

MOTOR TREND

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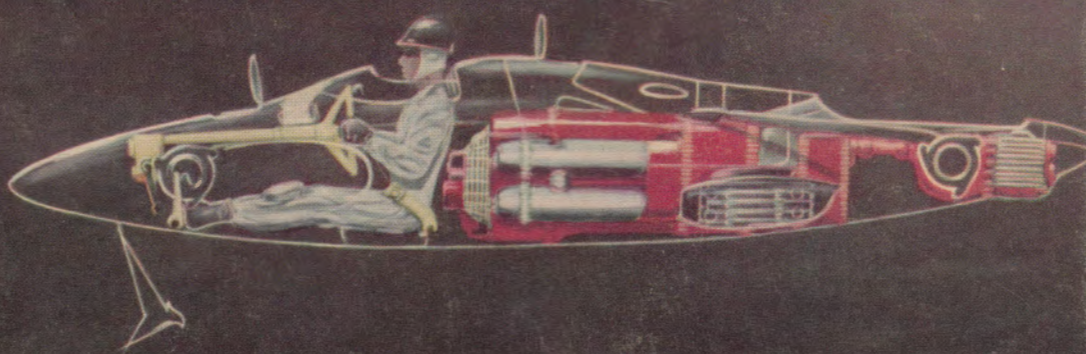
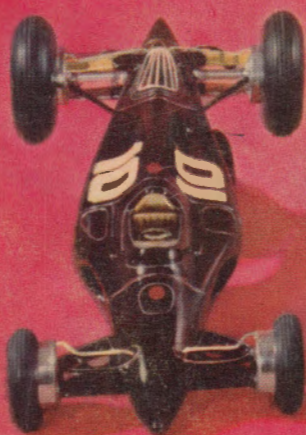
How to Buy Your Next Tire

MERCEDES 300-SL SPORTS CAR TEST

FUELS: More Punch Coming



What's Next With Studebaker and Packard?



A TURBINE FOR THE TRACK?

SPOTLIGHT ON DETROIT

by Don MacDonald

PRACTICALLY EVERY EVENING in your hometown newspaper, you read about the widowed mother of 12 who fell down the stairs and broke her leg and how the neighbors pitched in to help her.

This, we take for granted, is the American way, but the same philosophy is not usually applied during the 8-hour business day. A notable recent exception is the reaction of business and government to the well-publicized, very desperate straits of the Studebaker-Packard Corp.

AS WE GO TO PRESS, wire service teletypes are chattering out a story that looks accurate enough to put an end to the many rumors. Despite firm denials from the principals involved, Curtiss-Wright is emerging as the most likely of a number of rescuers.

"Ready for signing" is a transaction that would give the aircraft firm an option on 7 million shares of S-P stock at a considerable discount from the market value. Since 15 million shares are authorized and only about 6½ million are currently outstanding, Curtiss-Wright would have control.

THIS OLD-LINE COMPANY (named after the 1st man to fly) emerged after World War II with few peacetime products for sale. Their production aircraft were already obsolete, and they had pinned their engine development on hopes for the turbo-prop, a powerplant that turned out to be an interim measure at best.

Nevertheless, shrewd management kept the company alive and prospering as a kind of massive subcontractor (mainly aeronautical) and builder of products designed by others. They employ nearly 30,000 people in 5 states and put a substantial \$35 million profit in the bank last year.

This profit, which puts Curtiss in the 52 per cent tax bracket, is one key to their interest in S-P. The latter has built up a loss of \$55 million and will probably continue to lose for a while, all of which can be applied by formula against Curtiss's past and future profits.

THE 2ND KEY, and purportedly stipulated as a part of this transaction, is at

least \$200 million worth of new defense contracts. Top government officials, including Defense Secretary Wilson, have been quoted as "ready to do anything in their power to help S-P." The White House "is in constant touch with the situation." The Justice Dept. is "very sympathetic" to any sound merger proposal. With these attitudes behind them, whoever jumps in to the rescue can hardly lose.

IT'S AN IVORY SOAP CERTAINTY that, by the time you read this, Curtiss-Wright or some similar company will have stepped in to control S-P's affairs. No one in Detroit or Washington considers bankruptcy, the only other alternative, as an allowable possibility. From a defense standpoint alone, too great a resource and talent pool would be disbanded beyond chance of recovery in an emergency.

REGARDLESS OF HOW the financing is obtained, the physical facts of what will be produced where seem clear. Car production, mainly Studebakers with token Packards (no Clippers) will be concentrated in South Bend. Detroit facilities will be turned over to the anticipated defense business.

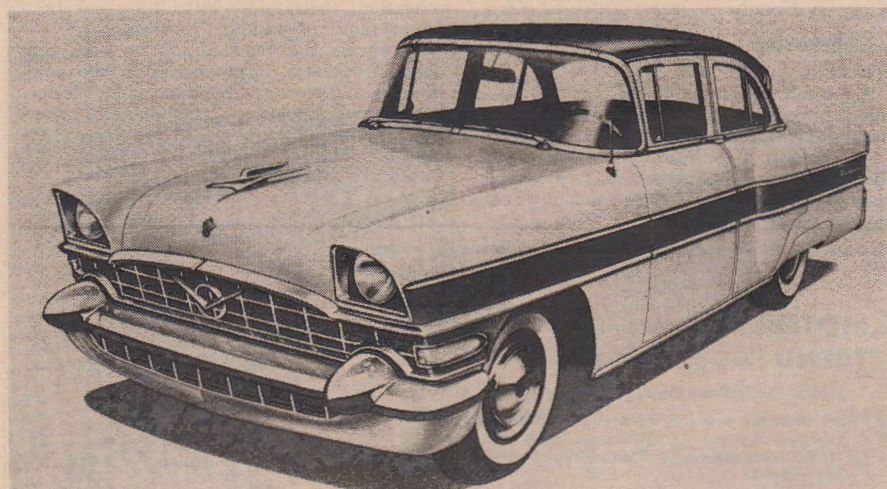
THE PLANNED COMPLETE TOOLING CHANGE for Packard has now

been delayed beyond recovery, so instead there will be a facelift. Studebaker, scheduled for a '57 facelift anyway, will get greater emphasis and a larger share of available funds.

Much of the new money will be devoted to bolstering the dealer organization. Many of them (particularly those selling Packards only) are having financial problems of their own. They will have to be spoon fed with extended credit and large profit margins on each car, until everyone concerned gets back on his feet and confidence restored.

THE "FULL-LINE" APPROACH, obviously unsuccessful, will be abandoned in favor of the specialty market *à la* American Motors. Look for much emphasis on the Hawk series and a Champion that will eventually evolve along Rambler lines.

Meanwhile, there will be dark days ahead for individuals. Packard-Clipper production will shut down for the year on June 15, throwing thousands out of work in the Detroit area. It is doubtful if many of the hourly workers will be moved to South Bend, which already has a backlog of employees laid off due to curtailed Studebaker production. Future employment is dependent on military orders which, even if awarded tomorrow, would take months to reach the assembly line and so induce prosperity.



A note of irony in Studebaker-Packard's struggle was injected by the announcement of the Packard Executive, intended for the young man "on his way up in prosperous times." Base prices are \$3465 for the sedan and \$3560 for the hardtop, including Ultramatic. All luxury accessories and over 60 color combinations are available

WHATS NEXT WITH STUDEBAKER-PACKARD?

THE MODERN ENGINE PLANT in Utica, Mich. will shut down with car production, except for token orders from American Motors. Even this contract is due to expire in August, and renewal is doubtful as A-M now has a V8 of its own.

Despite the temporary darkness, the story is a saga of industry pitching in to help a fallen comrade, with a considerable benevolent assist from Uncle Sam.

when will we see '57s?

FURTHER INDICATION that the '57s will be born into a condensed announcement period comes with the interest shown in revival of the National Automobile Show in December (8 thru 16). Lack of show space, it seems, has been a major reason for not renewing the show since World War II; but with New York's new 300,000-square-foot, 4-level Coliseum now available, there's a good chance that we'll no longer be without a yearly auto show, sponsored as this one will be, by the Automobile Manufacturers Association (AMA).

what's the best ratio?

IS YOUR CAR FIT for your particular driving conditions? Packard-Clipper division wondered too, came up with a product-engineering report showing that more people are conscious of axle ratios than ever before. Seems that in '53, only 0.7 per cent of their buyers bothered about such things; but for the '56 season, a remarkable total of 80 per cent have requested a specific axle ratio. PC's "best bets"? Their 3.07 is a hot seller to those looking for all-around economy and performance. Where city driving predominates, they suggest a 3.31 or a 3.54 ratio, with the latter a wise choice if you live in mountainous territory. Economy-minded buyers will probably try the high-g geared 2.87 to 1 ratio. Division spokesman points out that the correct selection of axle ratio can mean a 20 per cent increase in economy and performance under certain driving conditions.

glow, little plymouth

GO-GETTING Petzold Motor Sales Co., Detroit Chrysler-Plymouth merchant, manages about once a year to come up with an idea that merits national recognition. Last time it was placing a Ford and Chevrolet in its showroom full of Plymouths for customer comparison, with more of them outside for demon-

stration (MT, Apr. '55). Now they are offering 100 Plymouths that glow in the dark at no extra cost for an introductory period of 2 weeks. A reflective overcoating (made by Minnesota Mining and Mfg. Co.) is sprayed over the regular finish. Available in green, blue, brown, and magenta red for 2-tone effects that harmonize with Plymouth's standard colors, a car so treated is claimed to be visible 1500-1700 feet away at night as compared to less than half that distance for an untreated car. With its obvious safety feature, we predict the process will quickly see widespread use, just as the similar MMM luminous paint has become almost standard for lettering on railway freight cars.

more station wagons

LOOK FOR A BIG SUMMER selling season for station wagons. Plymouth sales vice president William J. Bird says Suburban models are accounting for an unprecedented 15 per cent of their total sales. Plymouth, 1st in line with an all-metal "passenger car" wagon, reached 12 per cent in '55 wagons per total sales. That's an increase of 700 per cent over '48, the year before station wagons came into their own, the year when everybody's wagons accounted for only 2½ per cent of all cars built. Last year, wagons made up some 9 per cent of passenger car sales in the industry.

PLYMOUTH'S WAGON SURVEY,

cited recently by Bill Bird for all to read and heed, was based on questions asked of owners of '55 Suburbans. It showed, 1st of all, that 44 per cent of the owners were actual "suburbanites." The typical wagon-owning family contained 4 or 5 persons; of the 3 out of 4 buyers who owned a car of a different body type before buying their Suburban, 85 per cent were replacing a 2- or 4-door sedan with the station wagon.

DIGGING DEEPER INTO THE

FACTS, the Plymouth survey uncovers the fact that nationally, 1 out of 8 families own 2 cars. Odds are even better that when there's a wagon around, there'll be another car—3 out of 8 wagon-owning families own 2 cars, the 2nd car being a 2- or 4-door sedan. Of the Suburban owners who had 2-door wagons, 1/3 said their next purchase would be a 4-door station wagon. "Very few" 4-door wagon owners said they'd go to a 2-door model next time.



"Chrysler Corp. will feature torsion bar suspension in its '57 models."

TRUE—Slated for front end installation only, the new system was originally planned for '55 introduction but shelved when news leaked of Packard's intention to suspend all 4 wheels on torsion bars. Ride will be as soft as ever; however, it is not yet clear whether change will be across the board or reserved for more expensive models.

"Studebaker-Packard's and American Motors' insurance giveaway programs (MT, May 1956) are running into snags serious enough to possibly kill the well-intentioned idea."

TRUE—At least 8 states have legislation or court precedent prohibiting what amounts in effect to insurance being sold out of channels. Attempts to change the laws have so far succeeded only in bringing down the wrath of the firmly entrenched insurance brokers' lobby. In addition to the 8, 9 more states have issued "cease and desist" orders.

"Ford will have a 4-passenger T-Bird for family-minded buyers in 1957."

TRUE—This happy event is not only true, but true twice over. There will be 2 poor man's Continentals, a convertible and a hardtop, built to standard Ford chassis length, but with all the flair and lowness for which the T-Bird is justifiably famed. "In return for publicity, Cadillac gives away the convertibles (13 so far) which sponsor Revlon Cosmetics uses as prizes for semi-successful contenders on TV's famed \$64,000 Question."

FALSE—The cars are sold to Revlon at a price considerably above wholesale. Neither is it true that Cadillac officials "anged" the Broadway show, *The Solid Gold Cadillac*.

"The forthcoming New York Automobile Show (date not firm yet) will spell the end of private spectacles like GM's Motorama."

FALSE IN PART—GM is seriously considering dropping Motorama, certainly in New York; but on the other hand, Ford is brewing up a spectacular of its own to put on the road.

"Last season's dream cars, L'Universelle and Eldorado Brougham, are still slated for August '56 introduction."

FALSE—Material shortages and tooling difficulties have forced postponement to (at best) late November.