world and to my family, not only emotionally, but financially. I have a very happy life or a lucky life. I have a beautiful ranch in California and base of operations here in Detroit. All the physical aspects are everything you could ask for. I don't have any financial problems. I guess the answer is, I may be over-satisfied. I shouldn't be so content.

Q Do you raise horses or cattle?

A We run some cattle. We don't raise them, we just pasture. I have a very good horse. My wife and I ride quite a lot. We have a wonderful group of friends that really are all new, because we've only been out there ten years. I am still a Michigan resident. I vote here.

Q Do have a house out in Grosse Pointe?

A I have a house in Grosse Pointe and an office in Detroit. I come back here regularly to live and take care of my business and personal affairs.

Q Do you lease your horse while you're away?

A No. I have somebody who comes in and looks after things. No, I love to be able to come back and just -- I can travel without a toothbrush. It really is wonderful, except I'm usually loaded down with so much paper. If that's the summation, I'm a happy man.

Q Let me resort to a rather hoary device and ask you to give a capsule description of various people. Let's start with your father.

A He was a man of great scope. He was very solid, but he had a flair. He was very good with people. He had an idea of what he wanted to do, where he wanted to go, and he got there. He was tremendously interested in government relations, which is one of the reasons he wound up as Secretary of Commerce in the early 1930's -- a period when I don't know if anybody could have been good at it. If you can imagine having to go around telling our country that prosperity is just around the corner, which was the Hoover administrative message.

Q George Mason.

A George was a very gregarious man. He had more men friends. I, through a stroke of fortune, became a good friend of his. As I indicated in our previous discussion, I used to shoot ducks with him, and he would invite me down as an unpaid guide. He had a beautiful fishing place. We shared the same interests, and we were both interested in conservation activities. I got really to know him with Ducks Unlimited, which is a major conservation effort. He had great personal friends working for him at Nash/Kelvinator. They were all good friends. They went off on trips together, but that didn't diminish their capabilities. They were very talented men. Some of them from Ford, some of them from wherever.

But he also had a very informal way of operating. I didn't know him in business in those days. Maybe they had reports, but I think it was mostly Mason would call them in and say, "Now, why don't we do this, and this, and this." Then Romney had to follow up on it, because Romney was the executive vice-president at the time. Mason was a delightful man. It was crime, obviously, that he died.

Q Did he die early?

A Yes. The merger was in May of '54, and he died in October. He barely had time to put it together. It really wasn't together yet. Romney had to tie it up. Anything like that takes a couple of years.

Q What was your assessment of George Romney in this business?

A George had some talents that I've never met anybody with the equivalent. He was a spellbinder, but, at the same time, a good businessman. He understood business. He wasn't just an evangelist. I spent a lot of time with him, and he had other interests which he didn't neglect. He was very much involved in the Mormon church. He and I would go abroad together, and every major town that we went to -- specifically, London and Paris -- he would have a stake of the Mormon church that he would go address at some point in the course of our trip, which is wonderful, and it was a big part of his life. He had the highest principles of any man I've ever encountered in the automobile business.

Q He had to compromise them when he got into politics?

A I talked to him after he became governor, and it was quite a shock to him what a difference it was. This is something that Ross Perot is going to find out the difference between being a CEO and being a governor or a president. You don't just say, "Look, boys, this is how it's going to be, now go do it."

Q What about the Kaiser family -- father and son? Did you have much to do with them?

A I met father, Henry, years ago back about 1936, when they came to Detroit expressing an interest in buying into Hudson, and we had a meeting at the Whittier Hotel. My mother and I went. They made quite a presentation, but it just didn't fly. My personal evaluation of the Kaisers was that they were basically extractive people -- aluminum, steel, gravel, etc. -- and very good at it, but not so hot at consumer goods. I spent a lot of time with Edgar, the son, who was then running the company. Henry had died back in 1969. In '70, when we bought Jeep, Edgar and I had basically agreed on it, but....

Q You had?

A We had agreed that we were going to make a deal. We were going to put this thing together. Edgar was one of those guys -- a wonderful man -- who said, "Well, now, Roy, we know what we've agreed. Why don't you take Iain Anderson or one of your top financial guys, and I'll take so and so, put them together, and let them work out the details." I said, "Edgar, that's not me. I'm a Virgo. I want to see all the T's and all the I's." He said, "Well, that's up to you." We used to play little games as to whether we would have the meetings in Toledo or Oakland. He and I became good friends. He had Steve Girard who was running the Jeep business and who stayed on as a director of American Motors. I talked to Steve just the other day. He's still a friend who lives in California not far from us.

Q He was quite a force there?

A Steve, yes. There was Edgar, Gene Trefethen, and then Steve. Edgar was chairman; Gene was president and CEO; and Steve was executive



vice-president. They all retired. Kaiser Industries doesn't exist any more. Some of the names exist, but they're owned by other people. I really haven't paid much attention to it since everybody I knew got out.

Q Everybody I know on the West Coast belongs to the Kaiser Permanente health plan?

A Oh, yes, that's a booming success. The Kaisers were very much involved with our past and future.

Q Did they have a fairly good network of key dealers when you bought them out?

A Not as good as we'd hoped.

Q You had to restructure?

A One interesting aspect we might add was that the Jeep dealers, a lot of them were old Jeep dealers, and they were used to telling buyers, "The sheet metal in the Jeep fender is extra thick," not like a passenger car, which was not true. And I'm not kidding you, Bill Luneberg and I went around personally and talked to these guys to assure them that just because we were passenger automobile men, we weren't going to screw up the Jeep. This was a matter of real concern. We had to demonstrate to them that our manufacturing techniques -- and, at least, tell them and have the hope that they would understand -- that, if anything, we were going to improve the product, which we did.

Q You, obviously, worked closely with Bill Luneberg. Can you give us an epitaph on that relationship and his abilities in the industry?

A Bill was an action man. He couldn't stand sitting around negotiating, which turned out to be my job in most cases. As I told you, when we got to an impasse with the banks back in January of 1967, when

Bill and I first came in, and we needed additional credit from our bank, we were going through this negotiation together. Finally all these bankers were saying, "We're not going to lend you any more money. You'll just have to figure your own way out of this." Bill got up and held his house keys up, and he said, "Here are the keys to the plant, now which one of you S.O.B.'s wants them?" And that was it. I said, "We'll see you all tomorrow morning," and the next day we got the loan. He was that kind of a guy. He was also the kind of a guy who could go up one side of you and down the other if you'd done something wrong. And half an hour later, you just loved him. You realized he was right. He was unique.

Q Thank you, Mr. Chapin, this has been most instructive. We are in your debt.

A We haven't added much to the history of the automobile business, but we got a few little sidelights.

Q We've added much to the history of Hudson/AMC with your firsthand knowledge. It's very important.

A Be that as it may.

Q Thank you.

A Thank you. I've enjoyed it.

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