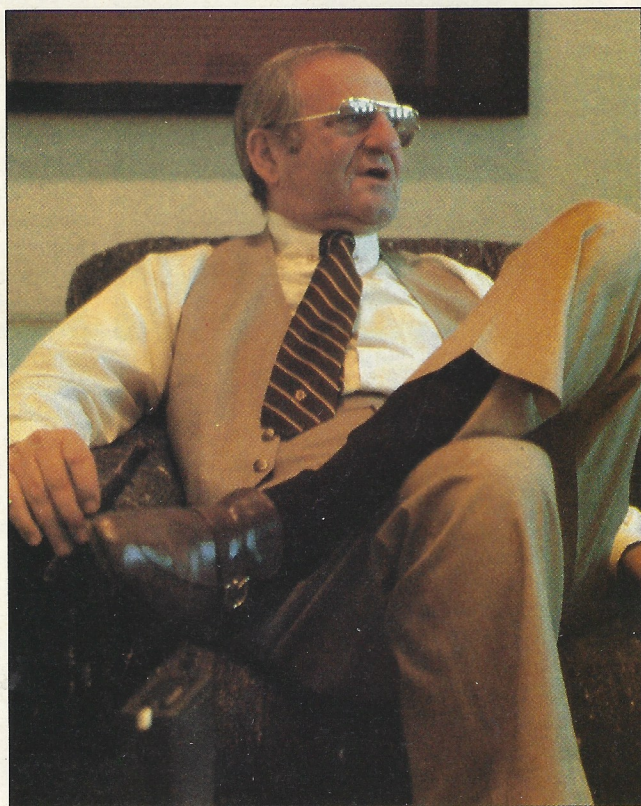


LEE IAC



IF YOU CAN FIND A BETTER SPOKESMAN FOR THE AUTO INDUSTRY, LISTEN TO HIM

Does the *car* have a future? Incredible, Lee Iacocca repeats the interviewer's question.

Detroit's most famous executive sits back on his office couch and chuckles. He removes his glasses, rubs his eyes and replaces the glasses. "What kind of a dumb question is that?" he must be thinking.

It is a bright but chilly October day, and things are not going well in Lee Iacocca's high-pressure world. A new union contract hammered out a month earlier is being soundly defeated by Chrysler work-

ers. After three long years of teetering on the brink of bankruptcy—years during which the struggling company cut its work force in half and negotiated millions in pay-and-benefit concessions from employees just to stay in business—Chrysler is finally beginning to turn a small profit.

Lee Iacocca obviously would rather be doing something else, but he has granted this interview, and he is honoring that commitment because that's the way he is.

"What's the alternative?" he fires back. "How would you move around? The

United States is the United States. It has suburbs, and it has industry, because of a thing called a four-wheel car and a four-wheel truck.

"What are you going to do? Walk? Take a horse? That's like asking, 'Does the telephone have a future?' What would we do without that?"

Now he's displaying that animated Iacocca manner that makes him such a delight for the nation's press, gesticulating with his ever-present cigar that he often re-lights but seldom takes time to smoke.

C O C C A

By Gary L. Witzenburg

"Mobility. That isn't guaranteed in the Constitution like free speech, but just try to take it away from people. Try to take away a teen-ager's wheels. Try to take away the car your wife uses to go to market. Eighty-eight percent of the people in this country get to work in cars.

"The idealists like to say, 'Well, why don't you just take a big van to work with 10 people instead of one, and the fuel bill for each one is cut to 1/10th?' But most people won't even do that. Why not? We tried it here. Chrysler was probably the biggest van-pooler in the world. But people said, 'I've got to be in an hour early . . . or stay an hour late. You've taken away my flexibility.'"

The cigar changes hands from time to time. Often it's the free hand that keeps pace with his words. He shifts position impatiently on the couch.

Some of those same idealists, the interviewer points out, might ask, "Why not spend some of the billions that are going into retooling the auto industry, and redesigning its products, on mass transit instead, so we can start weaning ourselves away from such total dependence on the automobile?"

The thought amuses him. "I think, in New York, for example, a car would be a nicer thing to own if the mass transit would unclog the doggone streets! Seriously, the American is a funny sort of person. He *really* wants the flexibility of that car.

"Certainly mass transit plays a role in the major cities, the Londons and New Yorks. If there were a rapid-transit system from where I live, Bloomfield Hills [a Detroit suburb], to here, I'd take it—if it were fast, and safe, and if you could get it at any time of the day or night.

"But I think the working guy—man or woman—wants his private little stereo along with his car, and the world blocked out. That's the only way he gets away from his kids at times. And he's in the car, the doors are locked, and he feels safe. After a hard day he goes right into his drive and he falls into the kitchen.

"You take him to the station—he's got to get from there to his house, or his wife's got to pick him up. He says, 'Hold on, this

is not my way of living. I like conveniences."

"The college kids used to ask that question in the '60s, but I don't think they ask that anymore because they're not that idealistic. They get out of school and the first thing they want is a car."

The 58-year-old Iacocca talks rapidly, in staccato rhythm. He thinks even faster, so his sentences bump into one another as his mind races ahead. Often he leaves sentences incomplete, expecting his listeners to fill in the blanks while he dashes off on another thought.

"What about the people who can't afford cars?" the interviewer asks. "More people are being priced out of the market as cars get more and more expensive."

"They keep buying used cars," he retorts. "The bus systems . . . I wouldn't suggest they take your tax money to operate the buses . . . maybe to put in better equipment. But will they run all night? No, I doubt it. Cars run all night."

Although he seems to relish the public attention at times, Iacocca is very much a private man. What little time he manages away from his work he prefers to spend with his family. He likes to swim and play tennis, but does most of both at home. He and his wife have two daughters, one just out of college and the other recently graduated from high school.

He was born Lido Anthony Iacocca on Oct. 15, 1924, in Allentown, Pa., the son of an Italian immigrant who had worked his way into ownership of a successful car-rental firm. His first name came from the seaside town where his parents had honeymooned. At 15, young "Lee" was immobilized for six months with rheumatic fever, a setback he turned into a learning experience by reading everything he could get his hands on.

He graduated from Lehigh University's engineering school in 1945 with a 3.5 grade-point average and high honors, and was accepted into an elite engineering training program at Ford Motor Company. He set two career goals for himself: to be a Ford vice president by the time he was 35, and president by 40. He left briefly to

enter a postgraduate fellowship program at Princeton University, then returned to Ford Engineering.

Soon impatient with engineering, he asked to be transferred into a more people-oriented field, such as sales or marketing, but he was refused. So in what would become typical Iacocca fashion, he brashly quit, then found himself a sales job with Ford in Chester, Pa., near his home town.

Iacocca quickly proved himself a master salesman. In 1956 he created an innovative campaign called "56 in 56"—buy a new '56 Ford for \$56 a month—that was so successful it moved his district into first-place in sales and was picked up and used by Ford nationwide. It also gained him plenty of attention back in Detroit. Four years later he was general manager of the Ford Division and a corporation vice president. Just 36, he had missed his goal by a year.

In 1964 Iacocca introduced the Mustang, a new type of affordable "youth market" car that became a record seller almost overnight, revolutionized the industry's marketing thinking and propelled him into a vice presidency over all of Ford Motor's domestic car and truck operations before the year was out. In 1969 he unveiled the Lincoln Mark III, first of a still-unbroken series of highly successful and profitable prestige Lincoln "Marks."

In 1970 Henry Ford II named Iacocca president. He was 46 and had missed his second career goal by six years. But he had a new goal: to replace the man whose name was on the building, at the head of a corporation that had never been captained by a non-Ford.

Perhaps the grandson of the company's founder resented that aspiration. Perhaps, as many speculate, it was just an unmanageable clash of two powerful egos. Perhaps, as Iacocca insists, it was simply high-level disagreement on future product and operating philosophy. In any case, eight troubled, turbulent years later, Ford suddenly showed Lee Iacocca the door.

The unemployed ex-president mulled dozens of chief-executive job offers before finally deciding to stick with the business he knew best. On Nov. 2, 1978, he signed on as president of the then-foundering

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Chrysler Corporation. When the chairman, John Riccardo, retired less than a year later, Iacocca at last was captain of his own ship. Granted, it was a much smaller ship, riddled with torpedo holes and sinking fast. But the tough Italian-American had never been one to shrink from a challenge, even a seemingly impossible one.

The rest, as they say, is history: government loan guarantees, work-force cuts and concessions, renovated plants, the highly successful K-cars, affordable mini-performance cars, convertibles, and Lee Iacocca himself (reluctantly, he says) as the company's chief spokesman.

"If you can find a better car," he tells TV viewers, "buy it!" And many believe him as they would no ordinary pitchman.

Despite the continuing slump in auto sales, Chrysler reported a \$266.2-million profit in the first nine months of 1982, and the beaming chairman promised more profitability to come. Next fall he'll unveil two more exciting new products: a turbocharged, lightning-quick sports car and a highly practical and economical mini-van, both derived from the versatile K-car.

So, what about the family car of the future?

"I think our new Chrysler E Class and Dodge 600 are the family cars of the future," Iacocca declares, unable to resist plugging his products like a proud parent. "I say that because they're front-wheel-drive, have big back seats, and get 30 miles per gallon on the average, 23 to 24 in the city. They share a four-cylinder engine, with a track record that won't quit, meaning it gets performance and economy and has never had a recall. They're rust-proofed for five years, backed by a five-year, 50,000-mile warranty so you don't have to worry about them."

Beyond the next few years, though, he concedes that everything depends on fuel prices. Diesel cars have a solid future, he believes, once the cost of gasoline climbs above that of diesel fuel again. But Iacocca holds little hope for practical electric cars in the near future.

"I've had so much experience with electrics," he scowls. "All bad. We put millions into electric cars at my former employer and we never could cut it. I said to my scientific types there, 'Just get me home and back—42 miles.' They couldn't do it. You know why? Because half of my trip was stop-and-go on a country road, the other half in freeway traffic. You can go 70 miles at steady speed, but as soon as you have to accelerate you drain the battery dry with about three hits of your foot."

"Electric cars need a breakthrough, like a polio vaccine almost. You have to have a battery that really does the job. Once you have a battery, the car will follow. Until then, forget it. In this century, no way."

Turbine engines?

"The gas turbine has multi-fuel capability; you can run the thing on potato peels, anything. The government helped fund Chrysler's early turbine work because they thought, 'Boy, what a perfect thing in war if you can run on potato peels!' It didn't work. A turbine is fine for a jet aircraft, but it's a son-of-a-gun in a car. It's hot, and it's heavy, and it's loud."

"Mostly, it melts. It's too expensive. Make the thing out of titanium and the engine is going to cost three times more than the whole car. We thought we could do it with glass [ceramics], and we worked with the glass people for five years. But they all busted. To get efficiency and run on any kind of fuel, you have to get it up to 1600 degrees, and then everything but the really expensive stuff melts."

"I don't want to sound like the old guy dragging my feet after 35 years in Detroit, but I've tried them all. We've had engines in here, perpetual-motion machines that run on air and a few other crazy things. It's wild, everybody is trying; but it isn't there yet technologically. We can go to the moon, but we can't run cars yet on anything but fuel in an internal-combustion engine. The guy who does come up with a breakthrough will not only get a monument in the park erected to him, he'll also become a multibillionaire."

"Now, the control of that internal-combustion engine has improved in quantum

leaps, with computers telling it what to do and what not to do, depending on the climate, the air pressure, the altitude. We've come a long way there. Our cars drive better now, and they're getting fuel economy with performance and very clean exhaust. Look at fuel injection—10 years ago it was a novelty; now it's on almost everybody's car."

Getting back to the subject of family transportation, Iacocca believes his coming '84 T-115 (the small, front-wheel-drive van) will be "everyman's" car, a people's car like the old VW Beetle, "one-third wagon, one-third truck, one-third car; functional, fuel-efficient, fun to drive, safe—a *super* car." But he scoffs at the idea of a two-passenger commuter vehicle, calling it "idealism rearing its head again." He feels that anything below the size and weight of today's four-passenger subcompacts would be too uncomfortable, impractical and unsafe (in an accident) to be taken seriously by the American public.

Such tiny cars, he says, couldn't be manufactured cheaply enough to be economically attractive: "If you could build them in plastic in Korea and ship them in for \$1,800, I guess the market would open up. But you can't build a two-passenger commuter car here for less than \$24 an hour. The guy who hooks on the fenders gets \$24 an hour whether he's working on a little bitty car or a Cadillac."

"I mean, the little car gets so expensive, the customer says, 'I'll take the bigger one.' That's happening now. The guy says, 'I know the smaller one gets 10 miles per gallon more, but that larger one looks so substantial.' It looks like he's getting a bigger ice-cream cone for his money, so he's buying the less-efficient car now because of heft, because he feels it's safer . . . whatever."

Iacocca, in fact, has little use for two-passenger cars of any type. "Maybe I'm an old fuddy-duddy," he says, "but every time I leave a back seat out I eliminate about 90 percent of my volume. I don't know what it is. There were so many complaints on our convertible [before it went

into production], that it didn't have a back seat; we put one in, and now they're complaining that they want a bigger back seat.

"I ask people if they ever use the back seat, and they say, 'No, but it's reassuring to know it's there,' in case they want to pick up another couple and go to the club or a bridge party or something. I've studied two-passenger cars forever, and they don't sell."

While not all automakers agree, Iacocca believes that front-wheel drive is definitely the way of the future for passenger cars, and he's moving all of his company's products rapidly in that direction. "It's the most efficient package," he asserts. "You don't have that hump in the car, and once you have the power-train investment paid off it begins to cost less than rear-drive. It gives better traction, better stability. Frankly, I think rear-wheel drive is dead."

He admits rear-drive is better for towing or carrying heavy loads, however, because added weight in back unloads a vehicle's front wheels. "You have to be very careful," he adds, "but we do have towing packages for our front-drive cars."

The interviewer wonders aloud how the car of the future may be affected by government regulation.

"Well," he says, "we went through a 10-year phase of too much regulation, but I think it's going to slack off. Not in the clean-air area or basic safety, because you have to have ground rules on those things. But when you get regulations going beyond that—you must get so many miles per gallon or you're declared a gas-guzzler, for example—that's going too far. The marketplace will take care of things like that. Heck, the fuel-economy law says we have to average 26 miles per gallon as a corporation this year, and we're already doing 28½! What law? We had to do that to survive!

"I think you'll see more sensible regulation in the next 10 years, because I think we've learned our lesson as a country.

"The bumper standard added weight, and for what? They said our insurance premiums would come down. But when you hit one of those complicated bumper systems, the insurance company has to pay more to fix it, and what is saved on lighter hits pales by comparison.

"Air bags are another thing. If one goes off when it's supposed to and saves a life, great. But if it goes off inadvertently, you've got about \$1,000 inside the car to clean up.

"I would think that air bags and bumpers are good examples of government intervention, on the old theory that if a little regulation is good a lot must be terrific. We've had to learn the hard way on things like that."

(Continued on page 50)

YOUR CAR OF THE FUTURE

Americans have had a love affair with their cars ever since the turn of the century when the first mechanical monsters chugged and putted their way down the dusty roads. Since that time we've seen a lot of changes in the design, and the mechanical prowess that makes them move.

Our know-how should assure that the car of the future will be no less innovative, nor any less practical, no matter what the changes occurring in the world or our nation. The questionable availability of oil may cause some design changes in our cars just as the limited availability of money for highway repairs will have its effect. Other factors likely to dictate changes are decreasing family size, government regulations and interference, safety needs and, of course, the preferences indicated in the marketplace by you, the buyer.

Your preferences are probably the single strongest factor dictating what the car of the future will be. We'd like to have you give us a preview of exactly what it is you'd like to see in the car you want to buy in the future: see-through tops, seating capacity for nine, trunk-mounted brake lights, more exotic styling, marine capability, whatever.

Share with us your single best idea for the car you'd like to buy 20 to 25 years from now (or sooner), along with your reason for that idea. If we choose your entry for publication, you may claim a collection of toy trucks and cars from Tonka Company in plenty of time for next Christmas.

If it makes it easier to explain your idea by sketching a picture, by all means send it along. If you've created a model of your idea for your hobby club or for some other purpose, you can take a photo of that model and send it along. Otherwise limit yourself to 150 words to describe both the idea and your reason for it.

HOW TO PARTICIPATE

1. Send your best idea for the family car of the future—in words or pictures—to FRIENDLY EXCHANGE, 1999 Shepard Rd., St. Paul, MN 55116. If you're describing your car of the future verbally, limit yourself to 150 words. If you're sending a photo, include a brief description of what the picture is showing. If people are included in your picture, send us their complete names.

2. Include name, address and phone number with your car idea and/or photo entry. Each photo must have a name and address on it.

3. The outside of the envelope must bear the notation "Car of the Future."

4. There is a limit of five new-car ideas and/or photos submitted by each person, and all five may be sent in a single envelope. Pictures may be hand-drawn, black-and-white prints, color prints or color transparencies. The return of any entries cannot be guaranteed by FRIENDLY EXCHANGE.

5. Postage due on any entry will make it ineligible.

6. All new-car ideas and/or photos must be received in the FRIENDLY EXCHANGE office by Feb. 15, 1983.

7. For each new-car idea and/or photo published in a future issue, FRIENDLY EXCHANGE will reward the sender with a collection of toy cars and trucks. Selection of the new-car ideas and/or photos to be published will be by the editors, whose judgment shall be final.

8. FRIENDLY EXCHANGE reserves the right to use the winning entries for promotional purposes.

9. All recipients of FRIENDLY EXCHANGE are eligible to submit new-car ideas and/or photos or drawings for consideration by the editors. Employees and agents of Farmers Group, Inc., The Webb Company or advertising and public relations agencies for Farmers Group, Inc., or The Webb Company cannot participate.

Enclosed please find my new-car idea. (If you are sending a drawing or photo, describe completely what the photo shows, including the names of any people in the picture.)

Print Name _____ Phone _____

Address _____ City _____

State _____ ZIP Code _____

Mail to: FRIENDLY EXCHANGE, 1999 Shepard Rd., St. Paul, MN 55116

people were there. I thought they were there for Cary, but the publicist said they were there for me. I said, 'I can't do it.' And Cary's voice from behind me said, 'You can; you have to. Just smile and walk right through. You can.' I saw him sneak off quietly and wave from the edge of the crowd before he disappeared."

After the success of *The Diary of Anne Frank*, the studio kept her under contract, but didn't come up with any other film projects. Studio publicists would schedule her to attend premieres and parties with young actors, but Perkins always refused.

"I told them I couldn't go out with somebody I didn't even know," she says.

There was a brief marriage with actor Dean Stockwell, of which Perkins says today, "I still think of it as a romance rather than a marriage." The studio finally released her from her contract, and she made a few more films: *Wild in the Country* with Elvis Presley, and *Ensign Pulver*, a feature film in Spain. She continued to take acting lessons to improve her craft, working in television and summer stock.

Tiring of California, she returned to New York and again met Thom, who'd written the film *Compulsion* that starred Stockwell. Later they married and had children. "That was what I wanted. When I had the girls, I decided I really didn't want to work. I was happy being a mother."



Millie Perkins today: "basically a mother."

Today Millie Perkins is visibly proud of her daughters, and happy she's able to provide for them by returning to show business. Besides her new film *Table for Five*, she starred in a five-part drama for television's *Romance Theater* called *Love in the Present Tense*. It was about a professional model combining her career with motherhood. "You could call that type-casting," Perkins says, laughing.

Working and looking for work take up much of her time, and the Hollywood social scene doesn't interest her, she says. "I've

no time for it. My excitement comes from taking my work seriously again. And getting Hedy to her ballet class on time five days a week. Besides, I always look forward to getting home with the girls, and spending the evening finding out what's going on with them."

When city life seems to close in, she and her daughters head back to Oregon for fresh air, hiking and fishing.

"We've been hiking since the days I carried Lillie on my back like a papoose," Perkins says. "There's something special about getting out in the woods or up on a mountaintop that makes everything else seem small and unimportant."

What little socializing she does in Los Angeles consists of small dinner parties with close friends, one or both daughters usually with her. An accomplished cook, she often brings along a special dessert.

"Let's face it, basically I'm a mother," Perkins says of her life today. Then she relents. "But here I am, working again and loving it."

And her smile says she's looking forward to filling the empty pages remaining in her own diary. □

Harry Basch is a photo/travel journalist based in Los Angeles. As an actor he has appeared in World War III, Blind Ambition, Rollercoaster, Coma and dozens of TV series.

LEE IACocca

(Continued from page 25)

Iacocca is typically unafraid to take an unpopular stance when he thinks he's right. For one, he is an outspoken advocate of safety belts, even suggesting at times that their use should be mandatory—as it is in Canada and many other countries. "I've spent too many of my waking hours worrying about air bags," he complains, "when if people would just buckle their doggone belts. . . . They're the most wonderful safety devices known to man. Even *with* air bags you need a seat belt. You must stay in place, so you must put on your belt. Nobody wants to talk about that. The press says, 'No, no, no! We don't want to hear that!'"

The big unlit cigar is really moving now. The steely Iacocca eyes are flashing, the trim, grey-suited body erect on the couch.

"Here in Detroit we lobbied against air bags; so I say, well, give the customers something else to protect them. Give them a forced deal, mandatory belts. I'd say that most of my mail was against that after I came out for it publicly. Everybody who wrote in said, 'You're interfering with my civil rights.' Son-of-a-gun! Do you have a driver's license? That's interfering. Do you have to wear glasses when you drive?

That's interfering. You have to stop for a stoplight, and even *that's* interfering!"

"But you have to have some rules to avoid carnage at the intersections. If you hit something at any speed over 30 miles per hour and you're not belted in, forget it. Heck, a lot of people get killed between 10 and 20 miles per hour when they're not wearing belts!"

"Sure, we have passive restraints, passive belts that you don't have to buckle up yourself, and they're pretty good. Except we have the feeling that they're not the answer, because the people who refuse to wear belts will just cut them."

That's why, he says, "[Secretary of Transportation] Lewis said, 'That's not the way to go. Can't we just get them to use the belts they already have?'"

"You know, with today's safety glass and safety steering columns and everything else, it's pretty tough to get killed in a car anymore if you just have those belts buckled around you. Our saving grace is the younger generation, the kids trained on defensive driving in school. They're the ones who use their belts the most. My kids don't ever get into a car without putting them on. I never have to remind them, and that's terrific! The harnesses are pretty good now, too, even for women, with the retractors that are adjustable for tension."

Our hour is up. Iacocca settles back in the couch, re-lights his cigar for the umpteenth time and answers one last question: What thoughts can he offer on the automakers' role in the 1980s and beyond?

"Well," he sighs, "people want to put in less gas. That's not a happy experience at the gas station, so we're getting more fuel-efficient all the time. The other thing is peace of mind. I'll put our quality up against anybody's; we warranty our cars for five years now. They're getting so durable and rust-free that you don't have to worry about them much anymore—50,000-mile tires, 50,000-mile brakes, 100,000-mile engines—almost maintenance-free. We've made tremendous progress, and that's the good news."

"Now we have to work on keeping our costs down—raw-material costs, labor rates that are more in keeping with what the rest of the world is doing—and we have to share those savings with our customers. Our job now is to make the automobile more affordable." □

Auto engineer Gary L. Witzenburg of Troy, Mich., races sports cars and heads Troy Media Productions, producing articles and columns on cars for a variety of publications. He authored Automobile Quarterly books on the Mustang, Camaro and Firebird. In his 17-year racing career he has won 11 events.