The Big Three Join the Revolution

Proud parent of a new baby. Robert S. McNamara, Ford vice president, with the Ford Falcon, the company's entry in America's new small-car race.

By ARTHUR W. BAUM

This week Detroit's big three will unveil their long-talked-about little cars. A *Post* editor tells how these radically different autos will perform.

Another proud pop. Edward N. Cole, General Motors V. P., looks over the rear-end aluminum engine of Chevrolet's new, small Corvair.

Just about a year from now the American automobile-manufacturing industry will spin off its 150,000,000th passenger automobile. The particular vehicle which marks the mighty milestone will go unnoticed and uncelebrated, because no one knows where, among the assembly lines of twenty-five states, the proper car will hit the proper moment. The company that produces it also will go unrecognized. And it is impossible to tell what kind of car it will be. But there is a fair chance that the unnamed vehicle will emerge into a substantially changed automobile market and will itself reflect a year of automotive revolution. That year of revolution will begin this week.

For some time it has been known that all three of our largest auto makers would produce a small car. They have. The products are totally new cars in a new modern category, smaller, cheaper and less costly to operate than anything the three manufacturers, who represent some 90 per cent of American production,

Below: The Corvair compared with a 1959 Chevrolet Bel Air. The Corvair is 31 inches shorter, 4.7 inches lower, 13 inches narrower and weighs 1290 pounds less than the Chevrolet.

The Falcon has the longest wheel base of the new economy models—109.5 inches—and a bit more over-all height.

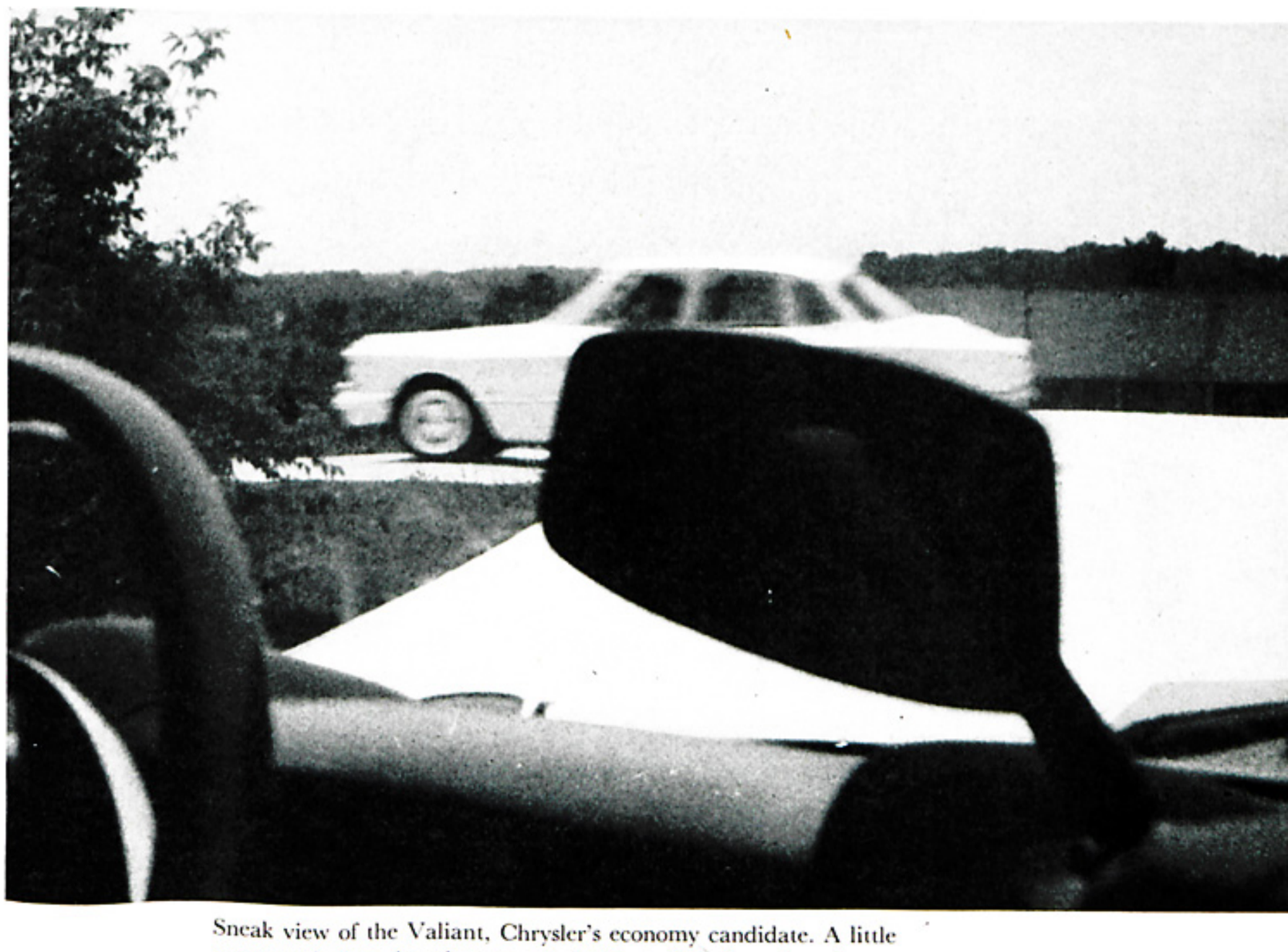
have built for many years. The cars are ready. The revolution is about to begin. The stakes are hundreds of millions of dollars.

No one can foretell the upshot of this unprecedented move. It is axiomatic in Detroit that the industry can build anything anyone wants, but can never predict a success. Thus this small-car move may be a giant industrial blunder. Or it may be the smartest thing Detroit has done in decades. At this point one opinion is as good as the next. Here is the opinion of this writer. The big three have done an astonishing job of producing three highly attractive and highly salable products. The new cars, Chevrolet's Corvair, Ford's Falcon and Chrysler's Valiant, are ingeniously designed, comfortable and possess excellent performance characteristics. The chances are they will be a pleasant surprise in all ways but one—price. Prices are expected to start right close to $2000.

Whether the manufacturers are directly on target in this major move is entirely a matter of what the target is; and there are some widespread misconceptions about that. It is commonly believed that this is Detroit's rebuttal to the invasion of small, economical foreign cars which have been enjoying a boom here since 1955—1,000,000 foreign cars are now registered in this country. But Detroit's new three are not even aimed at the bulk of foreign imports. Largest volume of imports is in Volkswagens and Renaults. The Valiant, Falcon and Corvair will not compete on a direct price basis with any of these. Nor will they compete in price with most models from Fiat, another of the top half-dozen imports. They will compete with some British Fords, Simcas, Opels and Vauxhalls, all of which are high on the import list. But these are cars that American manufacturers were already selling here.

Detroit has not now and never had any intention of producing a so-called austerity car in which style, comfort and performance are too greatly sacrificed for low first cost and high gas mileage. What the auto makers have produced are cars which are nimble, cost a little less, use less gas, but are still six-passenger automobiles. In so doing, however, the producers have made a tacit admission—that their conventional smallest, lowest-priced three are no longer small enough and low-priced enough for an increasing number of customers who want something somewhat less splendid.

If it is possible to conceive of an industry glancing back over its collective shoulder to see what the commotion is back there, the parallel would aptly fit General Motors, Ford and Chrysler in the period 1955–57. Throughout its existence the American auto industry has been accustomed to providing this country with more than 99 per cent of its automobiles. As it marched on to harvest huge and constantly expanding markets it was always conscious that back there somewhere there were a few foreign gleaners picking up some overlooked remnants of the market. It was noticed in 1955 that there were a few more than usual and in 1956 that the small number had tripled from 1954. In 1957 the crowd of small foreign brands picking up market remnants began growing (Continued on Page 141)



Sneak view of the Valiant, Chrysler's economy candidate. A little more exotic than the other two, the Valiant will be introduced soon.

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(Continued from Page 35)

faster and by the end of the year had doubled the previous year's volume.

An accompanying phenomenon in 1957 was the behavior of an independent American producer, American Motors Corporation. Suddenly AMC, which had been in acute pain, started chewing up larger and larger parts of what was known as the little-car market. Moreover, AMC was doing it not with a tiny car, but with a compact 108-inch wheelbase model of fairly roomy inside proportions. This car, the Rambler, saved gas but it did not offer much price reduction. Nevertheless, it sold.

Looking back over its shoulder the industry saw these portents, but at that time the current stir was not very serious. Chrysler, Ford and GM still did 94 per cent of the total business, including imports, which was a drop of less than two percentage points in four years. It was not until 1958 that these three slipped seriously—to less than 86 per cent. The decline was caused by rising imports, a doubling of American Motors production and a modest increase in Studebaker-Packard's total, influenced by introduction of still another small car.

The major American manufacturers have been widely criticized because presumably they did not recognize a trend and provide smaller cars for an increasingly obvious demand. The critics are in error. All of the major three made decisions to produce little cars in 1957, before the great inroads of small cars which occurred in 1958 and which have continued thus far this year. Thus they did indeed recognize and accept the new market quite early in the trend. They have since had little more than two years to disclose what they have done—make very important decisions, design completely new products, build production facilities for them, test them and get them on the market. This is fast work.

Now, what have they produced? With small variations among them they have produced six-passenger, four-door cars that are 1000 pounds lighter and a couple of feet shorter than any present Chevrolet, Ford or Plymouth. They have shortened wheelbases by a minimum of nine inches and in one case more than ten. They have designed new six-cylinder, ninety-horsepower motors and used axle ratios that will, they promise, gain any individual driver one third to one half more miles per gallon of gasoline. They have preserved head room, hip room and entrance room within inches of those of larger cars. They have achieved, in short, small cars with a minimum sacrifice of Detroit's standards of American comfort and convenience.

These are new cars. Interchangeability of parts with other big-three models is in each case negligible. The new specifications demanded acute solutions of space-performance standards, and the results are good. The cars have fine riding qualities, good getaway characteristics and they are as maneuverable as a smaller car is expected to be.

The Corvair has an American look, the Falcon and Valiant have an overseas flavor. Ford's Falcon could so easily pass as an import that no attempt was made to disguise it on country-wide road tests and, according to the test drivers, "The question we were asked most frequently was, 'What kind of foreign car is that?'"

The Falcon is a good illustration of the fact that the industry was early, rather than late, in anticipating today's trends. Its roots go back to 1949, as do those of the other two. At that time there had been a modest flurry of foreign makes coming into this market as a postwar aid in overcoming our war-born car shortage. The foreign cars were different. They were smaller; and while they became lost in the American industry's whirlwind boom in production and expansion of car size and power, the foreigners did hint that it was possible to make small cars that actually took people where they wanted to go and that someday this simple-transportation idea might catch on.

Today's introductions do not stem directly from those slight gleams of 1949, but the gleams had an effect on Detroit's ever-continuing experimentation. In Ford's case there was the additional fact, whether or not anyone ever consciously worked it out, that the 1949 Ford was a significant automobile. It was a first step, and a big one, in jumping the size, power and cost of low-priced American cars, an industry program that was eventually to leave a hole in the market underneath its bottom products. It was into this hole that imports, Ramblers and Larks were to pour, now followed by the big three who are in effect starting all over again in a new low-priced field.

The Falcon is perhaps more conventional and is slightly larger than the Valiant and Corvair. It has a well-appointed interior and a truly surprising amount of luggage space. It has reverted to single headlamps, which is common sense. "Modern headlamps are so good there is no purpose in wasting money on four of them for an economy car," said a proving-grounds engineer.

It is a refreshing sight to lift the hoods of the three new cars and see engines with actual space around them, as contrasted with the crowded underhood conditions of most of today's cars. Beyond this common denominator, however, the new cars split sharply in an acrimonious intercompany controversy over placement of the engine. The two camps are respectively the front-end and rear-end advocates. Corvair's engine is in the rear, a location that has always aroused the indignation of front-end partisans, and probably always will. Front-end advocates assert that an engine in the back of the car produces wrong weight distribution and exerts a spin-out force similar to that on the end ice skater in a crack-the-whip line.

The Corvair power plant is a light, "pancake" motor made largely of aluminum and aluminum alloys and with aluminum used liberally in housings and covers. This weight saving, together with tires and rims designed for weight balance and eleven pounds more air in the rear than in the front tires, results, according to Corvair people, in an entirely new conception in rear-engine cars.

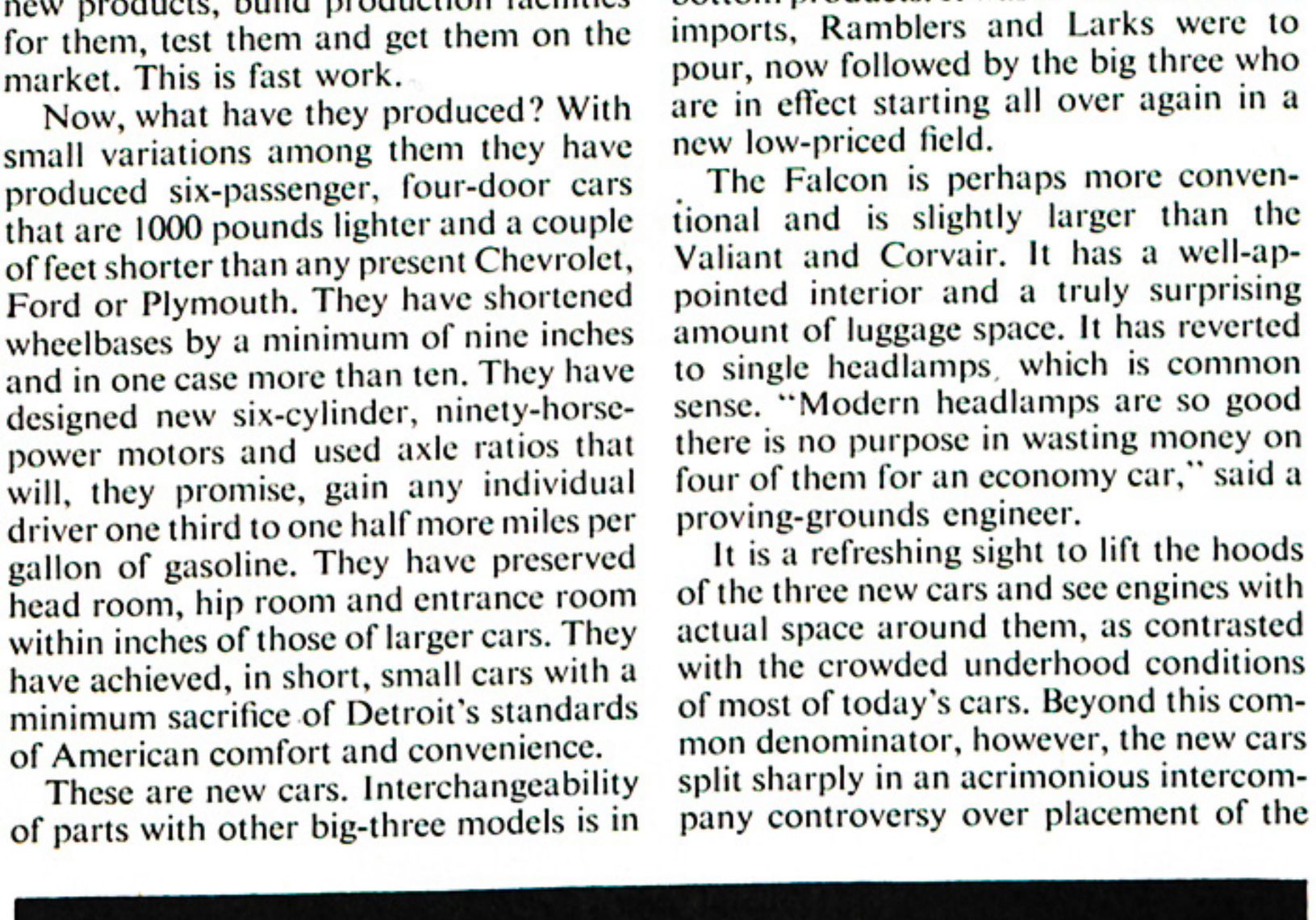
"Critics know nothing about this car," says E. N. Cole who, as Chevrolet general manager, is responsible for the Corvair. "We know what it has done in millions of miles of testing, and I have never been more enthusiastic about any product." Incidentally, this is exactly the way R. S. McNamara, the Falcon's daddy, and Tex Colbert and Bill Newberg, whose child is the Valiant, feel about their cars.

Since the Corvair is the center of a buzzing controversy, let's add a couple of additional opinions. This reporter drove it over a winding course, turned it in tight circles, backed, started, stopped and gunned—and would never have known where the engine was without looking. A young GM testing-grounds employee who has lived with the Corvair from its first on-wheels secret appearance volunteered another and terse opinion. "I've fallen in love with this little fellow," he said.

Corvair people point out that with each Corvair comes a free lifetime supply of antifreeze, which is another way of saying that the engine is air-cooled. And because air-cooled engines do not provide heat as readily as water-cooled engines do, Corvair offers a gasoline heater. The heater draws fuel from the main fuel tank located at the back of the front luggage compartment and in continuous operation will use about ten cents' worth of gas an hour. One gift of the rear-end power plant is almost complete absence of the normal propeller tunnel, thus providing extra leg room and lower over-all height. The Corvair is only 51.3 inches high. This is nearly six inches lower than a Volkswagen.

In securing some advantages, the Corvair has lost luggage space. The luggage deck in front will take a golf bag and clubs crosswise, as GM is quick to point out, but in order to approximate Falcon and Valiant space, Corvair has added a deep well in its back window shelf; and it is pointed out that an optional back seat will fold down, making a sort of business coupé out of the car and providing another bundle platform.

The Chrysler Valiant is the only one of the three with definite rear-fender fins, although they are mild. It has, like the Falcon, a surprising quantity of luggage space in a conventional rear deck and it, too, could easily be mistaken for an import. The Valiant shares with the others a unit form of construction—body and frame in one piece. This will permit American Motors, which has long had unit construction, to say, "We told you so." The Valiant's development was a bit more hush-hush than the other two and was marked by some happy accidents. For example, it is a low-slung car and, in order to obtain reasonable door dimensions, designer Virgil Exner had to borrow door-frame space from the car roof. In doing so he was forced to create a ridge over the doors. It then turned out that this ridge contributed to, rather than detracted from, the silhouette.



Chrysler's Valiant. This picture, published prematurely by a newsmagazine, nearly destroyed Chrysler's plans for secrecy prior to October introduction of the new car.

The Valiant also had good luck with its suspension. The present successful semi-torsion-bar suspension system used in other Chrysler products was applied to the Valiant and, says Exner, "We discovered that we got an even better ride in a car of these dimensions than in larger cars. There appears to be no engineering reason for it—it just happened."

The Valiant, which clings to four headlamps, as does the Corvair, is giving away one premium feature which only the Imperial of other Chrysler products possesses. A new generator hookup permits the car to charge the battery at idling speeds. But marketwise, perhaps the most important Valiant development is the fact that the line will include a station wagon, if not at introduction time, then soon after. Wagons for the other two new ones will come later, if at all.

It would be hard to believe that any one of these new arrivals will fail to sell. What is more likely—and of course this is only bystander opinion—is that the little rascals will wreak a lot of mischief in the country's automobile showrooms.

Big-three manufacturers have long since been flooded with mail from dealers. Its purport is "Who is going to sell the new cars, and if I don't get one what are you going to give me?" The rough basic answer is that Chevrolet dealers will sell the Corvair, Ford dealers the Falcon and Plymouth dealers the Valiant. All other dealers have been offered plentiful rumors which run clear up to the hard-to-believe rumor that Cadillac dealers will eventually get a little Cadillac to sell.

The only certain fact is that the American new-car market is not going to be the calmest area of commercial competition. Consider one change already known. Plymouth has always been a low-priced brand that is normally handled in combination with one or more other Chrysler lines. Now Plymouth is to be separated from its duals and paired with the Valiant. Former Dodge-Plymouth dealers, for example, will lose the Plymouth but in its place will sell another new car, the Dart, which is a sort of small Dodge and will be priced in competition with the Plymouth.

One puzzled onlooker has observed of the general scene, "Take the seventy foreign brands available here, take all the used cars on the market, add American Motors, Studebaker, plus the regular and new little lines of the big three and any customer anywhere by going up or down ten cents will open up a dozen additional buys that he can make." That was ridicule, but substitute a few dollars for the dime, and it comes very close to the truth.

Robert McNamara, Ford vice president, estimates that first-season sale of the new small cars, together with Ramblers, Larks and imports, will total 1,750,000 units. After making a reasonable allowance for the others, this would provide the new little ones with an average market of more than the 200,000 each, which the major three always have said they needed to make production of little cars worthwhile.

A question pops up instantly. At whose expense will these new ones, whose number will equal perhaps 5 to 6 per cent of the entire used-car market, be sold? In answer, the manufacturers, who are in a bitter hassle over their new introductions, are for once in agreement. First, they say, there will be a marked expansion in two-car families, who now number only about one in every seven or eight. Next, a number of foreign brands which cost as much as American products will probably withdraw from this market, if solely because they will now have to compete not only with similar cars but with national networks of parts and service covering every crossroads. Then, while it is not expected that there will be a great penetration of the market for $1500 foreign brands, the American entries will pick up at least some business in this area. Finally, standard American makes, and not necessarily only low-priced makes, will yield a few customers to the new ones.

Undoubtedly there is a little truth in every one of these prospects. It is equally true that most of those on the other side deny each specific assertion. Volkswagen, Renault and Fiat say, in effect, "They'll never touch us." George Romney of American Motors says, "We'll wind up this season with 6.5 per cent of the industry's total and next season we will go higher than that; and we have the products to do it." Studebaker is predicting a jump from 2.5 per cent this year to 4 per cent next year. If everyone is right, then 100 per cent of the market will have to be measured with a very stretchy rubber yardstick.

It may be worth while to consider what is already happening in the automobile market, although current movements are not crystal clear. On the whole, the 1959 model year just ended has been a good year for Detroit, a marked recovery from last year's bad experience. But the rate of improvement varied a great deal among individual models. Little cars in general exceeded the rate of industry improvement. So did a few high-priced and personal-type premium cars. Medium-priced lines as a class turned in the worst performance, although there were conflicts even within this general group. Pontiac, for example, jumped strongly, Buick continued to decline in percentage of the market.

It is by no means proved yet, but there certainly is the faint suggestion that a new price order is in the making. Perhaps the Valiant, Falcon, Corvair, Lark and Rambler are becoming tomorrow's low-priced lines, while Chevrolet, Ford and Plymouth become tomorrow's medium-priced cars; then former medium-priced cars will have to endure a very real and substantial squeeze.

In the intensive research which the American industry conducted prior to production of the new small cars, one request topped all others. A large number of prospective car buyers stated that their first desire was for a car that would use less gasoline per mile of travel. The first cost of a car that would produce this gas-saving result was claimed to be a secondary consideration. The researchers used trap questions to make sure that those who professed a degree of indifference to original cost were answering honestly and were not simply ashamed to admit that original outlay was of acute importance to them.

It is quite possible that these results of research investigations are accurate. But there is ample room for believing that a great many people had expected the new big-three cars to be $1500 or even $1200 automobiles. Those who did will be disappointed at prices near or above $2000. And in the last couple of seasons car buyers have demonstrated that they are capable of paying close attention to the first cost of a car. Substantial numbers of people replacing old cars with new ones have been trading down, selecting new cars in a lower price range than those traded in. This is a reversal of a trend of many years' standing.

The three new cars are, of course, built for the American market, but if they can be sold abroad in competition with foreign makes they may be the means of helping the American industry out of a deepening export hole. We have been rapidly losing our export market for American cars—imports have exceeded

exports since 1957. The new cars overcome to some degree the troubles that have recently afflicted our exports. They are better fitted in price, size and economy of operation to the demands of many foreign markets. They could be of material aid in reviving export sales.

If nothing else, the new small cars will give the three major American manufacturers an additional item for their international sales. General Motors can now add the Corvair to its two international brands, the British Vauxhall and the German Opel. Ford will add the Falcon to its British Fords and its German Taunus. Chrysler will have the Valiant available to supplement the French Simca which it now regards as its international car, although Chrysler actually owns only 25 per cent of Simca.

Of the greatest importance, however, will be the reaction of American markets to the Corvair, Falcon and Valiant. The new cars will settle many questions, but they may not win an argument for either of two typical participants in a recent lunch-table debate over the merits of little and big cars. These two stated their cases bluntly.

A contractor said, "Anyone who buys a big car is crazy."

A lawyer answered, "Anyone who spends a full driving day in a little automobile is not only crazy, he's exhausted."

The new introductions are not really intended to support either side in this argument. What the American industry hopes is that the Corvair, Falcon and Valiant will please both.

Before the industry rolls out its 150,000,000th passenger car a year from now, we will know how close they have come to success. Meanwhile, on with the revolution.