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McCann & Me: One Woman's Experience in Detroit Automotive Advertising



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Editor's Note

As I write this, the United States is reopening, and so is interest in automotive history and enthusiast activities. I suspect there will be a frenzy of activities as we strive for “normalcy,” whatever that is going to be.

For almost a year now classic car events, including weekly local cruise-ins and cars & coffee, the Historic Vehicle Association “Drive History” conference and SAH Board Meetings have been cancelled or held via Zoom. However recently I received notice that the all-Porsche swap meet is “on,” albeit moved from Hershey to Carlisle, PA. It was an early sign that we are moving forward, masks or not.

And so it is fitting that 62 appears in your email inbox or post box. During the darkest period of the pandemic I honestly wondered about the relevancy of automotive history. To me, it was a view of the world that, given the current circumstances, was quite marginal. There were so many other things that were more important—family, the elderly, young people and school, religious activities, national politics and international affairs. As the year of pandemic unfolded, people were believing in crazy ideas, culminating with a riot that took place as Congress was stormed in Washington. But with normalization now on the horizon, I now perceive that the study of history is more important than ever. Can you really understand America—exceptional or not—if you do not understand the 20th and early 21st centuries, and the place of the automobile in shaping economics and society, and vice-versa? Consequently, it is time to restart our historical study engines.

What we have in 62 is a gamut of historical work that reflects a breadth of subject material and a diversity of methodologies that are associated with automotive history. Chris Lezotte lived automotive history while working in automotive advertising in Detroit during the 1970s and 1980s. She tells us her story but much more. Her fascinating piece adds considerable background to those of us who view advertising as part of the historical record. To be sure there are several key studies that help us interpret what advertising is, and whether it is a bell weather of social preferences or the shaper of consumer wants, but what Chris does is give us a down-to-earth primer of great value.

Louis F. Fourie is also a veteran of the automotive industry, and his history focusing on Argentina is a valuable contribution to a narrative that we know little about. You can count the number of in-depth studies of the automobile in Latin America in the English language on the fingers of both your hands. Louis possesses a vast knowledge of the

global industry, due in part to his own experiences while working at General Motors in South Africa and elsewhere. 20th century Argentina was cosmopolitan, wealthy, at times diplomatically at odds with the United States, and often politically unstable. But like much of the rest of the world, its citizens were enthralled with speed and automobility.

Kuan-Hung Lo also brings an international perspective to this volume. His scholarly work brings together the history of technology with gender history. He tells a fascinating story of marketing mopeds to women in Taiwan.

Wayne Moore's essay on early racing in Texas is a brief study of the early 20th century history of speed in the Lone Star state. It not only fleshes out an important story in motorsports history, but also brings into the story two of the most fascinating figures of the late 19th and early 20th centuries, Hattie Green, “The Witch of Wall Street,” and Howard Hughes Sr. Professor Moore is a gifted storyteller. I hope to meet him some day to hear more of his work.

Dave Hermanson also has written an article on motorsports for this issue, but with a bit of a twist. When we think of the Mobilgas Economy runs the usual focus is on amateur drivers, including women and teenagers. In contrast, Dave discusses the contributions of highly regarded drivers from a variety of venues, including drag racing, sports car racing and NASCAR. From the cast that he lays out, one has to conclude that there was a very serious side to an event that was more than a public relations promotion.

Speaking of those with an intimate knowledge of the automotive industry, Kevin McDonald's work on credit purchases, consumerism, and the emergence of the leasing of vehicles is a robust treatment of a relatively neglected, but important topic. The extension of means of credit to consumers was absolutely crucial in the linking of mass production to mass distribution. Without that synthesis, the scale and scope of the automotive industry would have been quite different from what it became beginning in the 1920s.

Finally, we include a personal response from former SAH Treasurer Pat Bisson to the Volume 61 panel discussion on “Whatever happened to General Motors in Dayton?” A former GM employee and GM dealer, Pat's thoughts add to the important question of how GM declined beginning in the 1970s.

Your reaction after reading these articles is welcome. Also, if you are doing research and writing on aspects of motoring history, I urge you to consider publishing in *The Automotive History Review*. Guidelines for those wishing to submit appear elsewhere in this issue.

Best wishes for a good spring—and happy motoring to all! 🍀🚗

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McCANN & ME

One Woman's Experience in Detroit Automotive Advertising

By Chris Lezotte PhD

Prior to my (very) late entry into academia, I spent nearly two decades in advertising, as an art director, copywriter, creative group supervisor, and eventually a Vice President. A few of those years were spent at McCann-Erickson, one of the many automotive agencies centered in metropolitan Detroit during this time. My career spanned the 1970s and 1980s, a very different era in the advertising world. It was the pre-digital age—computers were not yet commonplace; the Internet was not yet public; photographers still used film; and MTV was in its infancy. What follows is a recollection of the three years I spent working in the car advertising business nearly 35 years ago. It should not be taken as representative of a universal experience; rather, it provides a glimpse into Detroit automotive agency culture during a particular moment in automotive history.

The Place—Detroit Automotive Advertising and McCann-Erickson

I began my advertising career in the mid 1970s at Doner Advertising in Southfield, Michigan, a suburb of Detroit. The Detroit advertising scene at that time was composed primarily of large agencies that catered to the US automotive industry.¹ Doner was the largest private, non-automotive agency in town and was known for its award-winning creative work.² There were also smaller, boutique type shops that produced advertising primarily for local businesses. After 4 years at Doner (where I met my soon-to-be husband, an up-and-coming account executive), I worked at a couple of small agencies but was dissatisfied with the small, low budget accounts and the difficulty in producing good creative product. I had noticed the ad campaigns coming out of McCann-Erickson, which handled two divisions of

General Motors—Buick and GMC trucks—and found the advertising to be more interesting and imaginative than that of other car shops. McCann was also smaller than the majority of automotive agencies, so I felt it might be a place where I wouldn't get lost among the minions and perhaps make a bigger contribution. In addition, although I entered the advertising profession as an art director (AD), I worked primarily in broadcast (TV and radio) at Doner; when promoted to Creative Group Supervisor I spent more time writing than working as an AD. Therefore, I hoped that a car agency would provide the print experience I was lacking.

When I heard of a job opening in the creative department at McCann, I sent my book and resume for consideration and was granted an interview³. Imagine the surprise of the executive creative director when Chris Lezotte walked into his office and was not the “man” he was expecting. During the 1980s, the automotive industry, as well as its various agencies and suppliers, were almost exclusively male. Although the 1970s women's movement sought to challenge these longstanding hiring practices, the ideologically conservative auto industry was slow to change. Thus I considered myself extremely fortunate when I was taken on as a senior art director at McCann despite being female, and despite having no automotive experience, or, for that matter, any automotive knowledge whatsoever.

The Person—A Youngish Not-a-Man Who Knew Nothing About Cars

Although I grew up in the Motor City during the 1950s and 1960s—considered the golden age of American automobile culture—it was in a carless household. My father passed away when I was nine, and my mother—

the daughter of a Polish immigrant who came to Detroit in the early 1900s to work in the auto factories—never learned to drive. Thus what should have been my formative car years were spent primarily on public transportation. The boys I dated in high school did not have their own cars; transport to movies and concerts was most often courtesy of the family station wagon. My siblings and I shared a car after acquiring our respective driver's licenses. I learned to drive on a three-on-the-floor 1960 Corvair. The first car purchased on my own at the age of 21 was a stick-shift 1970 VW Beetle, the most reasonably priced vehicle on the market.⁴ While my mother's non-driving situation impressed upon me the importance of automobility to women's lives, unlike many of my car-crazy Detroit peers, I was not privy to an automotive education. Thus when I started at McCann, I hoped that my enthusiasm, work ethic, creative ability, and willingness to learn would make up for my obvious lack of car smarts.

The People—Who Does What

Although ad agencies of the time differed considerably in size, billings, philosophy, and creative output, all shared a similar organizational structure. The two main departments were Account Services and Creative. The account guys—or “suits” as referred to by smart-aleck creatives—were the direct line to the client. On the most basic level, they were responsible for creating assignments, developing advertising strategies (if you were lucky), and selling the creative product to their respective client contacts. At agencies with smaller accounts, they often had multiple clients. At car agencies, account executives were usually assigned to one model, brand, or division.

The creative department was composed of copywriters, art directors, and producers. In a nutshell, the creative department was responsible for developing the advertising for the client. At McCann, there were two creative divisions, one for catalogs, the other for print and broadcast advertising. I worked in the latter.

In the early days of car advertising agencies, writers and art directors worked separately, often on different floors. The writer would come up with the concept, write the headline and copy, and instruct the AD to “art it up.” During the 1960s, this division became less marked, as writers and art directors began to work together as teams. In this new configuration, art directors often came up with headlines, writers offered visuals,

and each worked as a sounding board for the other's ideas. However, some tasks remained divided. Writers were ultimately responsible for print and broadcast copy (although art directors could write headlines and make suggestions), and art directors hired and worked closely with photographers, retouchers, illustrators, and typesetters to produce the finished print product. Storyboards for television commercial presentations to the client were also the art director's responsibility.⁵ Producers obtained bids for TV production, and worked closely with the production company on commercial shoots.

McCann's creative department was rather small, especially in comparison to agencies like Campbell Ewald and J. Walter Thompson. At the time of my employment, there were about a dozen people in the creative department, which included Executive and Associate Creative Directors. All work had to go through the creative directors before being presented to the account team. Work would go to the client only after receiving creative and account approval.

Other departments included traffic, media, accounting, research, and administrative services. Whereas smaller and/or independent agencies performed most of these functions in house, McCann's media, as well as a few other responsibilities, was handled by the main New York office.

During the 1980s, American automakers introduced new models in September. Therefore, car agency creatives were incredibly busy from late March through Labor Day. This is when the majority of work—from concept to finished product—was completed. McCann had other, smaller accounts which helped fill in the gap between the end of one car model year and the beginning of another.⁶ Although these accounts had smaller budgets, they were less hampered by legal considerations and the work did not have to go through numerous layers of approvals and revisions as did the automotive accounts. Consequently, they allowed for greater creative freedom and were a lot of fun to work on. New business pitches, with accompanying campaigns, were also part of the automotive down time. In order to avoid conflict of interest, none of the products pitched could be in anyway competitive with Buick or GMC.

The Process—How Advertising is Made

Advertising starts with an assignment. On a car account, it could be for a single ad or commercial, a small print/TV campaign for a particular automotive model or event,

or a conceptual umbrella campaign for the entire brand. Buick and GMC were not major players in the General Motors automotive lineup. Unlike Chevrolet, which introduced the new model year with a massive and over-reaching brand campaign, the annual rollouts for Buick and GMC tended to be smaller and model specific.

Assignments originate from meetings between the client and the account executives, are passed on to the creative directors who then mete them out to a particular creative team. Sometimes the assignment is very specific—“this is the message you need to convey”—whereas other times it’s more general—“just give me something great that will sell a lot of cars.” The creative team works together to come up with a concept that can be applied to all of the elements in that particular campaign—i.e. magazine, outdoor, tv, radio—and then works up headlines, visuals, and scripts to present to the creative directors. The idea is either approved, killed, or sent back for revisions. Often more than one team will work on a particular assignment which sets up competition within the creative department for the “best” idea. Sometimes multiple ideas from various teams are presented to the client; other times just one campaign is selected to move forward.

It is the goal of every creative person to have his or her idea make it into production. Not only is having produced work beneficial when job evaluations come around, but art directors and copywriters are always thinking about their “book” and the next potential, better paying and more opportunistic, job offer. Some creatives will bend over backward to do what the account team and client want in order to have work produced. Others will strive to do the most creative work possible, work that will win awards and gain them recognition within the advertising community. This second type of work is much more difficult to sell, as it often requires the account person to fight for the creative over client apprehension or objections. The larger and more conservative the account, the less likely such work will be approved.

Once the advertising—whether ad, script, or campaign—receives creative approval, it is sent to the respective account team. If it meets the account executive’s specifications, it is presented to the client. After it gets through the agency chain of command, it proceeds through various levels of approval on the client side, ultimately leading to the head of Buick, who during the mid-1980s was Lloyd Reuss. Approved advertising must also be channeled through the automaker’s

legal department to avoid false or misleading claims. Some clients insist that multiple campaigns are tested via focus groups. For the larger assignments, creative directors often co-present the campaign to the client alongside the account executives. At McCann, single ads or small assignments were usually handled by the account team. At any point during this multi-layered approval process the work can be altered, re-directed, sent back for changes, or given an untimely death. There is a lot of arguing, pleading, and angst along the way. “Suits” want to please the client; creatives want to please themselves. It can be an arduous and stressful process.

Once advertising is approved through all of the various channels, production begins. While the copywriters tweak copy, the art directors get to work. Although there were some occasions that called for illustration, most automotive advertising I was a part of relied on photography. Thus for print—magazine ads and outdoor boards—photographers had to be hired and photo shoots scheduled. Automobile photography is a specialty. During the 1980s, the majority of “sheet metal” shooters were in Detroit. Depending on the visual and the budget, automobiles were photographed in a studio or on location. When shooting on location, the “sunrise or sunset” rule applied. That is, cars look best when photographed as the sun is setting or rising. During the long days of summer, which is when the majority of photography took place for a fall roll out, this translates into late nights and early rises, often one day after another if more than one shot is required. Some photo shoots were local; however, if weather was a concern, the sessions took place in a warmer climate such as Arizona or California. While outdoor shoots must be done quickly while the sun is just right, studio shoots are endless. Hours if not days are spent perfecting the complicated lighting.

While it may sound somewhat ludicrous for an agency that specializes in automotive advertising, we often went to a photo shoot without the right car. Sometimes the requested color wasn’t available; other times we had to use an older model as the current one couldn’t be spared. This was eventually remedied through retouching. These were the days before digital photography. The photos were printed as dye transfers, then sent off to the magicians known as automotive retouchers. These artistic geniuses could transform a blue car into red, alter a 1983 grille into the 1984 version, or change the wheel covers per client request. They could enhance a particular section of the car, reposition it in the landscape, or place the vehicle in a new setting al-

together. Once this process was completed, type was set and ads were prepared for production. When designing the print materials, there were some restrictions. Buick ads had a specific “look”—particular fonts for headline and copy—and the themeline—“Wouldn’t you really rather have a Buick”—and logos—the bigger the better per the client’s request—had to be incorporated into the layout along with other elements such as EPA ratings, promotions, and disclaimers.

For broadcast, bids were accumulated from various production companies. In both print and broadcast, cost was a concern, as Buick and GMC did not have the big budgets of other GM divisions. Post production included editing - both picture and sound - and subsequent rounds of approval. It was not uncommon to recut a commercial multiple times to address client concerns.

My Life at McCann-Erickson

I started work at McCann a couple of months after the big fall automotive rollout, so things were relatively slow in the creative department. This gave me an opportunity to get a feel for the place, the people who worked there, and to get to know my creative partners through a few small auto and non-auto assignments. As a new art director hire, I was also visited by a steady stream of sales representatives from photographic studios, design studios, illustrators, retouchers, and type houses who hoped to get my business. In the *Mad Men* days of advertising, meetings with these individuals often took place over a “liquid lunch.” The exodus from Detroit to the suburbs for most agencies during the 1970s—which necessitated driving to lunch rather than walking—quelled this somewhat. That didn’t stop reps from taking me out for an occasional meal, providing tickets to sporting events, buying me (and the other art directors) nice Christmas gifts, and stopping by on a weekly basis to promote their studio’s work. Although the constant salesmanship could be annoying, for the most part the reps were personable and pleasant to talk to. And when the creative department took the afternoon off one year to attend the Detroit Tigers Opening Day, the reps came along and bought hot dogs for everyone.

One of McCann’s unique annual events was a five-day junket often referred to as “Camp Buick.” In early April of each year, the creative department spent the better part of a week at Shanty Creek, a condominium resort in northern Michigan. The objective was to begin brainstorming ideas for the upcoming new automotive

season. Each day we teamed up with our partners, then presented our ideas before breaking for the evening meal. At the end of the session, we were treated to a nice dinner at a local French restaurant. Although not many of the ideas generated during these sessions made it into production, the workshop served to get us out of our unproductive winter malaise and start thinking about cars. It also served as a source of creative “bonding” that would help us get through the next six months of intensive automotive labor.

During my first automotive season at McCann, I produced some solid but not particularly noteworthy work. One of those projects involved the Buick Century (fig. 1). The headline—“80 Years Went into this Century”—is a nice play on words, positioning the Century as representative of eight decades of quality Buick automobiles. This is the kind of headline you write when there’s nothing unique or special about the car. It is clever enough to draw attention but doesn’t really provide much information about the vehicle. As the Century remained basically unchanged since the previous year, there was not much new to talk about. Reflecting on the ad in 2016, *Autoweek* journalist Murilee Martin notes, “the Century was a much better car than the wretched Citation-based Skylark of the same period, but it offered neither the luxury demanded by the wealthy elderly nor the modern running gear demanded by the technology-obsessed young.”⁷ Within the copy, the car’s attributes are listed as comfort, prestige, luxury, quality, and efficient form. Not exactly excitement inducing. But for Buick, long ingrained into the public imagination as the “doctor’s car,” excitement was not a prerequisite. As Martin writes, “this magazine ad for the 1983 Buick Century seemed more aimed at the octogenarians who had snapped up Electra 225s a decade earlier.”⁸

While I no longer have a copy of the TV commercial or script, the print ad and outdoor board support the headline through the display of three generations of Buick automobiles. The print ad was shot on a late summer evening at Detroit’s Willow Run airport. The warm pink sky of a beautiful summer sunset is reflected in the car’s surface. The asphalt was hosed down; wet pavement is often used in car photography to enhance the vehicle’s appearance. The photographer positioned himself high up on a “cherry picker” to get the desired shot. There are no second chances on an outdoor shoot—when the sun goes down, or up as the case may be, the photography session is over. The outdoor board, using the same three cars, was photographed at a studio (fig. 2). Positioning

80 years went into this Century.
1983 Buick Century.

That's how long Buick has been carrying on a love affair with the automobile. A devotion to bringing you comfortable, prestigious, quality cars. And that, of course, is exactly what Buicks have been down through the years.

Right down to today's state-of-the-art Buick Century. With its pleasing and efficient form. And its eminently luxurious passenger environment.

Among Century's impressive engineering credentials: front-wheel drive and a highly efficient 2.5 liter four-cylinder powerplant (see EPA mileage estimates below). Also available are V-6 gasoline and V-6 diesel engines.

EST. HWY.	EPA EST. MPG
39	24

The fact that 80 years went into this Century is surely reason enough to put yourself into one. You can do that at your Buick dealer's today. Oh, and before you turn the key, buckle up.

Use estimated MPG for comparison. Your mileage may differ depending on speed, distance, weather. Actual highway mileage lower. Some Buicks are equipped with engines produced by other GM divisions, subsidiaries, or affiliated companies worldwide. See your Buick dealer for details.

*Official Car of the XXIIIrd Olympiad
 Los Angeles 1984*

BUICK
 Wouldn't you really rather have a Buick?

Figure 1. Buick Century advertisement: “80 years went into this Century.” (Time, November 1982.) Author’s collection.



Figure 2. Buick Century outdoor board: “80 years went into this Century.” 1982. Author’s collection.

the cars, and getting the lighting exactly right, is incredibly time consuming.⁹ Detroit automotive photographers were not only masters of their craft, but were also perfectionists who possessed infinite patience.¹⁰

In automotive commercials, there are often shots of vehicles driving through picturesque locations on long and winding roads. Members of the creative department would sometimes be asked to go out with the production crew to film this “running footage.” On one such occasion, myself and another art director spent the day at a local recreation area known for its beautiful scenery and twisty back roads. However, rather than assist in setting up the shots, our job was to release cages of doves at specific locations—for effect as the car drove by. When it began to rain unexpectedly, the shoot continued regardless. As we were unprepared for the sudden change in weather, we fashioned rain jackets out of garbage bags found in the production truck. I can still remember the two of us standing in the rain with a bevy of unhappy caged birds, waiting for the director to yell “pull!” Such is the glamorous life of an automotive art director.

The Woman’s Car

During my second year at McCann, I was assigned the Regal, which had been designated by General Motors as the “woman’s car.” This classification was not due to its popularity among female consumers nor to any “female friendly” automotive features. Rather, it was because sales figures for the outdated Regal were dropping. Reconfiguring the Regal as the Buick offering especially appropriate for the woman driver was a

dubious strategy to reinvigorate the brand. Traditionally, automakers have attempted to market unpopular cars to women when “authentic” automobile aficionados—male drivers—would no longer buy them.¹¹ Since both my partner and I were female, it was assumed we would find a way to sell the Regal to the woman behind the wheel.

For this mini-campaign, we decided to put a clever spin on a tired female stereotype which suggests that attractiveness and brain power are mutually exclusive. Both the print ad and the television commercial feature a blonde, professional-looking woman posed next to a 1983 Regal (fig. 3). The print headline—“Good Looking Outside, Good Thinking Inside”—relies upon an often used and effective advertising strategy which calls upon a common positive attribute to link the product and the person who uses it. In this case, the line could be talking about the automobile or the woman standing beside it. The ad copy goes on to expand the misconception often applied to women—“that someone, or something, that’s got a lot in the good looks department, may be lacking in the good thinking department”—to include the smart and stylish Buick Regal. It mentions the beauty of the vehicle’s exterior, while also remarking on the vehicle’s powerful engine and intellectually designed interior, intimating that the woman who drives it is attractive, powerful, and intelligent as well. As noted in a 2013 automotive blog, “[the ad] reaches a market of classy, smart, and hard-working women on their way to work, smiling while preparing for that big presentation.”¹²

While I don’t recall the exact words of the television commercial, a similar message was delivered by the same woman featured in the print ad (fig. 4). The technique called upon was what is known in the ad



Good looking outside. Good thinking inside.

1983 Buick Regal.

Some people assume that someone, or something, that's got a lot in the good looks department, may be lacking in the good thinking department. Lest you have the same misconception about the Buick Regal, here are some things to consider.

We certainly agree that the Regal is strikingly beautiful. But it's got more going for it than that. For instance, there's a 3.8 liter V-6 engine that gives a lot of power, yet has a lot of willpower when it comes to conserving on gasoline consumption.

EST. HWY. 30	EPA EST. MPG 21
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Regal's interior not only looks rich and luxurious, but it's intelligently designed. So there's plenty of room for five. And, of course, there's plenty of trunk space, too.

So go see the 1983 Regal at your Buick dealer's now. You'll find that a lot of good thinking went inside of the Regal's good looking outside. And remember to show your good thinking by buckling up your seat belt.

Use estimated MPG for comparison. Your mileage may differ depending on speed, distance, weather. Actual highway mileage lower. Estimates lower in California. Some Buicks are equipped with engines produced by other GM divisions, subsidiaries, or affiliated companies worldwide. See your Buick dealer for details.

Official Car of the XXIIIrd Olympiad
Los Angeles 1984

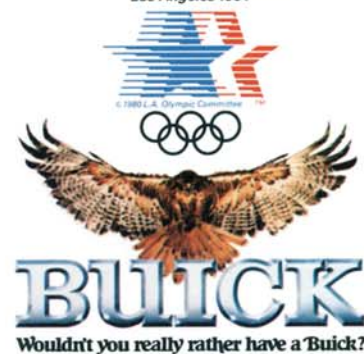


Figure 3. Buick Regal advertisement: "Good looking outside. Good thinking inside." (National Geographic, April 1983.) Author's collection.



Figure 4. Television shoot for the Buick Regal, 1982. The author [right] is pictured with her creative partner Linda Beyer [center] and actor [left]. Author's collection.

community as a “talking head”—the actor delivers the entire commercial speaking directly to the camera. The 30-second commercial ends on a somewhat prophetic note, as the spokeswoman turns toward the imagined audience and remarks, “Whoever’s in charge at Buick; *she* must really be something.” Who knew?

The following year—working without my writing partner who had left for greener pastures—I was once again asked to create an ad for the Regal with a special appeal to the woman behind the wheel. As a committed feminist (which put me somewhat at odds with my conservative male cohorts), I decided to have some fun with another longstanding woman driver stereotype. Throughout automotive history, the female motorist has been considered lacking in automotive knowledge and therefore unable to make wise decisions when choosing a car. I took it upon myself to reconstruct the female automotive consumer from uninformed, passive, insecure, and uninvolved to intelligent, confident, financially independent, and car savvy. The woman in the commercial, speaking into the camera, reveals that throughout her driving life, automotive decisions have been made

by her father and husband. Ultimately unsatisfied with those choices, she has taken it upon herself to select a car that speaks to her and reflects who she is. Delivered with a definite tongue-in-cheek, and throwing a common cultural cliché on its head, the woman has a little bit of fun at the expense of the men in her life as she exclaims, “I let them pick out the color.”¹³ Given the social conservatism of the car industry and country during the mid 1980s (Ronald Reagan had just been elected president), as well as the cultural feminism backlash taking place at the time, I was both surprised and elated that Buick approved this commercial. I was even more excited when “All Mine” garnered a “Caddy” at Detroit’s Annual Advertising Award ceremony (fig. 5).

Those outside the agency world often pose the question of whether advertising is simply a reflection of society or does, in fact, have the ability to change the culture in some way. If this had been asked of me during my time at McCann, I would have agreed to the former. Advertising copywriters and art directors, much like anyone who works in a creative capacity, often call upon their life own experiences for ideas, strategies, and stories. The use of shared experiences in advertising provides the opportunity to make the product relatable and accessible to its potential users. Calling upon personal experience as inspiration was a particularly popular strategy during this era, before MTV transformed advertising from a copy to visual-based medium. Personally, as a young adult female who was routinely ignored at automotive dealerships for a presumed lack of automotive knowledge, and who grew up during an era when it was expected that men would make all important financial decisions, I called upon the events of my own life to create a commercial in which women have agency in the car buying process. Rather than simply promote the car, I championed the woman who would purchase it.

All Mine

Agency: McCann-Erickson

Art Director: Gene Turner

Writer: Chris Lezotte

Producer: Gene Turner

Director: Lee Tirce

Client: Buick Motor Division



Title: All Mine :30

SPOKESWOMAN: All my life, men have bought cars for me. First my Dad. Then my husband. I was always getting cars somebody else thought I should have. Well, now I make my own decisions. And the car I bought for me is the Buick Regal. It's stylish, intelligent and dependable - much like myself. I must admit, though, the guys did help a bit. I let them pick the color.

CHORUS: Wouldn't you really rather have a Buick?

Figure 5. "All Mine." The 1983 Caddy Awards [*The Creative Advertising Club of Detroit, 1984*]. Author's collection.

However, if this question were asked of me today, I would state that advertising also has the potential to shape public opinion and behavior. In my own scholarship, the main objective has been to question and challenge common perceptions of the woman driver. Look-

ing back at "All Mine," I realize the commercial was perhaps the first step in what has become my continuing academic - and cultural - project. In "All Mine" I was successful, for 30 seconds at least, in constructing a new confident, car savvy, and empowered identity for the woman behind the wheel. Thus not only did this commercial reflect my own sentiments regarding a woman's ability to make her own decisions—automotive and otherwise—but through a light hearted, humorous approach, attempt to alter public perception of women's relationship to the automobile.

Field Trips

One of the advantages of working on car advertising in metro Detroit is the proximity to US car manufacturer facilities. This provided the opportunity for field trips to various General Motors outposts. In October of each year, after the successful launch of the new models, creatives were treated to an enjoyable day at the GM Proving Grounds in Milford, Michigan. After a short presentation in the media center, we were let loose onto the grounds parking lot where the newest automotive offerings sat with keys in the ignition ready to be taken for a spin. The cars were not only just General Motors models, but also included cars from American, European, and Japanese automotive manufacturers. For the next few blissful hours, I found myself behind the wheels of Chevys, Buicks, Fords, Pontiacs, Porsches, Corvettes, and Maseratis. I drove a right-hand drive Honda, some awful K cars, and my personal favorite, the soon-to-be introduced 1983 Audi Quattro. What made it even more fun was that some of the guys didn't know how to operate a manual transmission. That meant if they wanted to experience a fast and fancy sports car, they had to ask me for a ride. As I zoomed through each turn of the course with a male cohort in the passenger seat, I secretly thanked my big brother for teaching me to drive a stick shift.

When GMC introduced the S-15 Jimmy in 1983, the creative department made a trip to Pontiac, Michigan for a tour of the manufacturing plant. As we were working on advertising for GMC's entry into the newly emerging SUV market, the time spent at the factory was no doubt meant to be both educational and inspirational. Although I grew up in Detroit, this was my first visit to a working automotive plant and it was a fascinating and eye-opening experience. In addition, my husband had just ordered a Jimmy for his own use; it was fun to

imagine which of the SUVs going down the assembly line was destined for our driveway.

Sex and the Car Girl

Throughout most of the twentieth century, the historically male-dominated automotive industry tolerated an underlying culture of sexual discrimination and harassment toward its female employees. It was prevalent during the 1950s, when female designers at GM were subject to the lewd comments of male coworkers sharing copies of *Playboy*, and continued throughout the 1980s, when female ad agency creatives such as myself were often referred to by our bosses in ugly terms for parts of the female anatomy—“clams” and “muffs.”¹⁴ My time at McCann was in the pre-Anita Hill era; women made uncomfortable by off color stories and sexist comments were brushed off and told they “couldn’t take a joke.” The Detroit ad community was small enough that any complaint would end any prospects of further employment in town. Sexism in the advertising industry took many forms. In my own experience, it played out in the workplace both overtly and subtly, as sexual innuendo and harassment, discrimination in pay, interruptions and intolerance, and devaluation of one’s work. One particular incidence of the latter comes to mind.

To many creative folks, the ultimate recompense for long hours and hard work is the advertising award. During the 1980s, there were local awards—the Creative Advertising Club of Detroit “Caddy”—as well as regional, national, and international awards including the Addy, One Show, and Clio, considered the Oscar of the advertising world. Ad agencies that valued creative output often provided entry fees for a limited number of submissions. McCann was such an agency, with the final selection of entries made by the creative director.

In my second year at McCann I had accumulated some work—primarily non-automotive—I felt was award worthy. I submitted six to my creative director, only to have them all rejected in favor of eight of his own. Frustrated, I sent them in independently, paying for the entries out of my meager paycheck. When the finalists for the local awards were announced, five of my six submissions had been accepted.¹⁵ As for the creative director, he was zero for eight. One of my entries went on to win a Clio, after which the creative director begrudgingly requested reimbursement from the agency for my entry fee (fig. 6). Of course I did not receive a raise in recognition for my creative accomplishments; however, a male colleague, who announced he needed a raise in pay to accommodate his soon to-be-delivered baby, did.

An Agency in Flux

In the middle of my third automotive season, there was a series of departures from the agency. The creative director left, followed by others in the creative department. Many of the art directors left half-finished projects on my desk, requesting that I bring them to completion in their absence. While this certainly increased my work load, in retrospect it was a blessing in disguise. The projects were in various stages of completion; therefore, I had to schedule photo shoots, hire illustrators, work with retouchers, negotiate with typesetters, and meet with production companies. In many ways, that episode became a crash course in automotive art direction, as it gave me experience in a multitude of areas in a very short period of time. Although I would not claim the work as my own, each project provided me with the opportunity to augment my knowledge and skills, giving me confidence as an art director while making me more marketable in the process.



Figure 6. SEMTA [Southeastern Michigan Transit Authority] outdoor board: “Traffic Jams. Trains Don’t.” 1983. Author’s collection.

**If you think we're only
a car agency,
you missed the bus.**



McCann-Erickson Advertising, Inc. We're SEMTA, WCZY, Coca-Cola Bottling Company of Michigan, Coca-Cola Bottling Company of Ohio, GMC Truck, GM-NAVO and, oh yes. Buick.

Figure 7. McCann-Erickson advertisement: "If you think we're only a car agency, you missed the bus." The 1983 Caddy Awards [*The Creative Advertising Club of Detroit, 1984*]. Author's collection.

That summer I spent a lot of time out of town working on various Buick print and television projects. While it may sound glamorous to spend a week or two in California, the time is filled with late nights, very early mornings, and a lot of waiting around while camera angles are being discussed and shots are being set up. Long hours are the norm for a creative person in the advertising field. Ads and campaigns can be killed the afternoon before a scheduled presentation, which often means working until the wee hours to revise or do over. Editing a tv commercial can take hours or even days; if you want to retain control of the finished product, you remain in the editing salon until completely satisfied. Late nights in the office were not as common at McCann as at other agencies I worked at, as there were very few last minute assignments. And due to the nature of the automotive season, there was usually an ample amount of time to complete a project. However, at more creative driven agencies such as Doner, I often worked 60 to 80 hour weeks and was out of town for weeks at a time. It should not be surprising that while there were a scattering of women in the various creative departments in which I worked during my 20-year career, not one of them (including me) had a family.

Leaving McCann

The new creative director had less ego—and had fewer issues with female creatives—than the man he replaced; consequently, I was better respected and given more leeway on projects. I was able to write more, and although I worked on my own a lot, produced advertising I was proud of. While I missed the individuals who left, the new hires were talented, caring, and a pleasure to work with. Still, after a few months in the new regime, I felt it was time to leave.

While I had enjoyed and appreciated the time I worked on automotive accounts, and learned a great deal in the process, I could not face another automotive season. Automobiles—and the strategies to sell them—do not change much from one year to the next. The repetition in assignments, the frenzied summers, the endless down times, and the limited parameters of the product were not something this not-quite-a-car girl wanted to encounter year after year. And while I found automobiles and the industry to be interesting, I did not have the automotive passion possessed by many of my car-crazy cohorts. Thus when a job offer came from the place where I started my career—Doner—I

eagerly took it. I spent the next six years working on some great projects with some weird, talented, and very driven people.¹⁶

As I look back on my 20 years in advertising, I not only reflect on a career filled with challenges, disappointments, and a lot of fun, but have a special appreciation for how its practices and peculiarities prepared me for a late entry into academia. As late nights, deadlines, revisions, critiques, and do-overs were commonplace in the ad business, I did not panic nor take it personally when faced with similar situations with professors, journal editors, reviewers, or peers. Working with a partner or team on an advertising campaign provided me with important skills when required to collaborate with classmates for a group project or presentation. And as I began my second “career” as a graduate student, I was able to rely on the work ethic I developed while an advertising art director, writer, and VP creative supervisor.

My tenure at McCann-Erickson was relatively short; however, the experience proved to be beneficial for a number of reasons. Although I grew up in the Motor City, I didn’t know much about cars or the automotive business. Working on Buick and GMC provided a quick, immersive, and often fascinating introduction into auto industry culture. While I never became a bona fide car nut like many of my peers, I gained a new understanding and better appreciation of the industry and the vehicles that had made my hometown great. The work I produced on the Regal—and its association with the woman driver—would serve as a source of inspiration for my future academic work focused on the relationship between women and cars. And although I certainly had no inkling at the time, the experience of working at a Detroit automotive advertising agency during this particular moment in the automobile’s history would provide me with a certain amount of legitimacy in automotive organizations—including the SAH—and in the pursuit of automotive scholarship in the years to come.¹⁷

The subject of automotive history is vast, rich, significant, and ever-reaching; it encompasses not only the automobile and its industries, but also the ancillary activities, organizations, agencies, and cultures that support, complement, and propagate from it. This recollection of events from over 35 years ago represents just one individual experience within the infinite possibilities of automotive history research. I thank the *Automotive History Review* for the opportunity to reflect upon my own automotive agency adventures, with the hope they

might encourage others who worked within the automotive industry's numerous companies and communities to contribute their own experiences to the automotive history archives. The author would like to thank former McCann co-workers Linda Spangler Beyer and Gary Wolfson for their invaluable help filling in the auto—and memory—blanks.

(Endnotes)

1 During the 1980s, all domestic automotive advertising originated in Detroit, often in regional offices of New York based agencies. The advertising agencies (to the best of my recollection) included Campbell Ewald (Chevrolet division), Leo Burnett (Oldsmobile), D'Arcy, McManus, John, & Adams (Pontiac and Cadillac), McCann-Erickson (Buick and GMC Truck), Kenyon and Eckhardt (Chrysler), Ross Roy (Chrysler parts and service), NW Ayer (Plymouth), Batten, Barton, Durstine, & Osborn (Dodge), J. Walter Thompson (Ford division), Young & Rubicam (Lincoln-Mercury), Ogilvy & Mather (Ford parts and services) and Grey (American Motors). In the late 1980s, Minneapolis based Campbell Mithun Esty opened a Detroit office to handle the Jeep account.

2 Doner eventually became a "car" agency when it won the Mazda (zoom-zoom) account in 1998.

3 A "book" is a portfolio of one's print work. It was often accompanied by a "reel", a collection of broadcast advertising. During the 1980s these were physical entities; in today's hiring environment work is posted/submitted digitally.

4 The out-the-door cost of a brand new 1970 Beetle was \$2293, which included a radio and crank sunroof.

5 At Doner, due to the large amount of television advertising presented and produced, storyboards were farmed out to freelancers under the AD's direction. At McCann and other automotive agencies, art directors drew the storyboards themselves. It could be a tedious task, especially for someone (like me) who wasn't particularly adept at drawing cars.

6 SEMTA (Southeastern Michigan Transit Authority), WCZY, and *The Detroit News* were a few of those accounts.

7 Murilee Martin. "80 Years Old but Young at Heart: the 1983 Buick Century." *Autoweek.com* Jul 19 2016 Accessed May 6 2020. <https://www.autoweek.com/car-life/classic-cars/a1850306/80-years-old-young-heart-1983-buick-century/>

8 Ibid.

9 For additional information on the special techniques employed by automotive photographers, see David Lanier Lewis et al, *The Car and the Camera: The Detroit School of Automotive Photography* (Detroit: The Detroit Institute of Arts, 1996).

10 Noteworthy automotive photographers of the day included MidCoast Studios—Jim Secreto, Jim Turquette, and Madison Ford, Ken Stidwell, Dennis Gripentrog, Dennis Wiand, and although they didn't do work for McCann during my tenure, the legendary Mickey McGuire and Jim Northrop of Boulevard Photographic.

11 This strategy was first instituted in the early years of automobility. When the popularity of the gas-powered automobile threatened to affect sales of electrics, the electric car—clean, quiet, slow, with less power and range than the gas-powered newcomer—was rebranded as an appropriate vehicle for the woman driver. See Virginia Scharff, *Taking the Wheel: Women and the Coming of the Motor Age* (Albuquerque: University of New Mexico Press, 1991).

12 "The Evolution of Car Ads," *Kubin-Nicholson* (blog), April 13, 2013. Accessed May 2, 2020. <http://kubin.com/blog/the-evolution-of-car-ads/>

13 During the 1960s, New York agencies such as Doyle Dane Bernbach and Della Femina, Travisano & Partners revolutionized advertising, transforming it from hard sell and information based to creative, spirited, irreverent, provocative, and fun. See Jerry Della Femina, *From Those Wonderful Folks Who Gave You Pearl Harbor: Front Line Dispatches from the Advertising War* (New York: Simon & Schuster, 1970); and Bob Levenson, *Bill Bernbach's Book: A History of the Advertising that Changed the History of Advertising* (New York: Villard, 1987). Doner shared this philosophy; creatives were encouraged to produce advertising that appealed to "head, heart, and funny bone." I carried this philosophy with me throughout my advertising career.

14 In 2018 I attended an SAH book signing and presentation in Detroit by Constance Smith—author of *Damsels in Design: Women Pioneers in the Automotive Industry*—accompanied by a GM representative and Mary Ellen Green Dohrs, a designer for Harley Earle during the 1950s. Dohrs spoke openly of the aforementioned *Playboy* incident.

15 As would befit a Motor City community award, the Caddy was an automotive clay sculpture by a local artist mounted on a piston. I have since tossed my rather extensive Caddy collection; I wrote/art directed this ad for the awards catalog which not only features Caddys, but also won one (fig. 7).

16 My husband was still working at Doner when I returned. When, after a few years, it became clear he was in line to eventually head the agency, I decided that—because it would be difficult to work for him on a number of levels, and because I did not want to seek employment at another automotive agency—to exit the advertising business.

17 SAH—Society of Automotive Historians.

THE LIBRARY OF CONGRESS
Two Copies Received
APR 16 1902
COPYRIGHT OFFICE
CLASSIFIED No. 124491
COPY 2



Puck

Entered at N. Y. P. O. as Second-class Mail Matter



AS THE LAW STANDS.

OWNER (to Chauffeur).—Don't stop! It only costs about ten dollars apiece to run them down. I must break the record even if it costs a hundred!

Puck, April 16, 1902. This illustration shows a wealthy old man as a passenger in an automobile driven by his chauffeur. They are racing through the countryside during a cross-country auto race and have struck several pedestrians who are not used to encountering automobiles on country roads. Library of Congress.

Puck began in 1871 as a German language cartoon, caricature, and political satire magazine. It ended its run in 1918. The artwork is remarkable and a statement of American attitudes concerning the automobile during the first full decade of its diffusion. The illustrations are simply wonderful.

The 20th Century Automotive History of Argentina

By Louis F. Fourie

Legislative regulations will always be part of automotive history. They first influenced engine size in many countries, later moving on to emissions, safety and fuel consumption. Tariff rates have protected local industry, and local content regulations have given birth to manufacture in developing nations. However, when it comes to studying the automotive industry in Argentina, nothing less than a complete understanding of the politics and economy is needed to explain the gyrations of the local vehicle market.

Argentina enjoyed one of the strongest economies during the early part of the 20th Century. The country rivaled America as an attractive country to emigrate to. Enterprising new immigrants accounted for 30% of the population in 1916, helping to create the unusual situation in which only 21% of business ownership was by native born Argentines. Immigrants or foreign interests controlled the rest in 1910. [1]

Celestino Salgado built the first Argentinean car in 1901 using a European steam engine of 6 hp. This four-seater car was bought by Enrique Anchorena, and entered the first car race in the country during November, 1901. On November 20, 1907, Manuel Iglesias drove the first car built from local components in the town of Campana. Using a self-made lathe and a few other tools, this Spanish immigrant fabricated the entire car, including the single-cylinder engine which had a 1938 cc capacity. On October 2, 1975, the province of Buenos Aires proclaimed the city of Campana the “Cradle of the First Argentine Automobile.”

The Anasagasti was the first automobile built in Argentina in any form of a series, with about fifty cars built. Horacio Anasagasti formed Horacio Anasagasti Mechanical Engineering Company on December 30, 1909, to build his cars at 1600 Alvear Avenue, Buenos

Aires. The four-cylinder side valve 2,125 cc 12 HP engine was locally built to a Ballot design starting in 1911. First deliveries occurred in January 1912 and there was also a 15 HP version. The 1913 French Coupe De L’Auto for cars under 3-litres saw a seventh place for the Anasagasti sole entry. The factory closed its doors late in 1915 because specialized parts, such as the Solex carburetor were no longer available due to World War I. Another reason was deferred financing, whereby the 6,000 peso price could be paid in monthly installments of 200 peso, but many customers defaulted.

In the 1920s the only country in the Southern Hemisphere with a larger number of vehicles registered than Argentina was Australia. According to *Automotive Industries* tabulations, dated February 26, 1925, with 60% of the Australian total, the 120,000 vehicles on Argentinean roads ranked 7th behind the USA, Britain, Canada, France, Germany and Australia. In Ford’s case in the latter half of the 1920s only Canada had higher foreign sales. [2]

Argentina was an unusually wealthy nation in the 1920s. A visiting New Yorker, David Beecroft, writing for the July 31, 1916 issue of *The Automobile*, was surprised to note a greater number of opulent European makes on the broad avenues of Buenos Aires than he was used to seeing back home in the largest city of America. Yet in the years ahead, the country would oscillate from feast to famine due to political and financial factors.

Ford and GM Commence Assembly

Ford’s December 1913 Board Meeting decided that Argentina should be the first company sales outlet in Latin America, with only its Canadian and British op-

erations established earlier. Ellis Hampton, a New York export manager, headed to Buenos Aires establishing a showroom and parts depot in February 1914. [3] Hampton gained approval in 1916 to commence assembly in a rented former cigarette factory on Calle Peru in Buenos Aires, but it is not certain whether production actually happened in 1916 or early 1917. However, on May 1, 1917 Hampton gained approval for \$240,000 to purchase land and build a new assembly plant, but any construction plans were deferred until after the conclusion of World War I. Finally on February 14, 1920, land was purchased at La Boca on the Rio de la Plata but it would take until June 9, 1921, before the plant was operational. [4]

In June of 1924 GM announced that South America would get two assembly plants, one in São Paulo, Brazil and the other in Buenos Aires. The Argentinean plant was inaugurated on January 19, 1925 and would be the first of the two to open in April 1925, becoming the fourth GM foreign assembly plant. GM's Argentinean importers, Hampton and Watson, agreed in 1922 to help facilitate the assembly arrangements. A building on Garay Street near Darsena Sur was rented the following year. Nathaniel C. Tuxbury was installed as the Managing Director.

In its first year, GM produced nearly 8,000 cars and 500 trucks from a rental property close to the waterfront on Calle de Garay near Darsena Sur. The next year in 1926, the number exceeded 10,000 after only 10 months of production. Initially Chevrolet, Oakland and Oldsmobile cars were assembled along with Chevrolet trucks. By 1929 GM was in its third plant at Barracas, where volume reached 27,000 units. The model range expanded to Buick, Marquette, La Salle, Vauxhall, and even Cadillac, with Opel soon to follow.

The market was sufficiently strong for the revered make Hispano-Suiza to establish a plant and build the H6 model and later diesel engines. Hispano Argentina Fábrica de Automovites, S.A. (HAFDASA) was incorporated by Arturo Ballester after securing the license in 1925 to represent Hispano Suiza vehicles in Argentina. Initial plans involved the importation of fully-built cars but local semi-knock down assembly occurred from 1929 to 1938. About 200 of the H6 Type 46 models were built, which indicates the wealthy clientele to support such a magnificent automobile. Commercial vehicles were also produced, some using the locally-developed Creole diesel engine in 4 or 6-cylinder form.

Depression Years

Like most countries, the Depression created mass unemployment, as foreign markets for Argentina's beef and wheat exports contracted. After a period of optimism and plenty, President Hipolito Yrigoyen of the conservatively-minded Radical Party appeared senile and did not have the skills to handle the dire economic situation. What was needed was a rapid change from a dependency on exports to the creation of a domestic self-contained economy. The military coup that occurred in September 1930 was relatively peaceful because the country recognized the need for a new direction. Unfortunately, this set the trend for the remainder of the 20th century during which generals, fourteen in total, would exceed the eleven democratically elected presidents who governed the country. More alarmingly, the shelf life of the various economic ministers averaged a year, leading to inconsistent attempts to handle a variety of challenging events, many self-inflicted.[5] The military leaders appear to have had concerns that Ford and GM might consider closing their plants during these bleak times, and so offered 30% reduction in tariffs on unassembled import components and 15% off semi-assembled vehicles in 1931.[6] The first military regime was short-lived, with elections occurring in March 1932 which banned any candidates from the Radical Party, but a military coup returned in June 1943. A trade pact with the UK allowed Argentina to gain access to the British market that had previously been restricted to Commonwealth countries for agricultural products since 1930. This revival of exports brought a swift recovery to the economy of Argentina by 1935.

For GM, the Depression and devaluation of the peso prevented any additional expansion until a plant on a 73 acre site on the other side of Buenos Aires in San Martin was constructed in 1939-40. In 1941, Chevrolet total production reached 250,000, by which time GM held 40% of the market. The military government took over the plant in 1943, but control was not long term. After the war, the first cars off the line were the Oldsmobile Club Sedan and Pontiac models. A new building was completed in 1949 in San Martin, but unfortunately currency restrictions and import controls effectively curtailed the assembly of cars and trucks shortly thereafter. GM manufactured a wide variety of non-automotive products such as building supplies to keep the plant operational. Ford ceased assembling on January 16, 1948.

Prior to Dodge Brothers becoming part of the Chrysler group, Julio Fevre y Cia began importation of cars and trucks in 1916. Diego Basset joined the company in 1931 and the following year assembly of Chrysler products began under the name Fevre y Basset Limitada SAIC at a plant in Figueroa Alcorta. In 1950 Chrysler assembly was relocated to a new factory in San Justo, Buenos Aires only to sit idle for the lack of import permits.

The Peron Impact

The emergence of a powerful political force began with Colonel Juan Perón, appointed as the labour minister of the military government of 1943. Unions were largely under the influence of communist sympathisers and the government wanted to exert its influence in this area. About a third of all union workers were employed in the predominantly British owned railways.[7] Peron was able to empathise and earn the respect of the workers, hence his rise to prominence and eventual election as president under the Labour Party in June 1946.

Miguel Miranda first became the president of the Central Bank, followed by the presidency of the newly created National Economic Council, giving him the most important role in Perón's government in charting economic policy.[8] Whereas agriculture and its exports had been the backbone of Argentina's pre-war economy, the new regime's social goals penalized farmers with higher taxes, targeting the wealthy land-owners. It could be argued that this was an extension of attempts to create an industrial nation, but in effect it was the destruction of one solid source of economic success to create another. [9]

The Institute for the Promotion of Trade (IAPI) gave itself a monopoly over all Argentina's exports except wool, also taking on the role of bargaining for imports. Farmers and meat-packing plants were paid low rates for their merchandise, which was then marked up for export, with profits accruing to IAPI. Perón set about nationalizing foreign investments such as the British-owned railroads and telephone distribution.

One unusual policy to control imports and exports was the goal by Argentina and Chile of restricting maritime trade through ownership of ships to transport such goods. When America resisted attempts to buy a large supply of ships, it appeared that trade tensions between the two countries began to emerge. [10] A 1946 proposal of an economic "union of the southern lands" with Bolivia and Chile for manufactured goods

was defeated by the US with goods offered at more favorable terms. Exports of manufactured goods from 1947 to 1949 tumbled to a third of the 1945-1946 time-frame. An example was the exports of shoes dropping from 600,000 pairs in the 1940 to 1947 period to only 15,000 from 1950 to 1954. [11] The US did not endear themselves by refusing to supply coal and fuel in late 1945. [12]

Most of Argentina's exports were aimed at Europe, but the introduction of America's 1948 Marshall Aid disallowed these proceeds from paying for imports from Argentina. Lacking any US dollar reserves or credit, Argentina was forced to curtail imports from the USA in 1950. After swearing never to be indebted to the US, Perón secured a \$125 million loan from the Export-Import Bank in New York. But the rot had begun with the rise of black market dealings to gain import permits, bombing of the exclusive Jockey Club, jailing of political dissidents, muzzling of the press and an assault on the role of the church.

One famous Argentinean ambassador who would gain international recognition was Juan Manuel Fangio. The Peron government provided early sponsorship, but his talent soon became obvious in Europe. His five Grand Prix Championships place him at the pinnacle of motorsport.

Domestic Brands

In the depths of currency restrictions, Automotores Argentinos S.A. was formed on March 22, 1949 under the direction of Piero Dusio, an Italian engineer instrumental in the success of Cisitalia. The factory at 347 Almirante Brown Street, Partido de Tigre, in the Province of Buenos Aires began production late in 1950 of a wagon and pickup using the 2199 cc Willys Jeep engine and transmission under the name Autoar. The same drivetrain with the addition of overdrive was used for a two-door sedan a year later. This body is believed to have come from the Fiat 1900.

The government entity Industrias Aeronauticas y Mecanicas del Estado I.A.M.E. was formed on March 28, 1952, as per decree 6191/52. One of the first projects of this entity was the Rastrojero pickup of 1952 through to 1969. For the first two years a Willys Overland 2,199cc engine was fitted to a chassis from Autoar listed above. The pickup used a Borgward diesel from 1954. The Peugeot Indenor XD 4.88 2.0-litre diesel was applied to the second generation of the truck from



1967 Rastrojero pickup. Author's Collection.

1968. Derived from this second generation truck was a Checker-like taxi known as the Rastrojero Conosur sedan which also had the same 1946 cc Indenor XD diesel engine from the truck. Production of all Rastrojero vehicles ended on May 22, 1979. Another I.A.M.E. product from 1953 was the locally developed Justicialista Sport which joined the Corvette as an early user of fibreglass bodies. In 1956 I.A.M.E. changed its name to Dirección Nacional de Fabricaciones e Investigaciones Aeronáuticas (D.I.N.F.I.A.) and finally to Industrias y Mecánicas del Estado (I.M.E.) which was liquidated in 1980 as per Decree 1448/80.

European Assembly

Turning to Europe, Perón established an agreement in 1952 for Fiat to build tractors in an I.A.M.E. controlled manufacturing plant in Córdoba. Fiat Argentina S.A. was set up in 1923 as a sales outlet, but imports had begun as early as 1919.

Mercedes-Benz began its assembly operations in Argentina during 1952. Local businessman Jorge Anto-

nio established Mercedes-Benz S.R.L. in August 1951, transferring it into a stock company on May 29, 1952 in which Daimler-Benz held a one third stake. This was their first plant outside Germany at a time when its German operations were not completely restored following World War II. Argentina built 1,044 pickup versions of the Mercedes-Benz 115 series sedan (220D) from 1972 to 1976 priced at 99275 Ley [\$8,825 in December 1972 dollars], far more than the most expensive car in Argentina. Mercedes-Benz production relied solely on commercial vehicles.

Carl Borgward was monitoring what his Daimler rival was doing in Argentina and decided that his durable vehicles would have been ideal for any tough conditions experienced in the country. Carl F. Borgward GmbH formed a joint venture between and I.A.M.E. in 1954 to manufacture the Borgward B611 1758cc diesel engine in the town of Isidro Casanova in the Province of Buenos Aires. This engine was for the Rastrojero pickup mentioned above. The Borgward Isabella and B611 commercial truck were built by Dinborg in Córdoba. Dinborg Industrias Argentinas SACIF was a joint



1952 Justicialista 2-door sedan. Author's Collection.

venture formed on December 1, 1958 between Borgward Argentina and I.A.M.E. successor D.I.N.F.I.A. The only year of production for these two Borgwards was 1960 with 999 Isabellas and 1,296 trucks. The truck continued as the Dinborg B-611 in 1961 and 1962.

Part of the Borgward conglomerate was the Goliath brand. The formation of Goliath Hansa Argentina S.A. in 1960 included plans for a plant at Villa Constitución, Santa Fe Province, which never began production because of the closure of the German operations. The Hansa 1100 range consisted of two sedan versions, a wagon and a Kombi Express. Interim production occurred at the Borgward plant during which 1,121 units were built.

Kaiser and IKA

When Henry J. Kaiser realized that he could not take on the Big Three in Detroit, he searched for a country where there were better opportunities. In the early 1950s Argentina's currency restrictions limited the import of automobiles to about 6,000 units per year. The ratio of 33 inhabitants per car had deteriorated from what it had been 25 years earlier .

Henry and Edgar Kaiser started negotiations in September 1954 but nearly pulled out when kickbacks

were solicited. Finally, on October 5, 1954, agreements were reached followed by a formal contract on January 20, 1955 with the Argentine government firm and joint investor, Industrias Aeronáuticas y Mecánicas del Estado I.A.M.E. along with a number of local investors. Created from this agreement was Industrial Kaiser Argentina SA (IKA). Kaiser Motors Corp of America represented a 32% (about \$8 million) investment in IKA, contributing the necessary machinery and equipment, after receiving a \$3 million payment, of which \$1.7 million was the cost to dismantle and ship the machinery. [13] The first vehicle off the Santa Isabel production line on April 27, 1956, was a Jeep. It should be noted that Willys Overland which included the Jeep was acquired by Kaiser in 1953. Henry Kaiser's brother-in-law, Jim McLeod, was assigned to manage the IKA operations. The Kaiser Manhattan became the locally manufactured Kaiser Carabela in 1958 and catered to the elite sector of the market. Following the agreement reached with Kaiser, in March 1955 Standard Oil of California was granted permission to develop the Patagonian oil fields.

The erosion of the post-WWII economy can be indicated by the fact that in 1933 more than half the cars were under 5 years old and virtually all cars were less than 10 years old. By 1954 this ratio had deteriorated to 65.7% of all cars were older than 15 years while the



1960 IKA Kaiser Carabela nee Manhattan in North America.. Author's Collection.

percentage for less than five years old had shrunk to 7.3%. [14] These figures created an average age of an automobile in 1954 as seventeen years old, indicating the need to create a domestic auto industry and Kaiser was the ideal candidate. [15] Such an aged population of cars presented an unusual dilemma. During 1945 Argentina changed from driving on the left side of the road to the right side. With such a high ratio of old vehicles on the road, there were a large number of steering wheels on the “wrong” side well beyond the war.

The military coup in September 1955 ended Juan Perón’s first term in office, forcing him into exile. Even though Perón went into exile, his labor following remained strong enough to create a political movement that authorities tried to suppress. The elections of 1958 and 1963 flatly banned any Peronist candidates but the usual military coup seized power in June 1966.

The rush to domestic auto manufacturing in 1959 and 1960 was more an immediate reaction to stem a balance of payment crisis than a carefully formulated goal for local content. While there was a replacement parts industry, there were no indications of a planned buildup of supporting domestic parts and components factories needed to augment manufacture. President Arturo Frondizi hastily went after foreign investment and capital. An estimated \$244 million in 1959 and a total of \$344 million between 1959 and 1963 in foreign investments flowed in with the auto and oil industry absorbing about two thirds of this figure. Unfortunately in 1961, instead of automobile imports, outflows of funding went for the machines to make these cars and trucks. [16] As the years unfolded the repatriation of profits eroded the balance of payments, but typically payments for royalties back to the patent companies was twice the



1964 IKA product line with Renault Dauphines (on ramps), Renault 4, Ramblers and Jeeps. Library of Congress.

value of the profits. However, automobile sales soared in 1965 by 65% [17]

Rogelio Julio Fregerio, Secretary of State from 1958 to 1962, is credited with the creation of the Automobile Industry Framework within the Law of Foreign Investments (Law No. 14.780) and with the formation of the Department and Commission of Foreign Investments. Announced on December 29, 1958, Decree 3693/59 allowed lower duty imports of car components on the understanding that within five years vehicles would be fully produced locally. By 1960 there were 21 applications to begin production facilities.

German Microcars

One category of car that took advantage of these new manufacturing regulations was the German micro car. These diminutive critters were prepared for a post-war Germany with limited anticipated economic growth. Nobody had predicted the remarkable recovery that Germany would be experiencing by the late 1950s.

Besides, the micro cars were being hemmed in by the amazing success of the Volkswagen Beetle that was much more practical for a slightly higher price. Nearly all the German micro car manufacturers saw an opportunity to offload what would soon be an obsolete product in Germany to a country that was struggling economically. Unfortunately, these micro cars had a short lifespan in Argentina as well. One odd omission was the Beetle that was never built in Argentina but was most successful in Brazil.

Before looking at the German microcar designs, there were a few tiny domestic creations that had rather short lives. José María Rodríguez formed Industria Argentina Micro Automóviles (IAMA) and began building a minute aluminum-bodied Jeep-like vehicle in the mid-1950s powered by an 8.5 hp Villiers engine from the UK. This early vehicle was little more than a prototype, which led to a four-passenger car of 1959. Both vehicles were named Joseso, its creator's nickname. The little coupe pumped out 10 hp from a two-stroke single-cylinder 200 cc rear Villiers engine carrying around a



IKA Bergantin using Alfa Romero 1900 Body. Author's Collection.

tall, stubby, round fiberglass body. Before production ended in 1960 somewhere between 40 and 200 units are believed to have been built.

One German microcar manufacturer incurred losses fairly early. Heinkel invested \$1,200,000 in Alcre S.A.C.I.F.I, created by Alberto Credido. The only cars built were the Luis Sport and Susana 500 prototypes named after Credido's children. The two-seater Dinarg D-200 built by Dinámica Industrial Argentina S.A. of Cardobesa got a little further, but only managed about 300 cars from 1959 through to 1961. These cars used a 191-cc engine from German make Sachs with a fiberglass body.

Isard Argentina S.A. assembled the minicars from Hans Glas G.m.b.H. of Germany. Also absorbed into Isard in 1963 was the Los Cedros S.A. company that had been building the Heinkel moto-coupe from 1959, and since 1960 the Studebaker Transtar and Champ pickups. Los Cedros began in 1948 as Alejo Arocena S.A. and were the agents for Packard. The Isard name originates from the Isar River close to Dingolfing in Germany. The Glas owned Goggomobile T300 became

the first Isard T300 in 1959, subsequently replaced by the T400 sedan and Spyder in 1961. The twin-cylinder 688cc boxer-engine Goggomobile T700 became the Isard T700 in sedan or Kombi (station wagon) model selling from 1960 to 1965.

As a last gasp, Isard president Natan Catzman announced on March 19, 1965, that he had signed an agreement with Nissan Motors to build the Datsun Bluebird sedan and 1200 cc truck. However, poor financial resources prevented any production, and Isard folded later the same year. The market was devoid of any Japanese manufacturers until Toyota entered with commercial vehicles in 1997, using a plant in Zárate.

Metalmecánica S.A.I.C. was set up by Italian born Salvador De Carlo in the city of José C. Paz in the province of Buenos Aires during 1947. His European contacts secured him the agency for BMW motorbikes, which he later expanded into scooters named Paperino, and DEC-100 followed by a three-wheeled De Carlo Minicar 200. This was an open two-seater with an Italian made 200 cc engine of which 798 were built in 1959. In the same year he imported the small rear-engined BMW

Isetta 600 cars that were being phased out in Germany but sold under the name of De Carlo. The only local content appeared to be the seat material and the name tags, with assembly limited to installing the engines that were crated separately in a weak attempt to comply with the regulations. Over two years 1,413 units were produced. The De Carlo 700 Glamour and coupe were also BMW 700-derived. De Carlo modified the front and rear of the 700 TS series giving an appearance similar to the Simca 1000. Production of the 700 from 1960 to 1965 amounted to 9060 units. From 1964 to 1966 a last-ditch attempt created the De Carlo 1300 through a licence from the Simca Ariana, which was the 1290 cc 4-cylinder version of the Vedette V8. On January 19, 1967, *Metalmecánica* was delisted from the “national car production program” but production had already ended. *Metalmecánica* was accused of not complying with the domestic production requirements but won appeals on October 16, 1962, and by the Supreme Court in 1976. However, it was too late because the company declared bankruptcy on January 8, 1970.

Other 1950s Entrants

Autoar was previously identified as one of the first post-WWII domestic cars. It proved to have another short lease on life between 1960 and 1963. The Autoar factory managed to assemble 2,228 units of the NSU Prinz. Besides the German small cars, France contributed the delightful Citroën 2CV and Italy the popular Fiat 600D.

IKA was able to expand its range with the new manufacturing guidelines. Between 1960 and 1962 the Alfa Romeo 1900's body from the previous decade created the IKA Bergantin, regrettably only with Willys 2.5 or 3.7-litre engines. Renaults built under license started with the Dauphine in 1960. The 1966 Torino was a polished evolution of the American Motors Rambler which joined IKA in 1962. With such a comprehensive range it is understandable how IKA gained 30% of the market with Renault representing 55% of IKA's output. In 1967 Renault secured majority ownership of IKA and full ownership in 1975. However, in 1992 Renault reverted back to domestically owned CIADEA S.A., to be reviewed later.

As noted above, Fiat had been an early entrant in Argentina which included tractors and diesel locomotive engines. Fiat has had the best European record of exporting its products, so there was little doubt that Fiat would sign up for manufacturing. On April 6, 1960, a gray

600D was the first car off the new \$4.5 million Caseros production line. By 1967 Fiat held market leadership at 23%. In addition, Fiat Argentina started exporting parts in 1964 for local assembly in Chile, Uruguay, Columbia and Yugoslavia.

A Citroën dealership *Vengerow y Cia.* began selling the French make in 1925 from its premises at 1165 Montevideo Street, Buenos Aires. A variety of models were imported over the years, including the Traction Avant, but only a handful of the DS/ID 19. On March 29, 1959 Citroën Argentina S.A. was founded to take advantage of the new manufacturing opportunities with the small 2CV AZL and its van alternative the Furgón AZU. Production began on February 18, 1960 at a temporary plant in the town of Jeppener until the 3220 Zepita Street plant in Barracas took over on May 31, 1960. An increase in capacity from 425 cc to 602 cc added the 3CV from 1969 and the next year the AMI 8 arrived with the Mehari added in 1971. Unlike the European model with a body built from ABS plastic, the Argentine built chassis was sent to Uruguay where a fiberglass open body was added for this “all terrain” vehicle riding on the 3CV platform. The poor economy of the late 1970s prompted Citroën to close operations in 1979.

Peugeot had initially been approached by IKA to gain the dies for the 403, but when rebuffed, went to Alfa Romeo and created the Bergantin. The Peugeot 403 was imported fully built from 1956 by *Distribuidora Automobiles Peugeot Argentina SA (DAPASA)*, but in 1958 signed an assembly agreement with *Industriales Argentinos Fabricates de Automotores (I.A.F.A.)* using a new plant in the Buenos Aires town of Berazategus on Route 2. Unable to meet the manufacturing requirements, IAFA closed in September 1964 and the plant was taken over by *Sociedad Anónima Franco Argentina de Automotores (SAFRAR)* from December 1964. The Peugeot 504 had a long production run from 1969 to 1999 with a total production of 496,693 units.

Auto Union was another German automaker keen to enter the Argentinean market after being the first company to manufacture cars in Brazil. Auto Union partnered with *Industria Automotoriz Sante Fe S.A. (IASFSA)* of Sauce Viejo, Sante Fe Province. Construction of this plant began in March 1960 and in the interim used facilities in Sante Fe City. Argentina shared in the most attractive Fissore coupe styled in Brazil from 1963. Unfortunately, IASFSA folded in 1969 after producing 32,628 units and Fiat acquired the plant for tractor pro-



IKA Torino. Author's Collection.

duction. Volkswagen Germany had recently acquired Auto Union, and Fiat's rapid purchase of the IASFSA plant was likely to shut Volkswagen from an easy entry into Argentinean manufacture.

Torcuato Di Tella, (1892 – 1948) who emigrated from Italy with his parents in 1895, is credited for being Argentina's greatest industrialist. [18] At 18 he manufactured a dough mixing machine that was universally used in Buenos Aires bakeries, before moving onto oil pumps, refrigerators and washing machines, and eventually, after his death, vehicles through his company S.I.A.M. In 1948 a license agreement was reached with Lambretta for scooter production under the name Siambretta, continuing through to 1970. The Argenta pickup was an Austin A55 half-ton pickup from the British Motors Corporation (BMC) which was built from 1962, but the second-generation Argenta was a locally designed pickup based on the Farina series. These Farina pickups, along with their sedan and wagon counterparts used Riley styling. IKA acquired a 65% interest of Saim Di Tella Automotores S.A. in September 1965. The company was then named Compañía Industrial de Au-

tomotores S.A. (C.I.D.A.S.A.) and the BM 631 pickup and BM 611 sedans were branded Riley in the final year of 1966. The MG 1650 and Morris 1650 in both sedan and wagon form were also in the 1966 lineup.



1969 IKA Torino dashboard. Author's Collection.



1968 Valiant series IV range using Dodge Dart bodies. Author's Collection.

Ford, GM and Chrysler Return

Ford appears to have disposed of its La Boca premises built in 1920 because when they started production of Ford trucks in 1959 was under a new name Ford Motor Argentina S.A. and in the new location of Pacheco on the outskirts of Buenos Aires. The Ford Falcon introduced in 1962, soldiered on for three decades through to 1991 by which time 457,141 had been built. Ford retained the same basic body modifying the front and rear with four headlamps and eventually rectangular lamps. The Falcon also offered a 2.4 diesel engine. The German Taunus range from 1974 to 1984 provided a smaller Ford alternative followed in 1984 by the Sierra range through to 1993.

Following a \$20 million expansion program in 1959, GM's Barracas plant renewed operations the fol-

lowing year with the manufacture of light and medium duty trucks. On January 25, 1960, the first Argentinean Chevrolet pickup arrived. Unlike the locally-developed Brazilian trucks (named Brasil), the Argentinean versions were based on the North American models. One unique version was a two-door wagon built on a short wheelbase 1967 Chevrolet C-10 truck chassis.

The Chevrolet 400 released on March 12, 1962 was the equivalent of the Chevy II and competed against its American rival, the Ford Falcon. The styling alterations of the 1966 and 1967 American Chevy IIs, with a slight coke-bottle outline were not used in Argentina. Chevy II engines varied between the 3.2, 3.8 and 4.1-litre six depending on models and in some cases a floor mounted manual four-speed ZF transmission was offered. Disc brakes were added from 1970 to all but the base Special, a feature not found on the American Chevy II. The most



Saim Di Tella pickup using BMC Riley body features. Author's Collection.

unusual engine in the Chevrolet 400 was an anemic 1946 cc diesel available from 1971 to 1974 and mostly used for taxis. The Indénor affiliate of Peugeot was the source of this diesel engine and considering that it was no firecracker in the Peugeot 404, the heavier Chevy II body must have made it most sluggish. This Argentinean combination appears to be the first diesel application in a GM passenger car anywhere in the world.

This first series Chevrolet 400 lasted through to 1974, thereby overlapping its redesigned newer sibling. The totally-revised 1968 American Chevy II Nova did not reach Argentina until late 1969 receiving the Chevy title. For a few years the newer Chevy overlapped the earlier Chevrolet 400, with both having a high degree of domestic content. Some versions of this second series Nova were called Chevy Malibu, despite the use of the Nova/Chevy body. The Chevy Malibu was GM's attempt to compete against the 1969 arrival of the Ford Fairlane, which lasted to 1982.

The locally made Opel K 180 was Argentina's version of the Kadett and the T-car. While the 4-door sedan body was identical to the Opel, its 1797 cc four-cylinder engine was a derivative of the smallest Chevrolet six-cylinder 3185 cc engine used by the Chevrolet 400. Although no other T-car used this powerplant, it was related to the 1960 cc and 2120 cc engines found in South Africa, having the same bore but a shorter stroke. The K 180 designation was derived from the K for Kadett with 180 representing the engine capacity. The K 180 was selected the Car of the Year in 1977 by APICA, which was an association of automotive journalists.

Chrysler also entered manufacture in 1960 utilizing the old Fevre y Basset Limitada SAIC facilities in San Justo starting with trucks adding the Valiant in 1962.

The Valiant I and II were based off the 1960 first generation styling and Chrysler benefited from transferring obsolete tooling for reuse in Argentina. The Valiant III and IV from 1964 were based on the longer wheelbase of the Dodge Dart. From 1968 the Dodge brand was used with Polara, Coronado and GTX (from 1970) as model names through to their demise in 1980. Except for a GTX V8, all engines were the 3687 cc slant six. Expansion of the San Justo plant resulted in the formation of Chrysler-Fevre Argentina SAIC on November 29, 1965. Further expansion for commercial vehicles involved the purchase in 1970 of the old Siam Di Tella facilities in Monte Chingolo.

1970s Turmoil

In spite of, or more likely because of the military control, Argentina became unstable in the early 1970s due to the emergence of guerilla actions and militant Peronist labour unions. In May 1968, riots took place in Córdoba, the center of the automotive industry. Anarchy followed. [19] Military leaders finally recognized the need to hold democratic elections in May 1973, allowing Peronist candidates. Juan Perón returned to Argentina from exile in Spain, and replaced two interim Peronist leaders in October 1973. Only nine months later, however, Peron died of heart failure. His third wife Isabel Martinez de Perón, the Vice President, assumed the Presidency in July 1974, but totally lacked the skills to handle the role and was out of power in March 1976.

In order to reduce the foreign exchange outflow, a target was set in 1973 for manufacturers to export components and vehicles in proportion to domestic sales. The regulated nature of the market could be gauged from a ruling in which domestic car sales could only increase by 8%, but only if exports targets were achieved. Starting in 1974 this export proportion was set at 15% of domestic car sales increases rising to 100% by 1978. [20] Car exports increased from 3,304 units, peaking at over 10,000 for 1975 and 1976, but then plummeting to 1,060 and 1,668 for 1978 and 1979. Domestic car sales to dealers peaked at 219,304 in 1973 and failed to exceed this number for 15 years. It should be remembered, however, that this timeframe was subsequent to the OPEC oil crisis. For 1974, the top five export markets for parts were Chile, Venezuela, Colombia, South Africa and Brazil (from highest to lowest respectively). In the case of fully built car exports, Cuba went from zero sales in 1973 to top country in 1974 followed by Chile, Bolivia

and Paraguay. In terms of total automotive sales value, Cuba remained the top market through to 1978, followed by Chile and Uruguay. But then in 1979 the ranking from the top changed to Uruguay, Brazil, Venezuela, Chile and surprisingly Italy.

Following the military coup in March 1976, the generals and admirals set about purging government administration of Peronist sympathizers as well as eradicating the communist forces within the labor unions. But their main target was the left-wing guerillas who were brutally killed in what became known as the Dirty War. Not only did close to 19,000 people perish but looting of their victims and even rape gave the military a disgraceful reputation. These incidents typically happened at night with the soldiers arriving in the usual government issued green Ford Falcons. [21]

All GM production in Argentina ceased in 1978, partly due to a volatile economy but also because of a limited product offering. With only the Opel K 180 and the Nova based Chevy, GM Argentina's market penetration was down to 9 % in 1976 dropping to 2 % in 1978. Between 1959 and 1978, 195,000 cars (Chevrolet 400, Chevy and Opel K180) were built plus 207,000 commercial vehicles (Chevrolet and Bedford).

General Motors left during a period of deep depression in the manufacturing industry. Its departure was well timed because the financial system was close to collapse by October 1980. President Martinez de Hoz relaxed tariff rates and currency flows resulting in fully built vehicle imports that had typically been under 1,000 units a year up to 1978, jumping to over 60,000 units in 1980 and 1981 returning to less than 1,000 by 1983. A capital flight of \$2 billion occurred after February 1981 causing the peso to devalue 600% that year. [22]

For the next 14 years GM would continue to market products in Argentina without a manufacturing base. Brazilian Chevettes and the Chevette based Chevy 500 pickups were imported under the GMC brand as was the large Veraneio. One exception was the assembly of the Chevrolet C-10 pickup through a 1984 agreement with Sevel Argentina, which was formed in 1980 from the merger of Fiat and Peugeot.

Joint Ventures

The dire market conditions prompted Fiat Consul and Peugeot's SAFRAR to form the Sevel joint venture in December 1980 in accordance with law number 21.932 to restructure the industry. In Europe, Fiat and

Peugeot already had a Sevel joint venture since 1978 to handle their commercial vehicle operations where it was named Societa Europea Vecoli Leggeri or Sevel S.p.A. In contrast the Sevel of Argentina was Societada Europea de Vehiculos para Latinoamerica or translated the European Company for making vehicles in Latin America.

Production of Peugeots was transferred from their Berazategui plant in Buenos Aires to the large Fiat El Palomar plant, which took over Fiat's car production as well. Previously, this plant had handled commercial and tractor production, which was transferred to Ferreyra in Córdoba Province. Fiat assumed control of Sevel in September 1981 and increased demand prompted the reopening of the Berazategui plant in 1993. ADEFA production records show Fiat Auto Argentina SA taking over manufacture in 1996, whereas Peugeot records remain under Sevel SA through to 1999 at which time Peugeot-Citroën de Argentina was established.

Surprisingly Volkswagen was a latecomer to Argentina. As early as 1971 the government had chosen not to fragment the automotive industry any further by allowing new manufacturers to enter until after December 30, 1980. [23] Volkswagen Argentina SA was created on May 5, 1980 through the acquisition of a large stake in Chrysler Fevre Argentina the previous year. Production of the North America based Dodge Coronado ended in 1980, followed by Dodge trucks the next year, but the Hillman Avenger based Dodge 1500 continued through to 1982, at which point Volkswagen models took over. In Brazil, VW had also purchased Chrysler operations, Also as in Brazil, Ford chose to merge with Volkswagen in 1987 to create Autolatina Volkswagen Argentina, which lasted through 1995. These mergers indicate the difficult nature of the Argentinean market.

The ill-advised April 1982 attack on the Islas Malvinas, or also known as the Falkland Island was the final nail in the coffin of the corrupt military government. To deflect attention from domestic turmoil and unrest, this attack had the primary goal of stimulating national patriotism which had included sabre-rattling with Chile. Not anticipated was the reaction of the "Iron Lady" Margaret Thatcher, who quickly dispatched a naval force to protect and retake the island that contained 2,000 British subjects.

In such a short review, it is impossible to cover the continuing economic instability from rampant inflation, currency devaluations, wildly divergent economic policies all while unrest in the form of violent union action,

riots, guerilla conflicts and general lawlessness that was happening repeatedly. Even during military administrations and interventions, there was seldom harmony amongst the generals and admirals.

President Raúl Alfonsín of the Radical Party would finally oust the military control for good in December 1983. His campaign had focused on prosecuting the military for the Dirty War. But the National Commission on Disappeared Persons simply triggered an elite group of commandos called the Carapintada to rise up and rebel. By now the International Monetary Fund (IMF) was demanding fiscal responsibility after international debt had escalated fivefold under the military administrations. Alfonsín's solution was the Plan Austral (Southern Plan) which retired the peso for a new Austral currency, with wage and price freezes and even a concerted effort to stop the rampant practice of tax evasion. In 1989 only 30,000 people paid taxes out of 30 million Argentines. [24] Inflation dropped from 360% to 24% and GDP rose by 10% but by 1988 economic policies were in tatters again.

Carlos Menem, a Peronist, took office early from July 1989 because inflation had reached 3,000%. He chose a Harvard-educated economist, Domingo Cavallo as his minister of economics. Their goal was to reduce international debt by selling state owned businesses such as the oil company YPF, Aerolíneas Argentinas as well as the national railways. Although more than 50 state owned businesses were disposed of, the nation foreign debt continued skywards while IMF officials were blinded by Cavallo's credentials. Reduction in civil service and other severe fiscal practices dropped inflation from 3,000% to 7% over five years but boosted unemployment to its highest level of close to 20% with poverty rates at 40%. High level graft and corruption remained rampant. [25]

The implementation of the Latin America Free Trade Association (L.A.F.T.A.) from January 2, 1962 aimed to facilitate trade between member states at low tariff rates but the automotive industry had difficulties applying these benefits to parts and components. In some cases, reciprocal trade fared better, but these were individually sanctioned arrangements between the respective trading countries and manufacturers. The Latin America Association (Asociación Latinoamericana de Integración) (A.L.A.D.I.) replaced L.A.F.T.A. in 1980.

In 1991 a trade pact called Mercado Común de Sur (Common market of the South), better known as Mercosur was formed between Argentina, Brazil, Paraguay

and Uruguay. Many other South American countries were subsequently added as Associate members with New Zealand and Mexico gaining Observer status. The difference between the earlier LAFTA/ALAD and Mercosur treaties for the automotive industry was that the latter allowed fully-built cars to be treated as a domestic product for the importing participating country. This was a significant benefit in deriving greater volume from a single factory having access to multiple markets.

After seventeen years of control, Renault France wanted out of the Argentinian market. In 1992 Manuel Antelo formed a holding company *Compagnie Financière pour l'Amérique Latine* or Cofal in which he owned two-thirds and Renault owned a third. Cofal then gained 72.3% of *Compañía Interamericana de Automóviles S.A.* or CAIDEA SA, the new name for Renault Argentina. Two years later, Manuel Antelo was charged with importation and exportation improprieties. In 1997 he sold a controlling interest in Cofal to Renault.

In the interim, on July 14, 1993, a joint venture between GM and Ciadea allowed GM to re-enter the Argentinean market. In 1994 Chevrolet started building trucks at the joint venture Córdoba plant and in 1995 the Corsa joined the production line. General Motors de Argentina S.A. commenced construction of a state-of-the-art plant in August 1995 in Rosario located in the Sante Fe Province. Production commenced on October 21, 1997, even though the inauguration was delayed until December 11, 1997. Once the Rosario operation was fully established, the Ciadea joint venture was dissolved and the Córdoba plant closed.

The Rosario factory was not simply an additional plant in GM's global orbit. Instead it was the embodiment of techniques learnt from the joint ventures with Japanese manufacturers. Practices from the New United Motor Manufacturing, Inc (NUMMI) operation with Toyota in Fremont, California, and the CAMI (originally known as Automotive Canadian Auto Manufacturing Inc) venture with Suzuki in Ingersoll, Ontario, Canada, were being applied in this new Argentinean operation. The first application of these lean production ideas occurred when the Berlin Wall came down, allowing GM to take over the old Wartburg plant in Eisenach, East Germany. These disciplines of just-in-time inventory and enlightened labor practices were then jointly adapted to the Gliwice operation in Poland and the Rosario factory. A major factor in the success

of these new applications was that the workforce had not previously been employed by GM and therefore there was little resistance to change and the adoption of more efficient economic methods of production.

Turmoil Never Ends

The willingness of GM and other companies to invest in Argentina was based on the establishment of the Mercosur free trade agreement mentioned earlier. Unfortunately,

even this trade agreement and the earlier return to democracy in 1983 failed to prevent an incredible economic decline in the new century. It was even worse than the Great Depression of the 1930s. Whereas Brazil floated its currency in January 1999, Argentina held out until January 2002. Once the peso was un-pegged from the US dollar, it collapsed 70% overnight. Auto production that had peaked at 458,003 units in 1998 plunged below 160,000 in 2002 with domestic sales failing to reach 93,000.

Year	Vehicle Production		Vehicle Sales	
	Brazil	Argentina	Brazil	Argentina
1995	1,634.30	285.4	1,470.90	328.0
1996	1,804.30	313.2	1,730.50	376.1
1997	2,067.50	446.3	1,878.90	426.3
1998	1,585.60	458.0	1,495.90	455.4
1999	1,343.60	304.9	1,227.30	380.1
2000	1,691.20	339.2	1,461.40	306.9
2001	1,817.10	235.6	1,581.30	176.7
2002	1,792.70	159.4	1,383.20	92.8
2003	1,827.00	169.2	1,314.90	147.2
2004	2,210.10	260.4	1,564.20	302.2
2005	2,528.30	319.8	1,631.20	397.6

Source: International Metal Workers' Federation Auto Report 2006-07 [p. 60]

<https://www.yumpu.com/en/document/read/26287085/imf-auto-report-2006-07-international-metalworkers-federation>

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Gendering Mopeds in Taiwan

A Gender History about Mopeds and Their Designs

By Kuan-Hung Lo

Introduction

Mopeds are one of the most popular modes of personal transportation in Taiwan. In 2005 there were 13.19 million mopeds in a country with a population of 23 million people.¹ In the Taiwanese people's everyday life, mopeds are the dominant vehicle.² Although mopeds are prevalent, there is little discussion of the gender politics of mopeds in Taiwan. Technology is imbricated with politics,³ so the design and usage of mopeds reflect gender politics both obviously and tacitly. This story begins with a discussion regarding how mopeds have been historically gendered.

Recent studies, including Cynthia Cockburn and Susan Ormrod's analysis of the microwave oven⁴ and Ellen van Oost's work on body-hair shavers,⁵ have adopted the insights from science and technology studies (STS) regarding the emerging interaction between gender and technology. Of course, mopeds, as a ubiquitous technology, also engage with other factors, including class, ethnicity, and age. My previous work demonstrated the gender history and politics of motorcycles in Taiwan.⁶ By adopting approaches from STS, I will discuss the historical gendering of mopeds driven by design, rider preferences, and advertisements.

I want to clarify the term *moped* in this article to avoid confusion. According to the Merriam-Webster dictionary, a moped is a lightweight, low-powered motorbike that can be pedaled.⁷ The definition points out three characteristics of a moped: lightweight, low-powered, and being pedaled. The term "*moped*" is supposed to refer to a vehicle like the Honda Super Cub.⁸ In the United States, however, the definition of a moped has been expanded. Nowadays, native speakers of English apply the term *moped* to any low-powered

motorbike, including a low-powered vehicle that is called a *scooter* outside the U.S.⁹ In Europe the term refers to a low-powered vehicle without pedals like the Lambretta.¹⁰ Actually, mopeds and scooters are two different types of low-powered and lightweight vehicles, but U.S. English speakers are using these two terms alternately to refer to a vehicle category that combines both mopeds and scooters. This situation happens in Taiwan, as well. Taiwanese people use the term 機車 to refer to a vehicle category that refers to both mopeds and scooters. Therefore, I will follow this convention and use the term *moped* to refer to a combined moped/scooter vehicle category. This not only presents the Taiwanese people's understanding regarding 機車/mopeds but also helps prevent confusion for U.S. English speakers.

My research methods draw on oral history, archival analysis, and secondary analysis. Sources include news and advertisements from several databases, including *Central Daily News* (中央日報), *the United Daily News* (聯合報), *the China Times* (中國時報), *Taiwan Daily Newspaper* (台灣日日新報), the UDN Database (聯合知識庫), the Japanese Colonial Periodicals of Taiwan (日治時期期刊集成資料庫), as well as personal collections, including V.O.F. Yesterdays (<https://www.yesterdays.nl/>) and Jhaodong Wu (吳紹東). Finally, data from interviews I conducted with two repair shop owners, a male moped designer, two male riders, and three female riders is included.

The 1910s to 1945: Mopeds as Representing the Wealthy, Male Elite

From 1895 to 1945, Taiwan was a colony of Japan and treated as an extension of Japanese territory. During this period, Japan had been economically developing

Taiwan to prove that Japan was one of the developed countries that was qualified to manage its own colonies. An area of major influence was Japan's building of a modern transportation system on the island, including roads and railroads.¹¹ There is no denying that infrastructure assisted Japan in consolidating its colonization of Taiwan, but infrastructure also radically changed how Taiwanese people traveled on a daily basis.¹²

Early forms of motorized transport were largely American vehicles imported by Japanese distributors. There were only four bicycles in all of Taipei, with the first car arriving in 1912.¹³ In 1913, the Kanda Corporation (神田商会) initiated the car rental business, by 1918 becoming a vehicle distributor that sold Willys-Overland automobiles.¹⁴ In the 1920s, the Taiwanese automobile market exploded. Several Japanese distributors imported Ford, Buick, Pontiac, Chevrolet, Dodge, Hudson, Whippet, Plymouth, and Marquette cars.¹⁵ In March 1932, *Taiwan Automobile Magazine* (台湾自動車界), a monthly publication, began circulation. Its articles included vehicle policies, culture, activities, regulations, models of vehicles on the global scale, maintenance, and vehicle-related stories. Hence, the automobile business before WWII was vigorous in Taiwan.

However, automobiles remained largely unaffordable for the majority of the population. In 1920 the average monthly income was 30 yen.¹⁶ In 1937, the middle-class monthly income ranged from 40 to 150 yen.¹⁷ Yet in 1926, a Ford cost 1,350 yen.¹⁸ In 1927, the price range of a Buick was 4,900–8,400 yen.¹⁹ In 1929, an Elcar cost 5,350 yen, while a Chevrolet was 3,000 yen.²⁰ This financial unaffordability maintained the representation of wealth for cars and their owners.

Although automobiles were expensive, the numbers continued to steadily rise. According to a survey by the Ministry of Transportation, there were 52 cars in 1920; by 1930, there were 2,528.²¹ This massive change within just a decade showed that wealthy Taiwanese people desired cars as their personal vehicles.

Because cars were expensive, bicycles became more affordable personal vehicles to the Taiwanese people. In 1920, there were 3,903 bicycles; in 1943, 371,351 bicycles were registered.²² This expansion shows the large-scale desire for personal vehicles.

Motorcycles and mopeds were introduced in the early 20th century. Motorcycles debuted in 1908 in Taiwan, when the Japanese Army first deployed them

for military purposes.²³ After several years, civilians had the opportunity to purchase motorcycles as well. For example, in 1913, Mr. Shimanaka (島中), a bicycle-store owner in Taipei, rode his motorcycle to travel around.²⁴ During the Japanese Taiwan period, Japanese people generally had higher incomes and social statuses than Taiwanese people.²⁵ Therefore, the Japanese people had better financial capital and social capital to access personal vehicles. After Mr. Shimanaka, Chaoqin Huang (黃朝琴) had a Smith Motor motorcycle in 1918; Huang said that he felt exuberant to ride the motorcycle on the road.²⁶ By the late 1920s, several Japanese distributors imported motorcycles, including Indian, Harley-Davidson, BMW, and Rudge Four.

However, mopeds did not receive much attention during this period. Compared with the number of cars and bicycles, the number of mopeds was low. In 1930, there were 346 motorcycles and mopeds; in 1935, there were 507; and in 1940, there were 560.²⁷ In a decade, the number of motorcycles and mopeds increased by 161, while the number of cars increased by 2,476. Because of this huge difference, it seems obvious that people in the Japanese Taiwan period were more familiar with cars, not mopeds, as modes of personal transportation.

Additionally, national surveys at the time imply that mopeds were not popular vehicles. When mopeds were introduced to Taiwan, the Japanese distributors translated *moped* as クーター and *motorcycle* as オートバイ.²⁸ From magazines and newspapers, people clearly distinguished オートバイ from クーター, because advertisements linked these terms with visuals of mopeds and motorcycles respectively. Nevertheless, in the national survey, motorcycles and mopeds were mostly put in the same category: the “motorcycle”.²⁹ This shows that mopeds were not important enough to be an independent survey category, because the number was so low during this period.

During this period, mopeds portrayed an interesting image regarding gender and class that reflected the moped's image in Western culture. Generally, Japanese moped distributors adopted the gendered image of mopeds in Western countries to likewise gender mopeds in Taiwan, while the Auto-Fauteuil and the Autoped contributed the gendered image of mopeds in Western countries.

The Auto-Fauteuil and the Autoped are often regarded as forerunners of the modern moped.³⁰ The

former was manufactured by Georges Gauthier in Blois, France, from 1902 to 1906; the latter was produced by Autoped Company in Long Island City, United States, from 1915 to 1921.³¹

In 1902, the year the Auto-Fauteuil was launched, the notion of modern mopeds did not yet exist, though the company had produced motorcycles since 1885.³² The manufacturer of the Auto-Fauteuil needed to tell people what this vehicle was and how to distinguish it from other vehicles. The first way this was done was with the name, as a way to make clear descriptions. *Auto* in French means “automatic” while *Fauteuil* is “armchair” or “seats,” so *Auto-Fauteuil* is an “automatic armchair” in English. By naming the vehicle as such, the manufacturer was attempting to communicate that the Auto-Fauteuil was as comfortable as a car. In other words, the manufacturer borrowed the notion of the “car” to promote the Auto-Fauteuil as being a comfortable and car-like vehicle.³³ Second, the Auto-Fauteuil’s advertisements repeatedly stated that the Auto-Fauteuil was not a motorcycle, but rather a two-wheeled car for people who desired the advantages of a car and motorcycle with none of the inconveniences.³⁴ “Making this comparison [between the Auto-Fauteuil and a motorcycle] would be like comparing a car and a quad bike, just because they both have four wheels.”³⁵ Interestingly, a 1921 French article used the term *scooter* when discussing the Auto-Fauteuil.³⁶ This shows that the notion of modern mopeds was forming by 1921, and readers could distinguish the moped form from other vehicle forms, including cars and motorcycles. Third, the Auto-Fauteuil was promoted as an easy-to-use vehicle. Several Auto-Fauteuil advertisements showed its ease of operation, how the brakes worked, how riders could turn the vehicle, and how the engine warmed riders’ feet with a “sweet warmth.”³⁷ Specifically, the advertisements emphasized that the Auto-Fauteuil worked on all roads, including roads that were not well maintained, as well as roads in the countryside and the colonies.³⁸ These descriptions introduced the Auto-Fauteuil’s functions and abilities to a new market of potential consumers: people who traveled in the countryside and the colonies.

Because the Auto-Fauteuil represented a new form of vehicle in the early 1900s, the manufacturer had to cultivate the market. Therefore, Auto-Fauteuil’s advertisements were used to catalyze a growing consumer population. The advertisements stated that the vehicle was made for “those classes that desire to

preserve the dignity in keeping with their situation,” including the nobility, veterinarians, doctors, notaries, lawyers, and clergymen.³⁹ Its advertisements displayed this group as being solely male, making the connection between this vehicle and these noble wealthy men with dignity.⁴⁰

Although the advertisements never aimed at women as potential moped users, an article indicated that women did indeed use the Auto-Fauteuil.⁴¹ This accidental discovery raised the potential for marketing to women. However, the Auto-Fauteuil never became a commercially-popular product.⁴² One of the reasons might have been its high price. The price of the Auto-Fauteuil in 1902–1906 was equivalent to the annual salary of an average worker in France in the 1920s.⁴³

Compared with the Auto-Fauteuil, the Autoped aimed at a broader consumer population. The Autoped’s advertisement promoted the vehicle as not being fast, but one best for short journeys. Therefore, it was perfect for a wide range of consumers in a variety of professions, including businessmen, businesswomen, professional men and women, housewives, physicians, older children, maids, grocers, pharmacists, merchants, commercial salesmen, repairmen, and messengers.⁴⁴ The U.S. Postal Service, for example, used Autopeds to deliver mail for a short time, because the Autoped was slim, light, and easy to handle on the street.⁴⁵ Hence, the Autoped was marketed not only to men but also to women.

Although the Autoped was marketed to both sexes, it attracted women more than men. By 1912, several motorcycle manufacturers had specific women-friendly models on the market; however, these early designs had an open frame that easily became entangled with female apparel such as skirts.⁴⁶ Also, the Autoped was a lightweight vehicle for users. These characteristics were advertised as fitting the needs of women. Finally, it was marketed as giving women a taste of freedom and mobility, with American aviation pioneer Amelia Earhart and British activist Lady Norman Florence both using their Autopeds for commuting and working.⁴⁷ Following the Autoped, some American mopeds also began targeting female users, including the ABC Skootamata in 1919, the Autoglider and the Stafford Pup in 1920, and the Grigg Scooter in 1922.⁴⁸ In other words, “[t]he earliest scooter was designed to meet the imagined needs of the female motorcyclists. For instance, it was possible for women to stand while driving the Scootamotor, thus preserving decorum and

the line of their long skirts.”⁴⁹ Hence, the moped appealed to female riders more than the motorcycle did.

Figure 1. An advertisement of a moped
From: Chen, p. 315.

When Japanese distributors sold mopeds in Taiwan, they used the preexisting gender images of mopeds. As Figure 1 showed, an advertisement in 1924 from Central Trading Co. Ltd. (中央貿易株式會社) displayed a drawing of a moped, stating that mopeds were a useful, modern vehicle for gentlemen. The same advertisement also stated that women could ride them easily. In 1925, Central Trading Co. Ltd. held a moped exhibition in Taipei. The advertisement showed the moped as 安定式スクーター (a stable scooter).⁵⁰ Both of the advertisements showed moped riders as well-dressed gentlemen. At the same time, the Japanese distributors marketed to women as well. In the advertisement, they mentioned that this moped was friendly to female riders.⁵¹ Therefore, while men were the primary marketed consumers, the Japanese distributors were working to expand the market to women.

Although the Japanese distributors marketed to both men and women, only wealthy men could own mopeds due to their high price. Consider Chao-Ying Chang (張超英). Chang was born into a rich family. His grandfather Cong-Ming Chang (張聰明) studied in Hong Kong and Japan from 1848 to 1857 and owned a coal company in the Japanese Taiwan period.⁵² Chao-Ying Chang, therefore, had capital to access better education and to work in the Taipei economic and cultural offices in the United States and Japan.⁵³ Chao-Ying Chang represented the archetypal decent and well-educated gentleman in the 1940s. In 1945, Chang received a used red moped as a present from his father, costing approximately US\$ 400–500,⁵⁴ when the average annual personal income was US\$ 154 in 1950.⁵⁵ Mopeds were not a viable option for anyone without a sizable amount of disposable income. Meanwhile, mopeds were originally thought of as a conspicuous luxury. For example, Chang frequently rode his red moped.⁵⁶ Because few people had ever seen a moped, and because the red moped was considered swanky and showy, Chang enjoyed the conspicuousness of this luxurious mode of transport.⁵⁷

The high price of mopeds and the gentlemanly image of the moped riders reinforced a social image of mopeds as solely part of the owner's elite class position and high wealth. The Japanese distributors knew their customers were wealthy, so they tended to publish the moped advertisements in medical and law journals.⁵⁸ For example, *The Handbook of Outstanding Doctors in Taiwan* had several advertisements for mopeds.⁵⁹

During the Japanese Taiwan period, mopeds in Taiwan were imported from foreign countries and replicated the gender images of the mopeds from Western countries to attract men and women. Auto-Fauteuil marketed to wealthy and noble men, yet women were buying the vehicle, too. This unintended outcome provided a potential market for moped manufacturers. Autoped actively marketed to all people, including both sexes and multiple professions. Because of the moped's lightweight design, it gave women more access to freedom and mobility. During the Japanese Taiwan period, the mopeds in Taiwan focused on men and women. However, the high price of mopeds only gave wealthy male elites access to them. For the Taiwanese, the mopeds were the wealthy elite's luxurious and swanky vehicles, so the mopeds represented a form of fortune and social class.

1946 to the 1960s: Expanding the Moped Market by Targeting Both Men and Women

Female moped riders were rare before 1945 in Taiwan. As so far, I only find a woman attending a motorfan club in 1932 and there is no description about that woman.⁶⁰ Also, no moped advertisements of the time included female images. However, in Western countries, the mopeds had already been strongly connected with women's freedom, liberation, and fashion.

Although mopeds were first introduced in 1902, the Vespa was the prototype or template for modern moped designs.⁶¹ In 1946 the Vespa was launched by Piaggio, while the Lambretta was launched by Innocenti in 1947.⁶² Initially, the Vespas were designed for the poor road conditions in postwar Italy, while the Lambretta's design followed the prototype of the Vespa.⁶³ Though not initially, by the 1950s, the Vespa and the Lambretta shifted their commercial strategy to market explicitly to women and young people. In particular, Piaggio described the Vespa's design as flamboyant and stylish.⁶⁴ The Vespa represented both "mobility and freedom" along with exoticism and novelty.⁶⁵

Compared with Piaggio and Innocenti, Honda Motor Co. always strove to manufacture mopeds for women. In 1958 Honda Motor launched the Honda Super Cub, with its design inspired by European mopeds and bikes.⁶⁶ Soichiro Honda, the company's founder, said that it should not be "a motorcycle that you ride from behind with your leg raised. This is a bike that you sit down on from the front. We want customers wearing skirts to buy this. Don't put the tank where it gets in the way."⁶⁷ Based on this sentiment, Jozaburo Kimura, who was in charge of the Super Cub project, attempted to design a new form of mopeds for women.⁶⁸ To make this new kind of moped a reality, Kimura made major changes in a new set of mopeds to the fuel tank, plastic body case, and automatic clutch. First of all, Kimura moved the fuel tank under the seat.⁶⁹ This design meant that riders could straddle the Super Cub easily and female riders specifically could wear skirts to ride the mopeds without their clothing being caught in the motor.⁷⁰ Easy straddling became one of the major features of the Super Cub's style. Second, because Honda and Kimura considered women to be not as physically strong as men, Kimura chose a plastic body cover instead of metal to reduce the weight of the moped. Third, Honda Motor invented a revolutionary

automatic clutch that can shift without using hands.⁷¹ This automatic clutch simplified the driving of mopeds. Because of these significant changes, the Super Cub was friendlier to riders, including women. In the end, the Super Cub was very popular in Japan.⁷²

In the story of the Super Cub, designers thought simplicity of operation was what women wanted, so the automatic clutch would best fit women's needs. Based on Honda's understanding of women, it built a Super Cub that the firm believed women would love to use. Ellen van Oost coined the term *I-methodology*.⁷³ Throughout the design process, designers and engineers would center their life experience, understanding about the marketed consumers, and bias within their products and design, such as gender, race, and age. In the case of the Honda Super Cub, Soichiro Honda and Jozaburo Kimura designed the moped not only with their technical expertise but also with their life experience, which would implicitly involve their gender bias. Thus, the gender bias expressed by technology was toward male-dominated symbols and competencies.⁷⁴

In addition, the Super Cub's body case shaped the perceived gender of the moped itself. This was most important in considering whether the motor would be visible or under the case. This was a big decision for designers. It not only concerned profits and the purchase costs but also related to the moped's perceived gender. For example, because the motorcycles did not have a body case to cover the internal parts, the manufacturers would give the motorcyclists leather leggings to prevent burns to the legs.⁷⁵ When the motorcyclists wearing leather sleeves rode motorcycles that had no body case, their clothing and the technology mutually indicated a masculinity that linked motorcyclists and their motorcycles.

Compared with motorcycles, the Vespa's designers chose a metal body case that covered the bike's motor. In 1946 the metal body case of the Vespa was so sturdy that "the scooterist was not obliged to wear special, protective clothes."⁷⁶ The body case, furthermore, protected parts from rain and wind erosion.⁷⁷ Because the Vespa was so popular, the body case design became the basic feature of future moped designs.⁷⁸ In 1947 the Lambretta launched "undressed" and "dressed" mopeds for their customers.⁷⁹ The CL (undressed) model was the moped without a body case, while the C (dressed) model had a body case.⁸⁰ Although the Lambretta offered different models, the designers

“began adopting the ‘effeminate’ practices of enclosing the machine parts.”⁸¹ Therefore, the design of the body case was meant not only to protect the parts and the riders but also to express the femininity of the Lambretta. Because the body case was considered feminine in the 1940s and 1950s, it was not surprising that Takeo Fujisawa, a designer on the Super Cub project, said “[t]his time, we’ll have a bike that doesn’t have its insides sticking out” when he designed the Honda Super Cub, which was designed for women.⁸²

The weight of mopeds was a characteristic to gender mopeds, too. Harada Yoshiro was the head of the Frame Engineering Design section and the leader of the Honda Super Cub project.⁸³ He said “using polyethylene [as the body case and other parts] was a great adventure. It was new material . . . there was no precedent at all for its use in the motor vehicle industry.” Compared with the Vespa’s and Lambretta’s body cases, which were made of metal, the Super Cub’s body case, which was made of polyethylene (PE), was much lighter. The PE body case had some benefits. The case was cheap enough and durable enough so that Honda could reduce the cost of the Super Cub, and fuel efficiency of the Super Cub would be better than the metal body–case mopeds. Low cost and better fuel efficiency directly reduced the financial barriers to owning a moped. The Super Cub was lighter than other mopeds, so its riders could maintain elegant poses while riding it.⁸⁴

The Super Cub’s designers and advertisers alike made a serious attempt to target female riders. Takeo Fujisawa identified the model as a moped that husbands would allow their wives to use.⁸⁵ This observation assumes not only that wives need their husband’s permission to ride but also indicates that the Super Cub was explicitly designed for women. Honda Motor published several advertisements targeting women. For example, the Super Cub advertisement in Figure 2 displays a woman as a Super Cub rider. The same advertisement implies that women used mopeds while men used motorcycles. Its slogan, “light, fast, you can ride it (軽い, 速い, 貴方も乗れる),” emphasized that this lightweight moped was for women. By presenting the gender of the riders of mopeds, Honda Motor actively constructed representation of femininity of mopeds and riders. In other words, they designed and produced this moped for women, and the moped riders in turn shaped the perceived gender of the mopeds. Generally, the advertisements suggested an atmosphere

of leisure, youth, and fashion. This commercial strategy was similar to that of Vespa and Lambretta in 1950s Europe.



Figure 2. Honda Super Cub advertisement
From: Kobayashi. *Trace of Super Cub*, p 47.

The Vespa, the Lambretta, and the Super Cub brought this gendering trend to Taiwan. For example, a tire advertisement in 1959 showed that a moped rider was a woman and a motorcycle rider was a man. However, Taiwanese importers and advertisers did not directly duplicate the gender images of the Vespa, the Lambretta, and the Super Cub, but slightly manipulated the moped’s gender image.



Figure 3. A Lambretta advertisement
From: *Central Daily News*, April 24, 1960.

Taiwanese advertisements in the 1950s and 1960s portrayed mopeds as both masculine and feminine forms of transport. Figure 3 is a 1960 Lambretta advertisement that exhibits the gendering of mopeds. Yue Loong Motor, a Lambretta importer, gave the Lambretta a Mandarin name, 蘭美達, whose pronunciation is similar to *Lambretta*. Furthermore, the Mandarin characters naming the Lambretta are meaningful. In Mandarin, “蘭” means a well-educated gentleman and “美” usually refers to beauty. Hence, the Mandarin translation of *Lambretta* expresses both masculinity and femininity. Additionally, the Lambretta commercial advertised it as an authoritative moped that the United States Army used. In this context, the Lambretta borrowed masculine images of authority to masculinize the moped, while the Mandarin name expressed masculinity and femininity simultaneously.

For instance, Figure 4 is a 1965 Lambretta advertisement, which used an illustration of a woman wearing a shirt, rather than a dress, riding a moped. This image directly showed that women wearing shirts could ride this moped. Meanwhile, the slogan of the advertisement was “the finest moped which gentlemen and ladies in Europe and the United States love most (在歐美各國紳士淑女們最喜愛的高級車).” With this slogan, the advertiser displayed a particular gendered image of the moped riders: gentlemen and ladies. In other words, the riders were honorable and courteous men and women. Consequently, this advertisement shaped gendered perceptions and social statuses of moped riders.

Contemporaneously, a famous and widely viewed image of mopeds was the Vespa from the film *Roman Holiday*. Gregory Peck played a reporter who rode a Vespa moped. For the general public, Peck represented a well-educated and courteous gentleman on a moped, instead of a fashionable and stylish Mod.⁸⁶ Given the film’s global reach, there were transcultural interactions with the film and the gender constructs it portrayed. For example, in Chinese culture, there are two kinds of masculinities: wen and wu.⁸⁷ The representation of wen masculinity is well-educated, intelligent, and knowledgeable, while the representation of wu masculinity is fearless and physically strong with excellent fighting skills.⁸⁸ The ideal man should perform both wen and wu simultaneously.⁸⁹ If not, it is better to have wen masculinity than wu masculinity, because culturally wen masculinity allows men to achieve a higher social status. In this context, Peck on the moped encapsulates wen masculinity.



Figure 4. A Lambretta advertisement
From: *Central Daily News*, September 14, 1965.

With the broadcast of *Roman Holiday* in Taiwan, the image of Gregory Peck was presented with wen masculinity to shape expectations of a decent moped user: an honorable, well-educated, and courteous man with good manners. For example, Bei-Lu Zeng (曾北路), a contemporary local legislator, had a Hankel moped in the 1960s.⁹⁰ When riding it, he always wore a decent suit and would not curse. Zeng believed he had to have good manners and a gentlemanly appearance to properly match his moped. Zeng was not the only person who thought this way. Shin-Yen Lo (駱賜源), a moped user, had a similar thought.⁹¹ Therefore, the moped gender image disciplined users’ bodies and behaviors, that is, the moped riders would constantly push themselves to perform wen masculinity.

The Super Cub’s distributors did not use a similar strategy when the Honda C50, one model of the Super Cub series, came to Taiwan. As we see in Figure 5, the distributor of Super Cub attempts to make a symbolic connection between a female model and the 50-cc



Figure 5. A Honda C50 advertisement
From: *Central Daily News*, April 27, 1963.

engine in the Honda C50, while the man is connected with the Honda C100, a 150 cc motorcycle. By showing these symbolic connections, the distributor gendered the Honda C50: a moped for professional women. The gender image of the Honda 50 was different from the gender image of a playful Twiggy on a moped that was published in *Vogue* in the July issue of 1967.⁹² The femininity of the Honda C50 was coupled with professional masculine features. In other words, the advertiser of the Honda C50 in Taiwan included both gender and class issues.

In addition to the advertisement, the Honda C50's automatic clutch helped to gender it as feminine. In the history of the Honda Super Cub, Soichiro Honda, Takeo Fujisawa, and Jozaburo Kimu designed the automatic clutch as an easy device for female riders. Together, this system was successful in attracting a large female ridership.⁹³ Many female riders did in fact choose the Honda C50.⁹⁴ The automatic clutch was the reason they chose this model because they did not have to learn how to operate a manual transmission.⁹⁵ However, some riders believed that mopeds with the automatic clutch were designed solely for women and the elders who were not agile.⁹⁶ The female riders did not prefer to operate technology with difficulty to prove how masculine and smart they were. In this way, they were like the safety bike female riders Wiebe Bijker discussed.⁹⁷

Expanding the vehicle market was one reason that the distributors and advertisers provided a mixed gender image. Even by the late 1950s, mopeds remained expensive. In Taiwan, a Japanese moped, for example, cost NT\$ 23,000,⁹⁸ and a 1950 Vespa was NT\$ 23,500 in 1960 when the average annual personal income was only NT\$ 5,666.⁹⁹ In other words, a moped cost 4.2 times the average annual personal income in 1960. The high cost of mopeds limited the ability to purchase one. Strictly speaking, still only high-income people could afford mopeds. After the debut of mopeds in Taiwan, while increasing numbers of wealthy men bought this technology, many still primarily relied on automobiles. Therefore, a wider customer base turned out to be the best marketing strategy for motor companies and distributors.

Because Taiwanese motor importers and distributors saw the benefit of mopeds targeting women and young people in Western countries and Japan, they hybridized the Western gender image and the local gender orders to develop a mixed-gender construction for attracting more consumers. According to *The 1950 Monthly Survey Report of Transport*, there were 1,248 motorcycles and mopeds in the entire country; by 1960, the number of motorcycles and mopeds had increased to 26,468; and by 1970, there were 588,356 motorcycles and mopeds.¹⁰⁰ During these two decades, moped marketing showed a dramatic expansion. Many factors resulted in this expansion. A mixed-gender image of mopeds would be one of them. In other words, this mixed-gender image of mopeds successfully recruited new moped riders, including men and women.

In a nutshell, from 1945 through the 1960s, Taiwanese moped distributors and advertisers not only borrowed the gender images of mopeds from the West and Japan but also formed a local complex image, which involved gender and class. The mopeds in Taiwan were framed as easy-to-use vehicles for professional men and women. Compared with the Western moped images—which were liberation, women, and youth—the moped's image in Taiwan focused on the notion that mopeds were simultaneously masculine and feminine.

The 1970s to 1985: Explicit Moped Femininity

The Kaohsiung Export Processing Zone was established on December 3, 1966. Taiwan, a developing country, treated the Export Processing Zone¹⁰¹ as a national policy meant to attract foreign investment for

developing Taiwan itself. In the 1970s, most of the factories in the Kaohsiung Export Processing Zone were light industries, including the textile industry, leather industry, and assembly-processing industry. These industries required a lot of cheap and low-skilled labor. Young women from rural areas were their primary labor resource.¹⁰² After the establishment of the Kaohsiung Export Processing Zone, Taiwan was in what would be its period of industrialization (1966–1985); young women had been pulled into manufacturing from rural areas.¹⁰³ Put another way, these young women were leaving their homes to work. This condition raised their need for efficient and reliable transportation. At this moment, distributors saw this trend and expanded their market actively: mopeds for women only.

Also, because of industrial transformation, agriculture in Taiwan declined and the manufacturing industry grew.¹⁰⁴ This transformation led to several Taiwanese motor distributors becoming motor manufacturers. However, the motor manufacturing industry was not mature enough, and these young Taiwanese manufacturers did not have experience in producing motors, so they needed to cooperate with foreign motor companies to produce motors.¹⁰⁵ Honda Motor, for example, authorized Sanyang Industry Co. (三陽工業) and Kwang Yang Motor Co. (光陽工業) to produce a Honda-authorized motor, when Sanyang Industry Co. and Kwang Yang Motor Co. were competitors in the Taiwanese moped market.¹⁰⁶

This industrial transformation raised the need for mobility, especially for young women who worked far from their homes.¹⁰⁷ The Honda C50 was a success in gaining female riders; others followed, taking a similar strategy. In 1977, Bridgestone Corporation (石橋工業) launched the Lady 50. The Lady 50's internal systems were similar to the Honda C50's. They all had a plastic body cover, automatic clutch, and lower step-through architecture. But, compared with the Honda C50, the Lady 50 was directly advertised as a moped for women only.

The advertisers behind the Lady 50 were more active in promoting its femininity than those behind the Honda C50 were. First of all, the Bridgestone Corporation had published several Lady 50 advertisements in *Crown Magazine*. This magazine was a monthly pop literature magazine whose audience was mostly women. By displaying the advertisements in the women's magazine, this strategy revealed Bridgestone Corporation's intention: The Lady 50 was solely for

women. The Lady 50 advertisement, such as Figure 6, said that the “Lady 50 is the only and best moped designed for young ladies! (蘭蒂50是唯一專為淑女所設計的最高級車!),” and “the girl's lovely moped. Cute! Cute! (姑娘的香車, 可愛!可愛!).”

Meanwhile, the “Lady” of the Lady 50 was not a regular woman. A “lady straddling Lady 50 is the most handsome and elegant girl in the world (騎蘭蒂50的姑娘, 妳是世界上最帥氣高雅的女孩).”¹⁰⁸ The female model in the advertisement shows several feminine characteristics, including wearing a long dress, cute pose, and long hair. The designs and parts were expected to appeal to women. The automatic clutch decreased the difficulty of riding the mopeds. The lighter weight allowed women with less physical strength to use it. The red color was a stereotypically feminine color, and its curvy shape offered a smoother profile. Following the success of the Lady 50, other motor manufacturers launched mopeds, such as the Liangban 50 (良伴50) and the Baiji 50 (百吉50), with a similar construction and design as the Lady 50 to attract female riders.

Although the automatic clutch was more easily operated, the moped still had a gearshift. The advent of the continuously variable transmission (CVT) simplified the operation of riding mopeds. By design and definition, the CVT had no individual gears, making it easier to use. Today, the majority of mopeds in Taiwan have a CVT.

The CVT was not just a simple transmission system. It had gender implications moving into the 1980s. The Dacooter 50 (達可達50) and the Passola (跑速樂) were the first CVT mopeds in Taiwan.¹⁰⁹ In 1981, Wanshan Industry Co. (萬山工業) launched the Passola while Sanyang Industry Co. developed and sold the Dacooter 50. For many riders, the CVT was portrayed as the crucial factor for women purchasing mopeds in the 1980s.¹¹⁰ Hence, the CVT was a gendered component that contributed to the differentiation of mopeds for women in the 1980s. The riders treated the CVT as the simplest transmission.¹¹¹

Compared with driving a car, riding a moped requires more physical involvement. The riders need to be aware of its operation and their body compartment, motility, and spatiality. In other words, when a rider uses a moped, the moped and the rider's body require harmonious operation. In this way, gender constructions of the moped and the rider also arose from this notion of the human body.

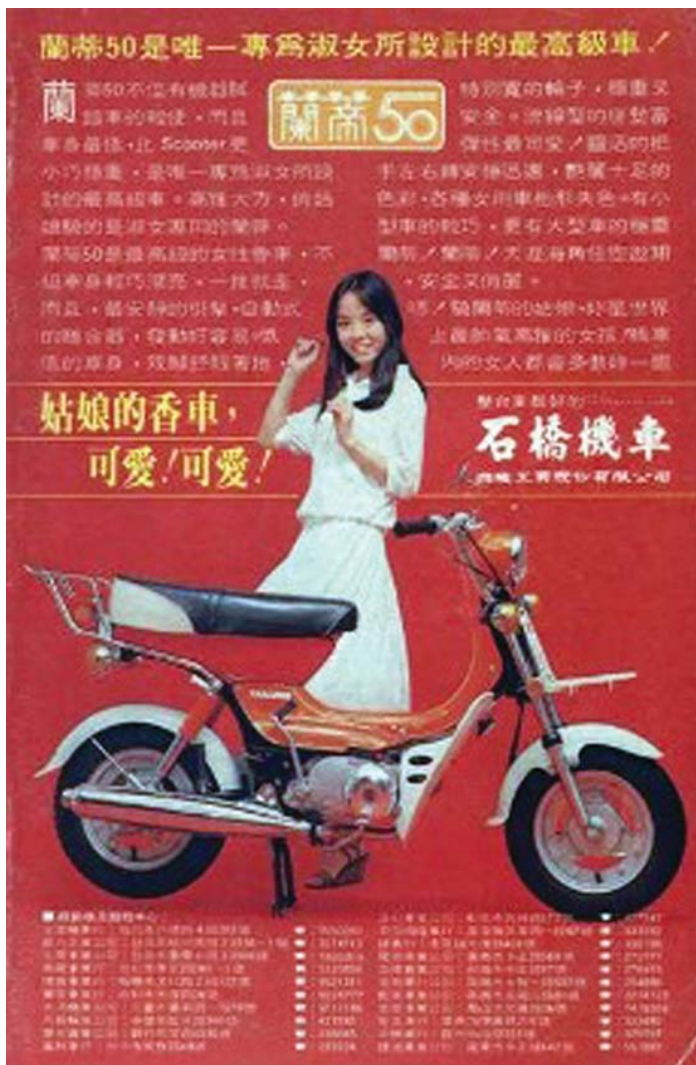


Figure 7. Lady 50 advertisement
 From: Jhaodong Wu collection, derived from *Crown Magazine*, 49:4 (1977).

Iris Young discusses the phenomenon of women’s bodies when she observed that “a woman typically refrains from throwing her whole body into motion and rather concentrates motion in one part of the body alone, while the rest of the body remains relatively immobile.”¹¹² This arose because of how women were physically seen in the world. Therefore, “a woman frequently does not trust the capacity of her body to engage itself in physical relation to things. Consequently, she often lives her body as a burden, which must be dragged and prodded along and at the same time protected.”¹¹³ In this way, it was thought that the women would not control the manual transmission skillfully because it required the rider’s whole body (including fingers, wrists, soles of the foot, and heels) to work in sync. The women’s self-doubt regarding their physical movements limited their ability to work

non-CVT mopeds. Women had reservations about their bodies or physical capacity. In this context, women often could not operate the non-CVT mopeds well. When the CVT simplified the procedure of operating the mopeds, women could concentrate their motion in one part of the body alone: their hands.

The gender issue was key here: “Feminine existence lives space as enclosed or confining, as having a dual structure, and the woman experiences herself as positioned in space.”¹¹⁴ The women’s bodies were confined by their particular space and environment. Human experience is based on the space they inhabited. Therefore, the CVT mopeds strengthened the traditionally considered dichotomy between masculine and feminine rather than overcoming it.

1985 to 2000: The Shifting Social Meaning of CVT Mopeds

Although CVT mopeds were deemed as “women’s mopeds” by the early 1980s, the advent of the New Generation 50 (新生代50) expanded the user population of the CVT mopeds even further. In 1984, Kwang Yang Motor launched the New Generation 50, which was aimed specifically at young people.

Targeting young people was not a casual decision. In 1983, the number of motorcycles and mopeds totaled 5 million.¹¹⁵ This number represented nearly one-third of the Taiwanese civilian population. Therefore, competition in the moped industry had become intense.¹¹⁶ Marketing expansion was a crucial task for the moped companies, so they needed to target young male and female people to expand their markets and win people’s loyalty.¹¹⁷ To recruit targeted consumers, Kwang Yang Motor published an advertisement that delivered the atmosphere of youth and leisure for both men and women. The femininity of the original CVT mopeds became androgynous, designed to appeal to both sexes. The unbeaten New Generation 50’s strategy led other moped manufacturers to follow this strategy. In 1987, for example, Yamaha Motor (山葉工業) launched the Cruise Series (兜風系列), which was popular among young people.¹¹⁸ By tracking the changes from moped advertisements, I discovered that the gender implication of the CVT mopeds changed from women to young people. In other words, the social image of the mopeds in the 1980s replicated the social images of the Vespa and the Lambretta in the U.K. in the 1950s.

The lines of the body case created different visual feelings that supposedly appealed to males or females.¹¹⁹ The designers would use more curved lines and smooth angles to feminize a moped, and the designers would use straight lines and sharp angles to masculinize it.¹²⁰ For example, the Lady 50 and Passola, which were the mopeds for women, had more curved lines and smooth angles, whereas the New Generation 50 had more straight lines and sharp angles.

In 1987, Kwang Yang Motor launched the Famous 125 (名流125). The television commercial of the Famous 125 emphasized that this moped was stable, dignified, and gentlemanly.¹²¹ Compared with other CVT mopeds in the 1980s, the Famous 125 officially stated that it was a moped for men. The emphasis was to show CVT mopeds as being masculine. This gender implication returned to form both masculinity and femininity for male and female riders.¹²² Hence, this transition further complicated the genders of mopeds.

Gendering mopeds allowed corporations to expand their potential market.¹²³ When the sale of mopeds for women slowed, motor companies expanded the market to pursue a better profit. Thus, market dynamics were a crucial reason for gendering mopeds.

Conclusion

The design and advertisement of mopeds for women involved many variables, including increasing incomes, lowering costs over time, and offering mobility for an increasingly female workforce. I demonstrated how mopeds were specifically gendered and how the interplay between the mopeds and their users contributed to this. Through the interaction between the riders, the designers, and technology, mopeds for women were successfully established. By tracing the development of the design and advertisement of mopeds for women, I display phenomena that motor manufacturers and distributors genderize mopeds and their components as marketing strategies.

Gender is embedded in the foundational designs of the moped. For moped manufacturers, considering what kind of designs, transmissions, and internal parts should be built was a process that emphasized certain gender roles and norms. Certain gendered parts were assembled specifically for female riders, especially the parts and design that were deemed as easy to use, such as the automatic clutch, the CVT, the PE body case, the wheel case, and the body case. Because of the market

expansion, initially these easy-to-use parts and these mopeds were genderized. Eventually, these parts also began to be seen as masculine as well due to the market expansion.

Although market expansion was a crucial motivation, tracing shifting gender identities of technology demonstrates how technology is gendered. In other words, this paper provided insights into the market logic that shifted gender identities as they were simultaneously represented and challenged in advertisements.

Acknowledgment

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Interviews

Interview with Afu, who is a male motor store owner

Interview with Aunt Chin, who is a female moped rider.

Interview with designer Ching, who is a male moped designer.

Interview with Grandma Hsiao, who is a female moped rider.

Interview with Miss Liu, who is a female moped rider.

Interview with Papa Chen, who is a male motor store owner.

Interview with Shin-Yen Lo, who is a male moped rider.

Interview with Bei-Lu Zeng, who is a male moped rider.

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Early Racing Rivalry in Texas

The Witch of Wall Street, Her Son, and Howard Hughes Sr.

By Wayne Moore

It wasn't Graham Hill versus Jim Clark, or Richard Petty versus David Pearson, and it certainly wasn't Ford versus Ferrari, but it was an interesting little rivalry down in Texas in 1905. The rivalry involved the son of the richest woman in the world, her son, and the father of one of the most unusual personalities in of the 20th Century. Hetty Green, her son Edward Howland Green, and Howard Hughes Sr. all played unlikely roles in the early days of Texas automotive history.

None of it happens without Hetty's fortune. Hetty Green, known as the "Witch of Wall Street," was the richest woman in the world during her lifetime. She was born in 1834 to a wealthy Massachusetts Quaker family and became as wealthy as men like J. P. Morgan, John D. Rockefeller, and other financiers and tycoons of the Gilded Age. Her wealth was valued at about \$3.8 billion in today's money.¹ She wasn't an industrialist, but earned her money by investing in stocks, bonds, and real estate.

She was rich but also a miser. Her moniker, Witch of Wall Street, became popular after her husband died in 1902. She began wearing cheap black mourning clothes. She wore them the rest of her life; in fact, some said she wore the same dress for the rest of her life. The English journalist Ciaran Conliffe wrote that "The less charitable claimed that the real reason she wore black was that it required less cleaning than any other colour. Similar rumours claimed that she would only pay to have the hem of her dress cleaned, and that she would wear her clothes until they grew mouldy."² She never lived in a mansion but always in inexpensive apartments from which she moved regularly to avoid establishing a residence so as to avoid paying taxes. "Her name became a byword for wealth. In an O. Henry short story, a young woman argues with a proposed amount she pay

in rent with 'I'm not Hetty, even if I do look green.'" ³ Another story is that she refused to take her son E.H.R. (Ned) Green to a private doctor when his leg became injured; instead she took him to a charity free clinic. The free clinic, knowing her situation, refused to treat him. She postponed treatment for so long that her son eventually had to have his leg amputated just above the knee. Because of his amputation, Ned had to wear a prosthetic cork leg and was unable to drive a gasoline powered car unless it was specially equipped.

Hetty's daughter, Sylvia, and her mother were close, but her son Ned was her planned successor. In 1893, he was sent to Terrell, Texas, to manage the Texas Midland Railroad that she had taken over. She thought it could be prosperous if managed properly. The railroad became successful under his leadership, and he remained in Texas to manage other business matters. It was during his time in Texas that he brought the first automobile to Texas and took part in some of the earliest auto racing in Texas. He also picked up the title of "Colonel" from the Governor of Texas for his work and donations to the Republican Party. There is a large mural in Terrell that suggests the importance of Green's time there. The Terrell Heritage Museum provides this background.

The mural shows several modes of transportation that were important to the development of Terrell. The railroad came in 1873, opening new avenues of shipping cotton and other crops to a more far-reaching market. But the most important is the depiction of Col. E. H.R. Green's automobile. Colonel Greene, large in physical stature [He was six foot three inches tall and weighed in at more than 300 pounds] and in personality. ... made Terrell his home during his bachelor days and in 1899 purchased one of two motor cars that had been built in St. Louis and had it shipped to Terrell. ⁴



E.H.R. Green & wife, 1916-1920 (Library of Congress)

Another reference in Forney, Texas, suggests the magnitude of Green's automobile arrival as well as the difficulties of early automobile travel. In 1899, according to the Texas Historical Marker in Forney—about half-way between Dallas and Terrell—E.H.R. Green driven by George Dorris the car's manufacturer "drove his newly-acquired 'St. Louis' automobile from Terrell to Dallas. ... [They] passed through Forney. ... The five-and-one-half-hour, thirty-mile trip was marked by an accident in Forney, necessitating repairs to the automobile by a local blacksmith. Upon their arrival in Dallas, Green and Dorris were met by a cheering crowd. Hailed as a first in Texas, the automobile trip caused a sensation in area newspapers and among local citizens."⁵ Surprisingly, "less than two years later, on July 4, 1901, the first notable automobile race in Texas took place at Fair Park in Dallas. Details are very sketchy about this race, but it appeared to be between

two locals, L.S. Thorne and H.D. Raff. Thorne was the victor and was awarded a gold medal."⁶ Other races were held later in 1901 during the State Fair of Texas. One of the notable participants was Carl Fisher the man who is credited with establishing the Indianapolis Speedway. As a "daredevil automobile barnstormer" at age 27 "he earned \$20,000 (more than \$350,000 in today's dollars) on the county-fair circuit."⁷

In 1904 Green began investigating the possibilities of developing a racing venue and events in the Dallas area. A *Motor Age* entry in December 1904 informs its readers that "E. H. R. Green, has interested a number of his friends and some eastern sportsmen in a project to purchase a large piece of land in Dallas upon which a 2-mile automobile track is to be made. A 100-mile race is being arranged by the Dallas Automobile Club ... to be held on the fairgrounds track on New Year's. The event will be open to automobiles of all makes in Texas. Mr. Green has offered a cash prize of \$250, which will be awarded to the machine which finishes first."⁸

Green himself was interested in participating in the New Year's race. The 1905 entrants included Howard Hughes Sr., who had some money to spend on cars. Hughes had not yet invented his revolutionary drill bit that made his fortune, but had made enough in the oil business to be well off financially. That drilling bit fortune later enabled his son Howard Hughes Jr., who was born in December 1905 (the same year of the January 1905 races), to become famous as a movie producer, airplane designer, and airline owner. Hughes Sr. proved to have some of the same recklessness and competitiveness that his son would come to demonstrate to the extreme as an adult.

The 100-mile race was held in Dallas, Texas, at the track of the Dallas Jockey Club at the Texas State Fair grounds on Sunday, January 1st. About 3,000 spectators attended. The *Motor Age* report of the race captures the spirit and atmosphere of the times. "Had not the weather turned suddenly cold, with a piercing wind blowing, the attendance would have been more than doubled and the racing of the speediest character. As it was, it was highly gratifying. The race was won by a Pope-Toledo machine owned and entered by President E. H. R. Green, of Texas Midland Railroad, and who also is a son of Mrs. Hetty Green of New York. The official time was two hours six minutes 45 seconds."⁹ In this report in *Motor Age*, like many of the entries concerning Green and his entries in races, he is not mentioned as the driver.

Puck began in 1871 as a German language cartoon, caricature, and political satire magazine. It ended its run in 1918. The artwork is remarkable and a statement of American attitudes concerning the automobile during the first full decade of its diffusion. The illustrations are simply wonderful.

VOL. XXXVI. No. 935.

PUCK BUILDING, New York, February 6th, 1895.
Copyright, 1895, by Keppler & Schwarzmann.

PRICE 10 CENTS.

"What fools these mortals be"

Puck



Entered at N. Y. P. O. as Second-class Mail Matter.

1498-22



"STEP UP TO THE CAPTAIN'S OFFICE AND SETTLE!"

UNCLE SAM. — I'm sorry for you, my unfortunate friends; — I know the Income Tax is "inquisitorial and oppressive;" but I've got to meet the one hundred and sixty million dollars of pension appropriation, somehow!

"Step up to the captain's office and settle!" Frederick Burr Opper, 1857-1937, artist
Published by Keppler & Schwarzmann, February 6, 1895. Library of Congress.

The average speed of a little over 49 miles per hour was impressive for the times. The time set a record for 100 miles and was accepted by the American Automobile Association at its annual meeting in New York later that year. Green did not drive his car; it was driven by Ollie Savin of Chicago accompanied by machinist McElroy of Dallas. Other entries in the race were Howard Hughes of Houston driving a Peerless, A. B. Wharton of Ft. Worth driving a Columbia, George D. Schofield of Dallas driving a Cadillac, and another car entered by Green, a Franklin.¹⁰

The winning Pope-Toledo had 24 horsepower and weighed in at 2,200 pounds.¹¹ The Columbia, which was probably a 24-horsepower model similar to the gasoline-powered record setting touring car that won the New York-to-Chicago tour in October of 1904, ran well and remained competitive until it “became deranged” and had to be withdrawn.¹² There do not seem to be any detailed descriptions of the other cars entered. But we can make some educated guesses. In 1904, Peerless had several models, but the 24-hp four-cylinder Type 8 was probably the most modern and fastest production car of the year.¹³ So, the Type 8 Peerless was probably Hughes’s entry in this race. Since it was of limited production and used only for racing, I doubt that the famous Peerless Green Dragon was used. Cadillac at the time advertised that it was the “car that climbs” because it had recently ascended the steps of the Capital in Washington D.C.¹⁴; that did not, however, prove to be of value in the two-mile oval in Dallas. Green’s other entry, the Franklin, was probably not the new lightweight model that he entered in May 1905, at Brighton Beach track on Coney Island, New York. He had only begun discussions with Franklin in December of 1904,¹⁵ so racing it in January of 1905 would have been impossible.¹⁶ The Franklin was most likely a production model, perhaps a Type D with 20hp.

Apparently, none of these entries were competitive since “Mr. Green's Pope-Toledo had a comparatively easy victory.”¹⁷ The racing in the early 1900’s must have been exhausting. Ollie Savin, who drove Green’s winning car, said that “This is my longest run, and of course the fastest I ever made for that distance. At the end of it I felt the effect in a measure in the nervous strain, but I could have ridden another hundred miles.”¹⁸

The race was not without problems that would later cause Hughes to challenge Green’s car to another race but this time a 50 mile one. On January 12, 1905, *Motor Age* reported that Hughes was not convinced that

his Peerless machine was decisively beaten by E. H. R. Green's Pope-Toledo. In the 100-mile race in Dallas January 2, 1905, honors were practically even at 80 miles, when the mishap took place to the Columbia machine of A. B. Wharton, of Fort Worth. Hughes estimates that Green's Pope-Toledo might not be so much in a 50-mile run as it was in the 100-mile contest, because two bad mishaps occurred to his own machine during the first half of the century run. With this feeling animating him, Hughes recently challenged Green to a 50-mile race, each to use the same machine as in the 100-mile event, and the contest to take place February 11. Hughes requested that the race be open to Wharton's Columbia, inasmuch as the Fort Worth man's machine made such a good showing. Green replied, accepting all the conditions.¹⁹

Another report in *The Motor World* magazine stated that “Things are getting warm in Dallas, Texas. No sooner had Colonel Green’s grand chauffeur set up the first American 100-mile record than Houston and Fort Worth were heard from. Howard Hughes ... and AB Wharton of Fort Worth both of whom had previously been beaten by Green's car hurled challenges. The Colonel [Green] lost no time in accepting them.” The 50-mile race was to be held on February 11, 1905. Everyone was “hoping for good weather but were fearing that it may not be realized. The coldest weather the present generation in Texas has ever known was experienced February 11, 1900, when the mercury registered 12 degrees below zero in Dallas.”²⁰

It was not, however, the weather that postponed the February race. Based on the contemporary *Motor Age* report, the date was apparently changed from February 11 to February 25. Perhaps the change occurred to accommodate the schedule of Barney Oldfield, who was expected to drive his Peerless Green Dragon, and that he would set new local records. The crowd of more than 2,000 was disappointed that he could only come within 11 seconds of a previous event.²¹ “Another disappointment was that the 50-mile race between Howard Hughes and E. H. R. Green could not be run, owing to the crank shaft on Hughes' machine having broken Friday.”²² There is a copyrighted photo that seems to have been taken at this February event with an original caption showing Barney Oldfield and Howard Hughes sitting in “a 1905 touring car which Hughes rebuilt and ‘hopped up’ to beat the race car of Col. E.H.R. Green (standing in rear).”²³ Because of Hughes’ broken crank shaft, the event was rescheduled for March 4, 1905.



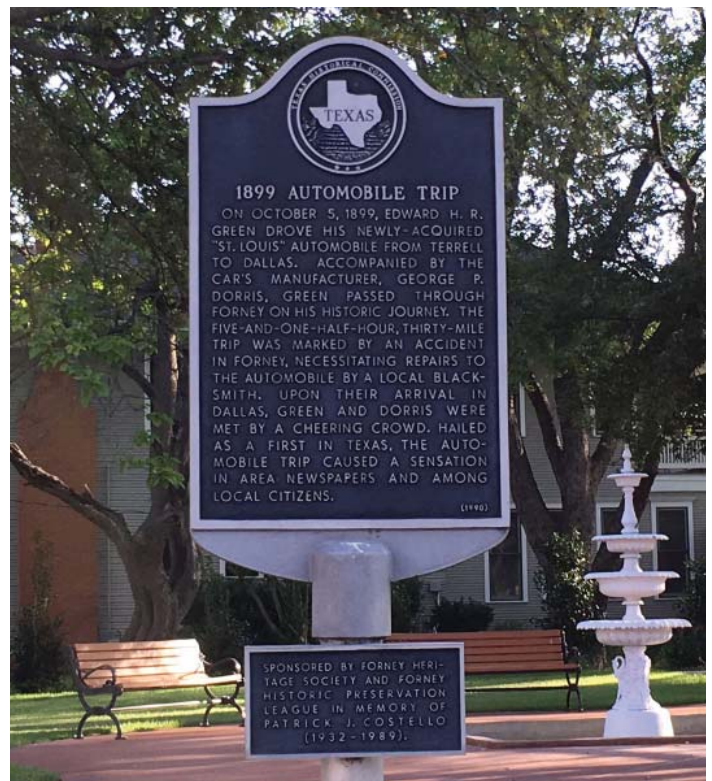
E.A.R. Green & wife
Bain News Service, between 1916 and ca. 1920.
Library of Congress.

Nevertheless, during the February event, the fans were entertained with several other contests, and that perhaps made up for the disappointments. A five-mile handicap race was held. Howard Hughes, drove a Peerless stock car and was given an allowance of 60 seconds; “S. H. Boren, driving a Franklin car, 45 seconds; Ollie Savin, driving a Pope-Toledo, 35 seconds, and Oldfield, with his Peerless racer, was scratch. Oldfield gained steadily during the first two miles, but after that Savin suddenly seemed to have gathered more power and easily maintained a safe lead.”²⁵ Savin’s time was 6 minutes and 33 seconds or about 54.9 mph. Two other races were run for 3 miles each with Franklins winning both. Barney Oldfield gave two 3-mile exhibition runs. He set times of three minutes 25 seconds in each. His fastest mile was one minute six seconds.

The Hughes versus Colonel Green race of March 4, 1905, was apparently never held. Hughes’ financial and family problems most likely prevented his participation. Hughes had spent lavishly in the first several years after his marriage in 1902 but apparently still had enough funds in January and February of 1905 to play with cars. However, his wife, Allene, became pregnant in March of 1905, and Howard Jr. was born that December. Hughes was struggling financially during the months before and after her pregnancy and for years thereafter, until he made it big with his invention of the drill bit. During much of the time between March 1905

and 1908 “Hughes chased oil strikes in Pierce Junction, Goose Creek, and Harper Texas. Allene stayed behind [in Oil City, Texas] unwilling to continue the life of a wildcatter’s wife.... So, he had lost the attention of his wife, rarely saw his son, and found his friends from his days at Spindletop now enjoying the finery and riches of fruitful careers as oil tycoons. Striking it rich was no longer the fancy call dream of a young Vagabond; it was now a necessity for the 38-year-old braggart.”²⁶ Given his family and financial circumstances it seems more than reasonable to assume he simply did not have the time or means to continue the contests with Colonel Green or anyone else. Even after his success with drill bit when he would have plenty of money for the racing automobiles, he was more interested in his tool company. After 1905 he no longer appears in *Motor Age* or *The Horseless Carriage*. Hughes died in 1924 only 54 years old.

Green, supported by his mother’s wealth and his own successes in business, continued sponsoring and entering cars in racing events until he leaves Texas. By 1910, “Hetty’s health was failing, and she persuaded Ned to come to New York to help run her vast financial empire. Although Ned still called himself a Texan,



"On October 5, 1899, Edward H. R. Green drove his newly-acquired 'St. Louis' automobile from Terrell to Dallas." [Location: 32° 44.857' N, 96° 28.357' W. Marker is in Forney, Texas, in Kaufman County.]

he never spent much time”²⁷ in Texas after that. After Hetty’s death in 1917, Ned and his sister inherited \$75 million each. Ned Green died in 1936. In 1937 at a hearing in Dallas to determine which state would capture the massive inheritance taxes, the Texas attorney general “announced that a cork leg had been discovered in a Terrell apartment, proof positive that Ned had been planning to come back. But the special master didn’t buy it, and neither did the Supreme Court, which ruled that Green was a resident of Massachusetts at the time of his death.”²⁸

Automobile racing then as now was a rich man’s sport. Howard Hughes Sr. could not keep up with the wealthy son of the richest woman in the world, and when the Witch of Wall Street called her son back from Texas, it ended his racing activities.

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Racing Professionals and the “Race that Wasn’t a Race”

The Gilmore and Mobilgas Economy Runs

By Dave Hermanson

Since the appearance of the first automobiles in the 1890s, all types of reliability and endurance runs have been staged. Similar to the Glidden Tours held during the pioneer era, the post-WWII Mobilgas Economy Runs were in their day front and center in the news. We remember them as amateur events, as drivers were often dealers’ employees, or later women and even teenagers, and thus perhaps forgettable. However, the historical record shows that numerous professional drivers competed, and some won. Manufacturer publicity stakes were high, and racing personalities enhanced the profile of an event that often resulted in miles per gallon finishes that were almost other worldly.

Economy rather than distance, terrain, or speed was one of those measures often tested. One such event occurred in 1921, when an informal economy run, sponsored by the Los Angeles Motor Car Dealers, took place over a course from Los Angeles to Yosemite National Park. Unfortunately, a lack of definite rules and supervision left these early mileage results open to question. In 1936, the Gilmore Oil Company, already known for its sponsorship of automobile racing, began sponsoring an economy run. The AAA Contest Board (and in later years USAC) sanctioned and supervised the run which included inspections of each car to ensure that stock status was maintained. After the merger of the Gilmore Oil Company with General Petroleum in 1945, the economy runs were resumed in 1950 under the Mobilgas name.

While early economy runs, under the sponsorship of the Gilmore Oil Company, were one-day affairs, these post WWII contests grew in length over the years, eventually going from coast-to-coast beginning in 1964. As the sixties were coming to a close, interest in gasoline mileage by the manufacturers and public was

perceived to be on a decline. In 1968 an early termination of the Mobilgas Economy Run occurred after Dr. Martin Luther King’s assassination, and this proved to be the last event held. While it was often perceived that drivers represented the common man, woman, and teenager, that proved not be the case. During the years of the Gilmore Economy Runs (1936-1941) and the Mobilgas/Mobil Economy Runs (1950-1968) numerous members of the racing fraternity were participants on these mileage promotions. Some of the more recognized names included Art Arfons, Mary Davis, Ronnie Duman, Ak Miller, Clay Smith, Bill Stroppe, Shirley Shahan, Mickey Thompson and Smokey Yunick. Some of these professional race drivers were successful, although the majority were not so fortunate. Others who were known in rally circles and endurance events were also participants, including Scott Harvey, Patricia Jones, Paula Murphy, and from Europe Per Nystrom. Their driving results in the Economy Runs were more favorable than the speed merchants. However, the issue of their compensation in what was promoted as an amateur event is food for another article.

The Gilmore Years

Sponsored by the Los Angeles based Gilmore Oil Company from 1936 through 1941 and supported by the Los Angeles Motor Car Dealers, the vast majority of the drivers were either employees of the various participating new car dealers or their distributors. Among the most notable of the contestants were the following:

ERWIN “CANNONBALL” BAKER (1882-1960) a motorcycle and auto racing driver, “Cannonball” was known for setting 143 driving and endurance records

from the 1910s through the 1930s. He also competed in the 1922 Indianapolis 500, placing 11th. (Ref. 1) His only appearance in the Gilmore Economy Run was in 1937, driving a Graham 120 Supercharger Custom but failed to finish the run due to a mechanical issue due to a broken distributor shaft. “Cannonball” returned to drive in the inaugural 1950 Mobilgas Economy Run in a Packard Super Eight placing 5th (and last) in Price Class F for automobiles priced between \$2476 and \$2950. (Ref. 2)



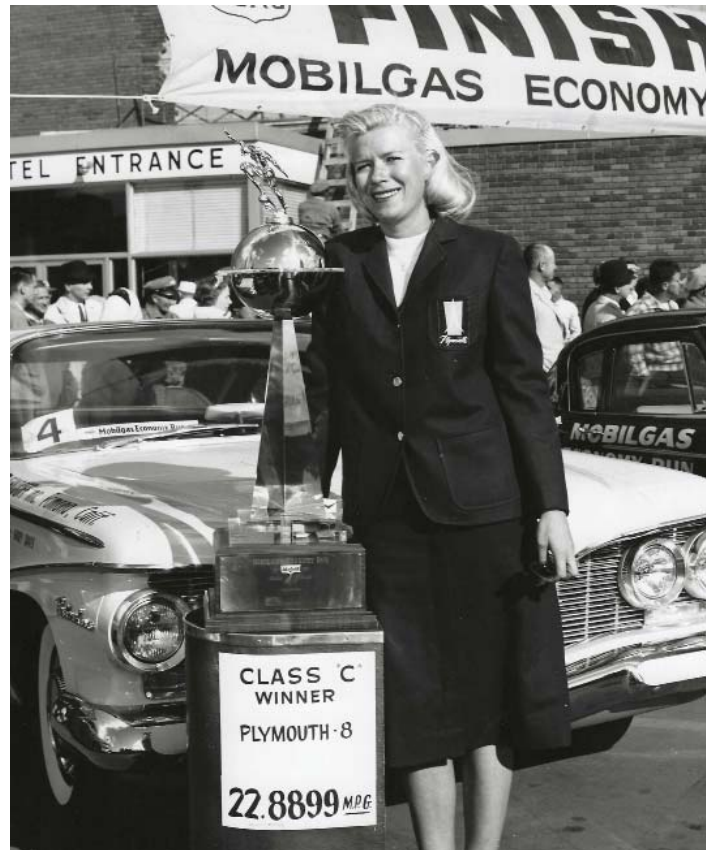
WILBUR SHAW (1902-1954) A race car driver whose career included 13 appearances, and 3 wins, in the Indianapolis 500 in the 1930s and 1940s, Wilbur was also President of the Indianapolis Motor Speedway from 1945 until his death in an airplane accident in 1954. (Ref. 3) Competing in only one Gilmore Run, he was tapped by Los Angeles Packard Distributor and Hudson Dealer Earle C. Anthony in 1936 to drive a Hudson Deluxe 8. Wilbur placed 4th (in a field of 9 entries) in Price Class 5-A for automobiles priced between \$1101 and \$1300. (Ref. 4)

ELBERT “BABE” STAPP (1904-1980) A race car driver active in the 1920s and 1930s, which included 12 appearances in the Indianapolis 500, Babe competed in two Gilmore Runs. (Ref. 5) Also tapped by Anthony in 1936, Babe piloted a Terraplane Deluxe 6 to a second place finish (in a field of 2) in Price Class 3-A for automobiles priced between \$901 and \$1000. Babe returned in 1939, driving a Willys Overland Deluxe 4 again to a second place finish (out of a field of three entries) in Price Class for automobiles priced under \$800. (Ref. 6)

The Mobilgas Years

When the Economy Runs were restarted in 1950, main support continued to come from Los Angeles area new car dealers, although factory support and participation was more evident than in the past. After 1950, participating drivers came with backgrounds not only racing but in rallying and other types of motoring competition. While racing drivers continued to participate to the last run in 1968, more and more of those with rally and endurance event experience were sought-after by the various manufacturers.

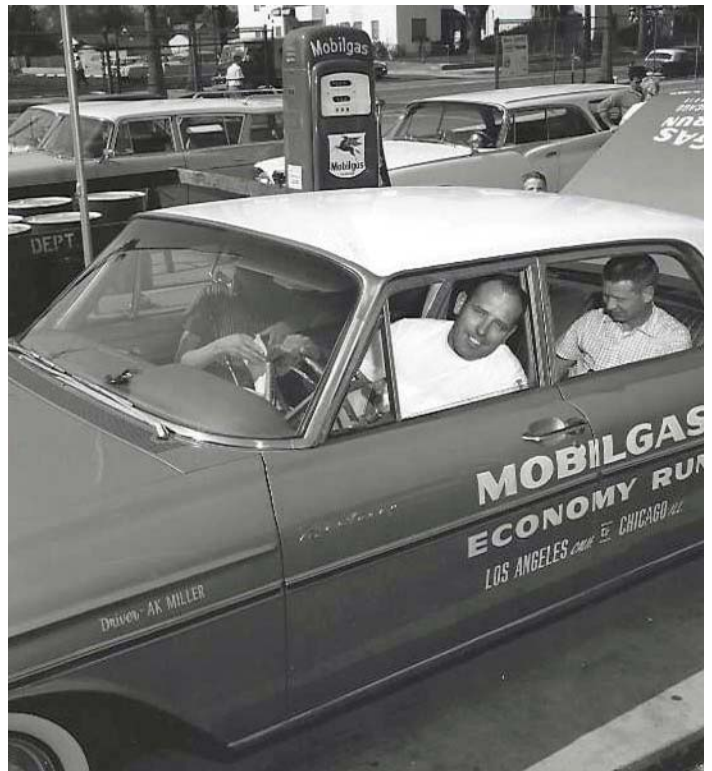
ART ARFONS (1926-2007) Famed Drag Racer and, holder of the World’s Land Speed Record (1964 and 1965) in his Green Monster Jet-Powered Car, Art participated for two years. (Ref. 7) Driving a Pontiac Star Chief, he placed second in the Medium Price Class in both 1965 and 1966. Art came close to taking first place honors in 1965, just .195 miles per gallon behind the winning Pontiac Catalina entry. (Ref. 8)



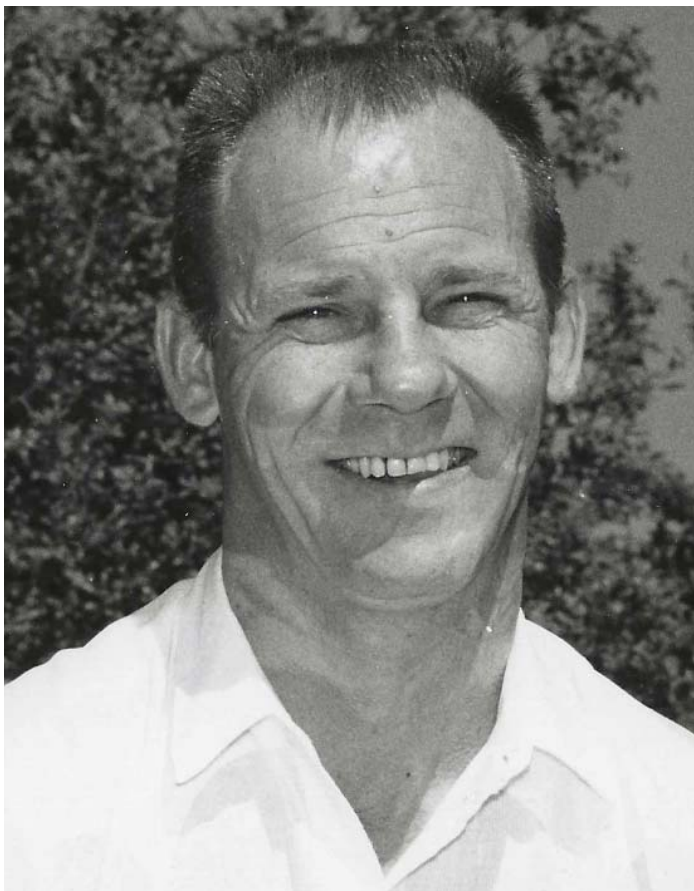
MARY DAVIS (1928-2014) One of the first female race car drivers, competing in sports car races driving a Porsche 356 Speedster, Triumph TR2 and TR3, Mary had a career record of 15 class wins, along with 12 second place finishes. She owned the Grand Prix Restaurant

in Hollywood, which catered to the racing crowd and later opened the Portofino Hotel and Marina in Redondo Beach, California. (Ref. 9) Tapped by Plymouth to drive one of its entries in the 1957 Economy Run, the first year women were allowed to participate, Mary “showed them how it was done” placing first (out of a field of 10 entries) in her Belvedere 8 in the Low Price Class. In addition, Mary outperformed three prior Economy Run Sweepstakes winners, Marshall Martin (1941), Dick Griffith (1954) and Les Viland (1951 and 1953). Again piloting a Plymouth Belvedere 8, she placed 2nd in the Low Price Class in both 1958 and 1959 by a slim margin ... the result of some bad luck on the road. In 1960 again driving a Plymouth Belvedere 8, Mary returned to the winners circle placing first (out of a field of 11 entries) in the Low Price Eight Cylinder Class. In 1961, she again placed a close second (out of a field of 11 entries) in the Low Price Eight Cylinder Class in a Plymouth Savoy 8. Returning in 1964 for the last time, Mary drove a Pontiac Tempest 8 to a disappointing fifth place (out of a field of 6 entries) in the Intermediate Size Eight Cylinder Class. (Ref. 10) Years later, Mary commented in an interview that “I was the first woman who ever won it, and I got a lot of publicity. I got more famous for doing that than for going fast.” (Ref. 11)

RONNIE DUMAN (1929-1968) One of the only open-wheel or stock car drivers to compete in the Economy Runs, he competed in the USAC Championship Series from 1961 to 1968, as well as the Indianapolis 500 from 1964 to 1968. (Ref. 12) His only participation in the Economy Runs was in 1968, driving a Mercury Montego 8 placing 3rd (out of a field of 8 entries) in the Intermediate Size Eight Cylinder Class. Interviewed after the completion of the run, Ronnie remarked “that the strain of keeping [his] foot off the pedal proved to be worse than any race he’s ever been in.” (Ref. 13) Two months after the completing of the 1968 Run, Ronnie was fatally injured during the Rex Mays Classic at the Milwaukee Mile Race Track. (Ref. 14)



AKTON “AK” MILLER (1919-2005) A pioneer drag racer and car builder, Ak competed in various racing events over the years including the Pikes Peak Hill Climb, La Carrera Panamericana (Pan American Road Race) and the Baja 1000. (Ref. 15) He was a charter member of the National Hot Rod Association (NHRA) who competed in the Economy Runs on four occasions. Ak’s first appearance was in 1955 driving a Plymouth Belvedere 8 placing fifth (out of a field of 6 entries) in the Low Price Class. Although the Economy Runs were not considered to be a race, Ak still managed to be the first competitor to cross the Colorado Springs Finish Line that year. It would be 1959 before he returned to Economy Run competition, piloting a Ford Custom 300 8 to a third place finish (out



of a field of 8 entries) in the Low Price Eight Cylinder which would be his best driving effort. Returning in 1960 driving a Ford Fairlane 8, he placed fifth (out of a field of 11 entries) in the Low Price Eight Cylinder Class. Ak's last appearance in the Economy Runs was in 1961, driving a Mercury Monterey to a disappointing 8th (and last place) finish in the Medium Price Class. (Ref. 16)



BETTY SKELTON (1926-2011) Known as the “Fastest Woman on Earth” after setting speed records in both automobiles and airplanes, in 1954 Betty became the first woman test driver for the automotive industry when she worked with Zora Duntov and Chevrolet as a test driver for the Corvette. (Ref. 17) Betty's first appearance was in the 1957 Economy Run (the first year women were allowed to participate) piloting a Chevrolet Bel Air 8 to a 9th place finish (out of a field of 10 entries) in the Low Price Class. Returning in 1959, again driving a Chevrolet Bel Air 8 she placed 8th (and last) in the Low Price Eight Cylinder Class. Her final appearance in the Economy Runs was in 1960, where she placed 6th (out of a field of 7 entries) driving a Chevrolet Biscayne 6 in the Low Price Six Cylinder Class. (Ref. 18)

CLAY SMITH (1915-1954) Known as Mr. Horsepower and whom none other than Smokey Yunick called “the world's smartest mechanic” traced his reputation for technical expertise recognized in the industry back to the 1930s. Running his own shop, Clay teamed up with Bill Stroppe in the late 1940s and together that worked on Lincoln's entries in the La Carrera Panamericana (Pan American Road Race) as well as being Bill's relief driver in the 1950, 1951 and 1952 Economy Runs. Clay was also Chief Mechanic for Troy Ruttman's 1952 Indianapolis 500 victory. (Ref. 19) Participating in only two Economy Runs (1953 and 1954) driving a Lincoln Capri, he placed 1st both years in the High Price Class.



(Ref. 20) In September 1954, Clay lost his life in a tragic accident during the running of the Red Horn Memorial Race at DuQuoin, Illinois. (Ref. 21)



BILL STROPPE (1919-1995) One of the more successful Economy Run drivers in the 1950's, Bill was one of the most influential men in the development of Ford Motor Company's Racing Program which included his management of Lincoln's entries in the La Carrera Panamericana (Pan American Road Race) in 1952 and 1953. (Ref. 22) Working in the Service Department for Long Beach Lincoln-Mercury Dealer Art Hall, Bill piloted a Mercury 8 to the Sweepstakes Win in 1950 achieving the best Ton-Miles-Per-Gallon for all entries. In addition to the Sweepstakes Award, his Mercury 8 placed 1st (out of a field of 6 entries) in Price Class D for automobiles priced between \$2101 and \$2275. Teaming up again with Art Hall driving a Mercury 8, Bill placed 1st (out of a field of 5 entries) in Price Class



C for automobiles priced between \$1951 and \$2175. In 1952, Bill again took the Sweepstakes Award driving a Mercury Monterey 8 as well as placing 1st (out of a field of 3 entries) in Price Class C for automobiles priced between \$2226 and \$2350. Complaining of a sore throat at the start of the 1952 Run and refusing to give up the wheel, he was hospitalized after arriving at the finish in Sun Valley with a case of the mumps complicated by a malaria relapse. The next two years saw Bill again behind the wheel of a Mercury Monterey 8 placing second in the Low Medium Price Class (Standard Transmission or Overdrive equipped) in both 1953 and 1954. Bill would sit out the next three years returning in 1958 piloting a Mercury Turnpike Cruiser placing 3rd (out of a field of 8 entries) in the Upper Medium Price Class. Before arriving at the finish in Galveston, Bill and Dodge Custom Royal driver Joan Fiscal worked to see who would have the honor of arriving first. Both arrived well ahead of the other competitors and no one ready for their arrival as Bill crossed the finish line first by just a hood length. Switching to an Edsel Corsair in 1959, he placed a disappointing 14th (out of a field of 15 entries) in the Low Medium Price Class. Bill's last appearance in the Economy Runs was in 1960, piloting a Ford Falcon again placing a disappointing 7th (out of a field of 10 entries). (Ref. 23) After his Economy Run days, Bill continued to work in various field of racing including Parnelli Jones' 1964 USAC Championship in a Mercury then continuing with off-road racing in a Ford Bronco. (Ref. 24)

Employees of Bill Stroppe participated as drivers through the years included **Byron Froelich** and **Verne Houle**. Of the two, Byron was the most successful in

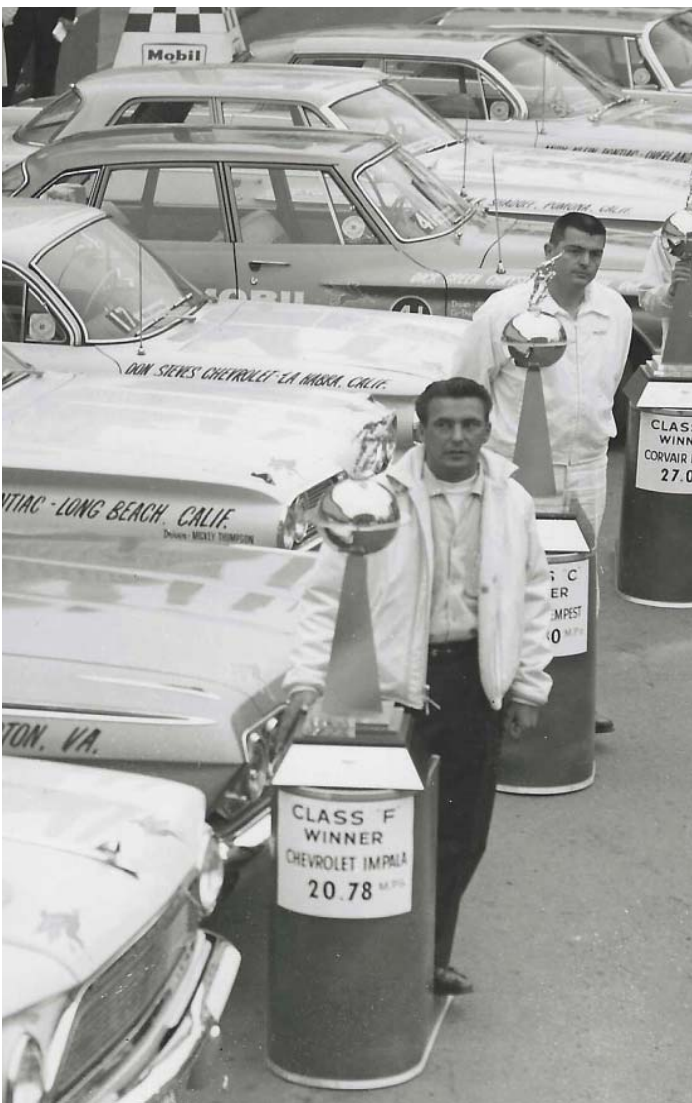
his eight appearances as a driver (from 1959 to 1968 in Ford Motor Company products except for 1962 when he drove a Chevrolet) with first place victories in 1961 driving a Ford Fairlane 8 in the Low Price Eight-Cylinder Class, 1962 in a Chevrolet Impala 8 again in the Low Price Eight-Cylinder Class and in 1965 in a Ford Falcon 170 6 in the Small Engine Compact Car Class. Byron's class win in 1962 was the closest in the history of the Economy Runs with the margin between his Chevrolet Impala and the 3rd place Plymouth Savoy was a mere .0647 miles per gallon. Verne participated as a driver (from 1958 to 1960) with his best performances being 3rd place in 1959 driving a Lincoln and in 1960 driving a Ford Thunderbird.



SHIRLEY SHAHAN A pioneering woman drag racer, known as "Drag-On-Lady" racing hemi-powered Plymouth and Dodge models in the mid-to-late 1960's. Winner of the 1966 NHRA Winternationals, Shirley was recognized as the first ever win by a female racer in NHRA Drag Racing History. (Ref. 26) Tapped by Plymouth to participate in the 1966 Run, Shirley piloted a Fury I 6 to second place (out of a field of 3 entries) in Class E for Standard Size Six Cylinder Models. In 1967, she switched to Dodge driving a Coronet Deluxe 8 to a fourth place (out of a field of 7 entries) in the Intermediate Size Eight Cylinder Class, followed in 1968 in another Dodge Coronet Deluxe 8 by a 1st place finish (topping a field of 8 entries) in the Intermediate Size Eight Cylinder Class. A close contest, Shirley edged out Economy Run veteran and well-known rally driver Scott Harvey by a close .590 miles per gallon over the shortened 4 day event. (Ref. 27)



MICKY THOMPSON (1928-1988) An auto racing builder and promoter, Mickey is best known for setting more speed and endurance records than any other in automotive history. In 1960, he became the first American to break the 400 mph barrier when he drove his Challenger 1 to a speed of 406.60 miles per hour at Bonneville Salt Flats. (Ref. 28) Competing in



four Economy Runs, his first appearance was in 1960 driving a Pontiac Catalina to an eighth place finish (out of a field of 15 entries) in the Low Medium Price Class. In 1961, Mickey drove a Pontiac Star Chief to a third place finish (out of a field of 8 entries) in the Medium Price Class. In a close contest with another Star Chief, driven by Mel Chastain Mickey was one of eight drivers who took a wrong turn coming into the Dallas Impound ending up 12 miles off-course before discovering their error resulting in the extra fuel being used. As he later commented, this error “may have knocked me out of the running.” Returning in 1962, this time behind the wheel of a Pontiac Tempest 4, Mickey scored his only Class Win placing first (out of a field of 7 entries) in the Large Engine Compact Car Class. Of special note, Mickey’s wife Judy also captured 1st place in the Medium Price Class marking the first time a husband-and-wife each placed first in their respective classes. His last appearance was in 1963, again behind the wheel of a Pontiac Star Chief where he placed fourth (out of a field of 8 entries) in the Medium Price Class. (Ref. 29) Tragically, Mickey and Judy were murdered at their home in 1988 in a case the remained unsolved until 2001. (Ref. 30)

SMOKEY YUNICK (1924-2001) One of America’s foremost stock car mechanics, he was Chief Mechanic and Car Owner in both NASCAR and Indianapolis events through the mid-seventies. One of the more colorful participants in auto racing circles, Smokey participated in the Economy Runs in 1960 and 1961. (Ref. 31) Tapped by Pontiac to drive their entries, he piloted a Star Chief in 1960, placing 11th (out of a field of 15 entries) in the Low Medium Price Class. Returning for a second try in 1961, Smokey piloted a Catalina to a 7th place finish (out of a field of 11 entries) in the Low Price Eight Cylinder Class. However, even with these results he managed to place ahead of duplicate Pontiac Star Chief and Catalina entries in both years. (Ref. 32)

In sum, this article shifts the focus from previous accounts of the cars, the routes, the promoters, and the rules to the drivers of one of the most popular automotive contests of the post-WWII era. The Runs were done as publicity for the sponsoring gasoline company, and of course manufacturer entries. It may seem ironic, even counter-intuitive, to employ racing drivers, whose mission is to go fast, to compete in an economy run. There is, however, a certain logic. Who else would know how to best control their cars, regardless of the competition

conditions? Be it pedal to the metal or treading on eggs, the professionals certainly have the edge.

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31. en.wikipedia.org/wiki/Smokey_Yunick (accessed January, 2020).
32. Hermanson, *op. cit.*, p. 290-291.





Puck, 1909. This illustration shows an automobile driven by a chauffeur speeding down a road, surrounded by newspaper clippings with headlines about numerous traffic accidents involving pedestrians struck by automobiles, including one where a chauffeur was charged with first-degree murder in the death of a 13-year-old boy.

Puck began in 1871 as a German language cartoon, caricature, and political satire magazine. It ended its run in 1918. The artwork is remarkable and a statement of American attitudes concerning the automobile during the first full decade of its diffusion. The illustrations are simply wonderful.

From the Assembly Line to the Credit Line

A Brief History of Automobile Financing

By Kevin M. McDonald*

Harnessing the power and efficiencies of the modern assembly line in its Highland Park, Michigan plant, Ford's Ford Motor Company was the first automobile company, starting in 1913-14, to quickly and reliably build a mass-produced automobile: the Model T. Competitors quickly copied Ford's mass-production methods, helping to drive down the price of a new automobile and expanding accessibility for consumers. What isn't as well known in this story is how consumers came to afford the automobiles built on these assembly lines. At first, consumers bought using cash. But eventually, the well ran dry and consumers took to buying "on time" under the installment plan, a financial product scaled most successfully by Alfred Sloan's General Motors Acceptance Corporation (GMAC) beginning in 1919. This article summarizes the major milestones along the hundred-year road of automobile financing, from the first installment plan to modern-day leasing.

Introduction

Long before entrepreneurs invented various types of automobiles, bankers had invented various types of loans. Initially, "car"¹ people and "money" people developed their goods and products separately from one another. This separation kept the auto industry in an initial, nascent state during the early 1900s. After World War I, dealers couldn't afford to keep buying new vehicle inventory from manufacturers, and consumers couldn't afford to keep buying on cash from dealers. A financial solution was desperately needed.

Helped by his financial wizard John Raskob, and borrowing from financing ideas started by a few car dealers in California and elsewhere, Alfred P. Sloan brought credit directly to the consumer through the new

"vehicle" of captive financing. His idea caught on, and by the end of the twentieth century, every major automaker had copied it.

This article traces the major financial inventions and legal movements in the history of automobile financing. Part I starts the story in the early 1900s. Production improvements after World War I led to inventory buildups. The solution: financing. It wasn't always a success story, as part II explains by highlighting the pitfalls of GMAC's "6% plan," which in the mid-1930s led to the FTC's first major industry-wide case that started with GMAC but ultimately engulfed all the major auto finance companies.

Part III explains the post-World War II business model of auto finance that continues to this day: the "indirect" three-party model involving the consumer, dealer, and auto finance company. This part concludes the article by looking at the "new" financing invention of the 1950s and 1960s: automobile leasing.

I. The Early Years of Automobile Financing

Although the price of a new Ford Model T dropped from \$900 in 1910 to \$395 in 1920 (equivalent to a drop today from \$22,000 to \$4,750), few consumers could afford it using cash alone.² The legendary competitor to Henry Ford, GM's president Alfred P. Sloan, framed the challenge this way: "How do you get people to buy things that they can't afford with the money in their pocket?"³ His answer was to apply an old idea—installment lending—to a new consumer product—the automobile—to arrive at *automobile financing*. Give both dealers and consumers loans to buy new cars. Seems so straightforward that it's almost unimaginable that Sloan "discovered" the idea. Applying



Auto manufacturers confer with President Roosevelt, Washington, D.C., Jan. 21, 1938. Left to right, front row: K.T. Keller, Chrysler President; Edsel Ford; Sen. Prentiss M. Brown of Mich, who arranged the meeting; William S. Knudsen, President of General Motors; and A.E. Duncan, President of Comm. Credit. Co. Library of Congress.

the same financing techniques used after the Civil War to sell furniture, sewing machines, and encyclopedia subscriptions, GM “invented the credit system” for the auto industry, according to a leading Sloan biographer.⁴

The next step was to formally segregate lending from vehicle manufacturing and selling, so in 1919 Sloan led the creation of a new company within General Motors called the General Motors Acceptance Corporation (GMAC), giving birth to the first automobile captive finance company.⁵ The term “acceptance” refers to “trade acceptances,” defined in 1916 by the Federal Reserve Board as a “draft of definite maturity, drawn to order on a buyer by a seller, and bearing across the face of the instrument the signed acceptance of the buyer, without qualification or conditions.”⁶ In plain English, a trade acceptance is a promise to buy (the “draft”); it acknowledges that credit was extended to the buyer and seller. These “acceptances” were how finance companies extended credit to dealers ensuring payment would be made to manufacturers. Hence the name General Motors Acceptance Corporation.

Sloan, the brainchild behind GMAC, served as GM’s president from 1923 to 1937 and chair of the company’s board of directors from 1937 to 1956.⁷ He was the visionary behind automotive captive finance, overcoming the prevailing banking mood of the times, which shunned consumer lending for automobiles as

a needless, frivolous expenditure and risky financial practice. Sloan recalled in his memoir:

The bankers ... thought of the automobile as a sport and a pleasure, and not as the greatest revolution in transportation since the railway. They believed that the extension of consumer credit to the average man was too great a risk. Furthermore, they had a moral objection to financing a luxury, believing apparently that whatever fostered consumption must discourage thrift. Consequently, automobiles were sold to consumers mainly for cash.⁸

Sloan didn’t act alone. If he was the visionary, John Raskob was the strategic and operational lead. Raskob served as chair of GM’s finance committee.⁹ He had come to GM from the large chemical company, DuPont, which had become GM’s largest single investor by 1917, based on Raskob’s advice.¹⁰ Raskob brought to GM not just experience managing a large company like DuPont, but more important, vast experience in consumer lending.¹¹ As early as 1906, Raskob had invested in publishing companies that sold consumers book subscriptions on the installment plan.¹² He was also likely aware that individual groups of car dealers on the West Coast (California) and Chicago had been experimenting with various type of financing options for car buyers.¹³ Dealer financing didn’t take off, however, because of their own credit challenges.¹⁴ But Raskob’s knowledge of the consumer model was the important part he brought to Sloan and GM.

Sloan’s and Raskob’s idea to provide loans to consumers is only half the story behind the creation of GMAC. The other half of the story was the need to provide loans to dealers. The sales model then (and today) is that the manufacturer builds the vehicle for sale to the *dealer*, who sells to the consumer. (The model remains today: except for Tesla and few others, manufacturers do not sell directly to consumers. They sell and distribute through a franchise network of independent dealers.) Upon delivery of a shipment of vehicles to a dealership, dealers pay the manufacturer in cash.

After World War I, manufacturers, thanks to improvements in technology and organization, were producing more new automobiles than ever, which meant dealers were obtaining more inventory than ever. As the economy slowed in the immediate post-war years



*Credit, don't ask it, it isn't square,
 Though hard to keep it I did try.
 Why man it would ruin a millionaire,
 So I've turned credit out to die.*

*Cash, I've adopted in its place,
 Its sure and true and no ways slow,
 Its bound to win in any race,
 So my friends pay as you go.*

"Credit, don't ask it, it isn't square" A.H. Murray Lith. Boston [1877]. Library of Congress.

(late 1918-1920) and the cash-buying market stalled through saturation, inventory sat.¹⁵ GM and Ford continued to produce vehicles year-round, although consumers preferred buying mostly in the spring and summer.¹⁶ GM and Ford couldn't produce all the cars they needed for the spring and summer in February, so they produced year-round.¹⁷ Year-round production lowered the average cost of production, which lowered the retail price and made mass consumption possible, but it also raised the costs to manufacturers of storing excess inventory.¹⁸

The solution manufacturers came up with was to leverage their contractual power and transfer the inventory cost to their dealers. The dealers, however, weren't in any better financial situation to bear these costs. As small businesses, they had far less capital than the manufacturers. Recognizing this problem, Raskob

developed "inventory financing" for the dealers, which is a loan given to dealers for them to pay manufacturers upon delivery of the vehicles. With the loan, dealers now had the capital they needed to pay manufacturers for the inventory, but they now had financial obligations to the finance company, paying interest on inventory loans until the vehicle was sold to consumers. If the vehicle didn't sell after a period of time, for example, six or twelve months, dealers would also begin payment principal on these loans. At least one scholar has written that wholesale financing—needed to resolve these production problems—and not consumer financing, was the real reason Sloan and Raskob created GMAC.¹⁹ There's some evidence for this claim in GM's annual report for 1919, which described the primary purpose of GMAC "to assist dealers in financing their purchase of General Motors' products."²⁰ (Just eight years later, GMAC's

annual report described its “most important function” as “provid[ing] credit to the consumer of goods.”²¹⁾

Regardless of what drove Sloan and Raskob to initially create GMAC, there’s no doubt that the consumer’s perception of vehicle ownership had shifted from seeing a vehicle as a luxury to that of a *necessity*. Sloan and Raskob had no interest in seeing dealer defaults on their wholesale (inventory) financing loans, so in a real sense, wholesale and consumer lending went hand-in-hand.

The same year of GMAC’s formation—1919—the company opened its first branch office in New York City.²² Additional branches followed later that year in Detroit, Chicago, San Francisco, and Toronto.²³ In 1920, GMAC opened its first overseas branch in England.²⁴ GM’s annual report of 1920 noted the transition from automobiles as luxuries (GM called them “pleasure cars”) to “economical transportation.”²⁵ Everyone who could afford to buy a new car for cash had done so.²⁶ So, to continue growth, the consumer base had to grow—through financing.

Consumers took to the installment plan. By 1924, GMAC provided about five percent of the annual profit for GM and its subsidiaries.²⁷ By 1928, GMAC had a portfolio of four million retail contracts.²⁸ Largely because of GMAC, three of four cars on U.S. roads in 1926 were financed rather than bought on cash.²⁹ GMAC became a financial powerhouse. That same year—1926—just seven years after its formation, only thirteen of the over 130,000 banks in the United States had more money to lend than GMAC.³⁰ By 1929, in a stretch of just ten years from 1919, when no one had bought “on time,” buying on time through the installment plan constituted sixty percent of all cars sales.³¹ That’s zero to sixty in just ten years.

Many of GMAC’s initial loans required consumers to pay thirty-five percent as a down payment, with the remaining balance due in twelve monthly installments during a year.³² This form of sale is called buying “on time.”³³ Buying “on time” resonated with consumers. During GMAC’s first year in 1919, two million consumers bought new GM automobiles “on time” through GMAC.³⁴

Henry Ford remained skeptical. Ford, described by at least one biographer as “socially conservative,” rejected buying cars “on time” because he didn’t think consumers should put themselves into debt to finance a new car purchase.³⁵ (Ford’s resistance to auto loans didn’t stop his dealerships from offering various forms

of financing.³⁶) Henry Ford’s view on consumer lending wasn’t out of place for this time in history, though. Consumer credit was considered by many, if not most, bankers as lending money for something that produced no value: stocks and bonds produced a return; cars did not produce a return.³⁷ “A conservative banker would not lend money on an asset [i.e., a car] that produced no additional value, since it was through that additional value that the loan was to be repaid.”³⁸ Aside from the “logical” argument, banks also had no real-world experience lending money to purchase automobiles and thus didn’t know how to approach this lending product.³⁹

In addition, the country’s lender of last resort, the Federal Reserve, warned its member banks against extending credit to consumers seeking to use loans to finance the purchase of new automobiles for non-work-related purposes.⁴⁰ The Fed feared a rise in predatory lending.⁴¹ Consumers, however, didn’t share the Fed’s fear. They wanted new cars, and if they couldn’t pay for them with cash, they were happy to pay using credit.

GMAC, not part of the Federal Reserve System and thus not subject to their oversight or restrictions, continued to help GM sell cars “on time” through the installment plan. Henry Ford continued to insist that Ford Motor Company stick to the traditional layaway plan.⁴² Instead of buying “on time,” Ford launched the “Weekly Payment Plan”⁴³ on April 7, 1923.⁴⁴ Under this plan, described by one academic as “more of a Christmas Club than an installment plan,”⁴⁵ customers first selected the car they wanted to purchase. They then paid an amount as a down payment. After that, they deposited between \$5 to \$10 a week in an account held by their local dealership. Once they saved enough money in the account to purchase the vehicle, they could finally take delivery.⁴⁶

Ford’s plan flopped. According to Stephan Smith, it failed “miserably” because “Americans wanted fancy cars, ones they could buy on credit. So, Ford lost.”⁴⁷ GM took the top spot from Ford as the leading American automobile company.⁴⁸ By 1925 three of every four new cars (seventy-five percent) were purchased and financed on the installment plan.⁴⁹

Ford eventually reversed course and embraced installment lending. In 1928, Ford set up its own finance company to help sell its new Model A by furnishing credit to both its dealers and retail consumers: Universal Credit Corporation.⁵⁰ Universal lasted only five years. Ford sold it in 1933.⁵¹ Ford didn’t form its own captive, Ford Motor Credit Corporation (Ford Credit) until 1959.⁵²



"The original five-year idea" Block, Herbert, 1909-2001, artist [1931] Library of Congress.

Thanks to Sloan's vision of automobile financing, new cars became more affordable to more consumers than ever before.⁵³ By 1930, a majority (over fifty percent) of American households owned at least one automobile.⁵⁴ Cars, and car ownership, had quickly evolved from a luxury good to a consumer necessity.

The early loans had a duration much shorter than today's loans, which sometimes have terms going to 84 months. In 1940, a report in *Ward's Automotive Reports* noted "longer-term financing is making inroads in the automotive market."⁵⁵ What was considered "longer-term" then would be considered "shorter-term" by today's standards. Back then, loan duration broke down this way: 1-12 months, 25% (of all loans); 13-18 months, 35% (of all loans); longer than 19 months, 41% (of all loans).⁵⁶ Eighty years later – in 2020 – loan terms with 72-months are common, and even 85- to 96-month auto loans have increased, according to Experian.⁵⁷

II. The 6% Plan and the FTC

GMAC wasn't just the first automotive captive company to scale the installment loan. It also was

the first large captive to feel the wrath of the Federal Trade Commission (FTC). Four years older than GMAC, the FTC was formed in 1915 to protect consumers by ridding the marketplace of unfair or deceptive trade acts or practices.⁵⁸ The FTC's first large-scale case involving automobile financing came twenty years later in 1935. The impact of the case can be seen through today in Truth-in-Lending Act disclosures found in every (compliant) installment contract or consumer loan.

Here's how it started: In the fall of 1935 GMAC rolled out its new "6% plan." In newspapers and magazines consumers (and eventually the FTC) read this exact advertising:

General Motors Acceptance Corporation
Reduces Time Payment Costs on New
Cars with a New 6% Plan

Simple as ABC

A – Take Your Unpaid Balance

B – Add Cost of Insurance

C – Multiply by 6% - 12 months' plan
(One-half of one percent per month for
periods more or less than 12 months)

That's your whole financing cost. No
extras. No service fees. No other charges.

GMAC announces today a new, economical way to buy any new General Motors car from General Motors all over the United States. It's the plan you've been waiting for – a plan you can understand at a glance. It is far simpler and more economical than any other automobile time payment arrangement you've ever tried.

Actually as simple as A, B, C – this new plan provides for convenient time payment of the unpaid balance on your car – including cost of insurance and a financing cost of 6%. This represents a considerable reduction in the cost of financing car purchases. It is not 6% interest, but simply a convenient multiplier anyone can use and understand. Nothing is added in the way of so-called service or carrying charges. There are no

extras. Simply a straightforward, easy-to-understand transaction.⁵⁹

The “straightforward, easy-to-understand” ad told consumers they could calculate the finance charge at 0.5 percent per month on the unpaid balance (i.e., the amount owed after any down payment). This advertisement, and similar ones to this ad emphasizing the “6%” cost, ran in newspapers, magazines, and circulars.⁶⁰ In addition, the “6% plan” was highly publicized through billboards and window posters.⁶¹ Because no good idea goes uncopied, all of GMAC’s major competitors, including Ford, soon offered their own “6% plan,” complete with GMAC’s advertising terms of 0.5 percent per month on the unpaid balance.

In the spring of the next year, 1936, the Federal Trade Commission launched an investigation of all automakers that advertised the “6% plan.” 1936 proved to be a good year for the industry, as the automakers overcame the Great Depression and sold more new cars than any year since 1929, resulting in fifty-four percent of American households owning cars.⁶² But the industry didn’t fare well with the FTC, whose investigation resulted in formal complaints against the automakers for deceptive advertising.

The FTC found that the ads “misled and deceived” the public into “erroneously and mistakenly” thinking that the advertised six percent finance plan was a simple interest charge of six percent per year on the deferred and unpaid balance of the new vehicle’s purchase price.⁶³ In reality, though, the total credit charge, computed using the six percent plan, amounted to about double that amount: 11.5 percent simple interest per year on the deferred and unpaid balance, as reduced by the installment payments made of the price paid.⁶⁴ According to the FTC, the reason “[t]hat the rate is so much greater than 6% is because the GMAC time payment plan of financing involves a 6% charge ‘on the full amount of the account originally financed from the date it begins to run to the date the account is closed, regardless of the fact that the account is divided into, and amortized gradually and regularly by, monthly payments of equal amounts.’”⁶⁵

Here’s another way to see how the “6% plan” worked.⁶⁶ Suppose a new car is offered for sale at \$643 and the buyer puts \$243 down, resulting in

\$400 due. If the dealer added insurance for \$15, the total balance due is \$415. If amount is paid according to the 6% plan (or 0.5% per month) in eighteen consecutive monthly payments of about \$25 per month, the charge of 0.5% a month for eighteen months, or 9% on \$415 would be \$37.35, which, added to the original balance of \$415, would total \$452.35.

The same transaction with an unpaid balance of \$415 paid in the same way at \$25 a month over eighteen months on a straight 6% simple interest per year basis, computed on the declining balances as reduced by monthly installments, would amount to \$19.34 interest charge, which is \$18.01 less than the charge made using the advertised method. In reality, the advertised method results in an 11.5% simple interest rate.

The FTC entered into cease-and-desist agreements with all the major automakers, including GMAC. Although GMAC stopped the advertisements, it continued to litigate against GM. The case eventually went to the Second Circuit Court of Appeals (one level below the U.S. Supreme Court). That court ruled in the FTC’s favor. Even if the ads weren’t “inevitably” misleading, the court found that in a good many cases it would be likely to cause the purchaser of a car to believe that he was paying an interest rate of 6% per annum upon his deferred instalments and that under it he was afforded the convenience of financing through the agency that sold the car at as good rates as he could obtain by borrowing from his bank and paying the car in full.

* * *

It may be that there was no intention to mislead and that only among the incompetent could be misled. But if the [FTC], having discretion to deal with these matters, thinks it best to insist upon a form of advertising clear enough so that, in the words of the prophet Isaiah, ‘wayfaring men, though fools, shall not err therein,’ it is not for the courts to revise their judgment.⁶⁷

Ford responded to GMAC’s “6% plan” with its own “6% plan” in January 1936. Its ads were similar to GMAC’s. So were the allegations of unfair and deceptive trade practices by the FTC. Like GMAC, Ford challenged the FTC’s allegations. Like GMAC,



In board room FTC hearing case, Harris & Ewing, photographer [1930 March or April]. Library of Congress.

Ford lost. The Sixth Circuit Court of Appeals found the Ford ads deceived the public to constitute an unfair trade practice vis-à-vis their competitors who didn't rely on deceptive advertising to sell their cars.⁶⁸ The deception arose because the ads, according to the court, contained two ideas:

one, that [6%] means simply an addition of six percent to the cash price of the car, charged for an extension of credit and [two], that it means ordinary interest at the rate of 6% on the deferred installment payments. Either idea is so obscure that it blends into the other. The uncertainty of terms and commixture of ideas expressed by [Ford] in its advertisement had the tendency to mislead.⁶⁹

Ford also tried to argue that the ads weren't "unfair" because everyone in the industry advertised that way and knew what was meant. The court was unpersuaded and cited the U.S. Supreme Court: "A method inherently unfair does not cease to be so because the falsity of the public representation has become so well known to those engaged in identical or similar enterprises as to no longer deceive them."⁷⁰

The "6% plan" highlighted a larger problem with consumer lending, not just with automobile financing. That problem was how lenders calculated interest. Because there was no uniform way of calculating interest, lenders did so differently, which often confused and misled consumers, as with the "6% plan." As a result, consumers couldn't even effectively compare offers. Consumers had no way of knowing whether a \$6,000 car financed through the dealer or automobile captive finance company at six percent might be a better offer than financing the same car at ten percent through a bank or credit.⁷¹ If the dealer's or captive's six percent was an add-on rate, the car buyer would pay \$1,080.00 in interest for a three-year car loan.⁷² If the credit union's or bank's ten percent rate was a simple interest rate, the buyer would pay only \$969.72 in interest for a three-year car loan.⁷³ So the ten percent interest rate offer would beat the six percent offer.

The issues highlighted by the "6% plan" didn't go away. Lenders and creditors continued using different methods when advertising and calculating interest. The result was continued consumer confusion when attempting to compare competitive financing offers. So Congress eventually stepped in and passed the Truth in Lending Act (TILA) on

May 29, 1968,⁷⁴ just two years after Ralph Nader successfully pressed Congress to pass the National Highway Traffic and Motor Vehicle Safety Act, which created the National Highway Traffic Safety Administration (NHTSA). TILA mandated how a credit sale must be disclosed to the consumer. Although TILA doesn't regulate the terms of the financial transaction, such as setting an interest rate cap (usury), it ensures that key credit terms are disclosed to consumers before sale so they can more meaningfully compare financing offers. By creating a standardized method for disclosing the total dollar cost of credit as an amount ("finance charge") and the annualized rate of the finance charge ("annual percentage rate" or "APR"), consumers could now effectively compare and understand credit offers, something they couldn't do with the various "6% plan" offers.

III. Three's Company: The Consumer, The Dealer, and the Finance Company

Having learned the origins of automobile financing and its first major case with the Federal government, it's time now to look under the hood of the installment plan to discover briefly how the engine runs. This section starts with the fundamentals of "direct" and "indirect" automobile lending and introduces the latter's main feature: the retail installment sales contract, introduced and used by GMAC in the early 1920s. It then turns to auto finance's most important post-World War II invention: leasing.

A. The Direct Model (Two-Party) and Indirect (Three-Party) Models of Automobile Financing: A Loan Isn't a Retail Installment Contract

The "indirect" method of financing an automobile purchase has been followed since GMAC's formation in 1919. It is also called the "three-party" method because of its three players: the consumer; the dealer; and the finance company.

Under the indirect method, a dealer sells either a new or used vehicle to a consumer buyer on credit.⁷⁵ The dealer and the consumer sign a retail installment sales contract (RISC). Under the RISC, the consumer agrees to pay the amount financed, plus an agreed-upon finance charge (functionally equivalent to interest on a traditional loan), over a period of time, such as 36, 48,

and even 72 or 84 months. The dealer may retain the RISC, in which case the dealer is known as a buy-here, pay-here dealer. Far more often than not, though, dealers (1) need immediate cash from their finance source so they can pay off their inventory (wholesale) loan and (2) don't want the hassle of servicing the customer's finance account (e.g., collection; repossession). So, dealers generally sell and assign their rights under the RISC to a finance source, such as bank, credit union, or an automotive captive finance company. (Note that banks engage in both direct lending and indirect lending.) Under the indirect model, dealers are the original creditors until they sell the RISC, at which point they become the assignor and the finance source the assignee.

Retail installment transactions are consumer credit sales. They aren't technically "loans," even though many automotive journalists, historians, and even lawyers incorrectly refer to them that way. Loans are used in direct lending and don't involve three parties, only two: the lender (e.g., bank) and the borrower (consumer). In a loan transaction, a bank, finance company, or credit union will lend money directly to a consumer using most frequently a promissory note, not a RISC, to buy a vehicle from a dealer in what amounts to a cash transaction for the dealer because the lender will pay the loan amount directly to the dealer. In a direct loan transaction, the bank, finance company, or credit union will generally either service the consumer's account directly or assign the consumer's loan to another servicer.

Although loans and consumer credit sales are subject to many of the same Federal and state laws (e.g., TILA, though even under TILA different disclosures apply, depending on whether it's a RISC or loan), they're often subject to entirely different laws, too. So, it's important to know the difference. The difference matters, not just because of different disclosure requirements. Historically, loans were subject to usury limits. Consumer credit sales weren't.

The 1925 case of *GMAC v. Weinrich* is a perfect case on point. At issue was whether GMAC's credit sale — financing a Model 30 Oldsmobile Touring car — violated Missouri's usury law. In ruling for GMAC, the Missouri Appellate Court in Kansas City distinguished loans, which are subject to usury limits, from credit contracts such as RISCs, which aren't: "In order for a transaction to be usurious there must be in it a *loan* at more than the legal rate of interest, or the exaction of a greater than the legal rate for the *forbearance* of a debt or sum of money due."⁷⁶



View looking to end of Federal Trade Commission Building where Constitution and Pennsylvania avenues meet; view includes the fountain built in 1950 to commemorate Andrew Mellon - Federal Trade Commission Building, Bounded by Sixth and Seventh streets, Pennsylvania and Constitution avenues, NW, Washington, District of Columbia, DC | Boucher, Jack E., creator, artist [1993]. Library of Congress.

Put differently, usury limits protected loan borrowers, but not consumers who bought on credit (“on time”). The GMAC case’s reasoning was rooted in the same prejudice harbored by Henry Ford: “luxury” products such as automobiles were thought at the time (1925) to be beyond the budget of the buyer, and thus couldn’t be necessary. (But don’t tell that to Alfred Sloan.) Buying “on time” was considered a frivolous financial overextension, so consumers found little sympathy early on from the courts. As the Missouri appellate judge wrote in the GMAC case: the installment “purchaser is not like the needy borrower, a victim of a rapacious lender, since he can refrain from the purchase if he does not choose to pay the price asked by the seller.”⁷⁷

As time went on, state legislatures that set usury limits came increasingly less convinced by this reasoning and adopted similar limits on all credit sales. But not everywhere. Whether usury limits apply to credit sales can still occupy the courts, as seen most recently in a 2019 case in Florida: *Nolden v. Summit Financial Corp.*⁷⁸ The case arose out of a typical indirect (three-party) financing arrangement for the purchase of a used car made among the credit purchaser-plaintiff, the seller-dealer, and the assignee-funding source.⁷⁹ At issue in the *Nolden* court was whether the 27.81% interest charge under the purchase contract exceeded the Florida gen-

eral usury limit of 18%.⁸⁰ The court held that it did not. This result also followed prior Florida case law holding that “contracts to secure the price of property sold are not governed by the general usury laws.”⁸¹ An outlier, perhaps, but old notions die slowly.

The case is another reminder that loans aren’t credit sales. Aside from application of usury, getting the difference between the two products right or wrong can also result in the revocation of a business license for (1) having the incorrect lending license and (2) accounting or reporting incorrectly to the state’s licensing authority.

B. The Rise of Automobile Leasing as a Model of Consumer Lending

Like retail installment sales and loans, lease transactions are direct or indirect. Indirect lease programs are far more common. In an indirect lease transaction, the dealer leases a vehicle to a consumer, and then—as with a RISC—sells and assigns the consumer lease contract to bank, finance company, credit union, or far more commonly, an automotive captive finance company. As with a RISC, the dealer then becomes the “assignor” to an “assignee” funding source. That funding source (again, most commonly an automotive captive finance company) will generally service the consumer’s account and collect payments directly from the lessee. Where leasing came from to begin with is the story of the next section.

Chicagoland Chevrolet car dealer and automotive entrepreneur Zolman (Zollie) S. Frank is generally considered the “founding father” of automobile leasing.⁸² Frank, who died at 83 years of age on December 29, 1990,⁸³ was an automotive legend, selling his cars under the slogan “Z Frank Before You Buy.”⁸⁴ He received the “Distinguished Service Citation Award” from the Automotive Hall of Fame in 1978 for his many contributions to the automotive industry over his (then) forty years of experience, including (1) founding and running several highly successful GM car dealerships (e.g., Chevrolet and Pontiac) in the Chicagoland area and (2) perhaps most notably, co-founding with Armund Schoen in 1939 the company “Four Wheels,” one of the country’s original automotive fleet leasing businesses still running under the name “Wheels, Inc.” today.⁸⁵

Although automotive fleets existed when Frank founded his company in 1939, Frank was the first to figure out how expand traditional car dealership sales from primary consumers, to larger businesses through

corporate fleet leasing.⁸⁶ In an interview with the industry publication *Automotive Fleet*, Frank recounted the story this way:

A big Chicago pharmaceutical company—Petrolager—posed a particular problem: The company had 75 salesmen in those days and paid them for mileage and gasoline for using their own cars on the road. It also helped them buy their cars, lending them the required one-third down payment.

But, the salesmen often left the company before paying off the loan, and Petrolager was losing its down payment investment. In the 1930s, owning a car made a person a highly marketable commodity in the sales business. Once a salesman had his own car, he was ripe for pirating by other companies.

I happened to meet Petrolager's president and sales vice president when they stopped at my dealership to purchase two Chrysler Imperials for their own use. When I heard about their 75 salesmen and the problems Petrolager was having with their car arrangements, I knew there was an opportunity for me. I proposed a \$45 per month lease arrangement, with the car replaced yearly and including tires, maintenance, oil changes, and collision insurance, with no deductible.

We started out leasing Petrolager five cars with the understanding that if the system worked well for both of us, the fleet would be expanded in one year. The Petrolager venture turned out to be profitable for all involved, so the next year they leased 75 cars. Although company-owned fleets did exist in the 'old days,' what Armund and I did basically was to take several separate ideas and package them in a completely new way. By putting each car on a long-term (12 months back then) lease to businesses, we assured ourselves of a steady cash flow.⁸⁷

Hence was born automobile leasing.

What worked for Petrolager in the commercial space soon worked for retail customers in the consumer space, but not before several big developments came along that helped further refine auto lending (and leasing). First, the post-World War II period saw the biggest build of highway roads in the country: over 40,000 miles, thanks to the Federal-Aid Highway Act of 1956.⁸⁸ Second, the mid-1950s also saw the introduction of vehicle identification numbers (VINs), which auto lenders soon required before approving any loan.⁸⁹ Finally, 1956 also

saw the introduction of the FICO score, created by the Fair, Isaac and Company (today called the Fair Isaac Corporation). The FICO score was – and is – a credit scoring idea that banks and retailers in the U.S. rely on when determining the risk of making loans to credit applications.⁹⁰ Before the first FICO Score, there were many different scores, all with different ways of being calculated (some even including gender and political affiliation).⁹¹

Back to leasing. In 1962, a young Chevrolet dealer named Eustace (Euse) Wolfington had an idea that would greatly reduce the consumer cost of an increasing vehicle purchase price.⁹² The problem Wolfington wanted to solve was this: consumers wanted new cars every two years; however, because of the continued increasing cost of a new car, customers had to finance the purchase price over four years or more (installment lending).⁹³ When the loan matured after four or more years, customers weren't buying the increasingly more expensive new cars with the latest features. Instead, they bought the cheaper, no-frill automobiles that lacked modern amenities such as air conditioning.⁹⁴

To counteract this trend and encourage consumer purchases of the "latest and greatest" cars with all the bells and whistles—*despite* rising purchase prices—Wolfington had to reduce the consumer financing life-cycle from four years back to two years, which was in line with the consumer preference of buying a new car every other year.⁹⁵ The solution was to have consumers finance only half the vehicle's purchase price over two years, after which time the consumer would return the vehicle to the dealer, where the vehicle would then be sold used at the depreciated price.⁹⁶ "My [...] master plan was foundational. I wanted everybody to have the right to be able to walk in [to a dealership] and buy half a car," he said.⁹⁷

The "half a car" idea was straightforward enough, but insurance companies balked because they wouldn't insure half a vehicle's value and banks turned him down because they didn't want to take the risk of the used car resale value.⁹⁸ To make the business case, Wolfington knew he needed used car sales data. So, he assembled five years' worth of used car sales data to demonstrate how vehicles held their resale value over time.⁹⁹ His main conclusion: used cars sales were stable enough to support new car leasing.¹⁰⁰

With his study in hand, Wolfington convinced fifteen insurance companies to give him a letter of credit for his local bank to assure the bankers that the insurance

companies would cover the difference between Wolfington's predicted resale value of the vehicles and the actual, or realized value of the vehicles once they were turned in and sold.¹⁰¹ With these final pieces in place, his bank agreed to finance his leasing vision.¹⁰² His idea quickly proved successful in the "real world," and he soon had over fifty banks participating in his leasing program.¹⁰³

When Wolfington, a Chevrolet dealer, approached GM in 1967 about leasing, the head of GMAC told him GM "will never go in the leasing business."¹⁰⁴ Leasing was less than 0.1% of the market.¹⁰⁵ It was only when his idea took hold at Ford Motor Credit Corporation (Ford Credit) during the 1980s that leasing began to take off.¹⁰⁶ Wolfington's leasing model was eventually adopted by all auto captive finance companies. A video of Wolfington explaining how he came upon leasing is available online: <https://lab.tier10.com/2014/07/31/throwback-thursday-the-history-of-automotive-leasing/>.

Today's automobile leasing model looks much as Wolfington envisioned it. Lessees pay the difference between the new vehicle price and the estimated "residual" value price of the vehicle at the end of the lease term. This is known as the vehicle's depreciation. Lessees also pay a rent charge factor, which is equivalent to interest on principal. The leasing structure generally allows consumers to pay a monthly amount lower than they would with a traditional loan because they aren't paying for the full value of the vehicle. Structured this way, leasing achieves the exact goal Wolfington imagined: affording a more expensive car with the flexibility of changing cars more frequently than under traditional loans. Consumers seem to like leasing. Before the COVID-19 pandemic, leasing hit an all-time high as a percentage of new-car sales: 34%.¹⁰⁷

Conclusion

From the origins of buying an automobile "on time" to the industry's "6% plan" through modern-day leasing, this article has surveyed a hundred years of the most important steps in automobile financing. Innovation continues through today. From the rise of carsharing mobile apps to peer-to-peer subleasing, lenders and consumers continue to push the frontiers of financial products and services in the name of automobile ownership and mobility options. The next hundred years will no doubt see more innovation than the first century.

(Endnotes)

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"What fools these mortals be!"

Puck

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ONE PHASE OF IT.

Puck, 1907. Four young people are drunk. They are riding in a speeding automobile driven by "Demon Rum".

Puck began in 1871 as a German language cartoon, caricature, and political satire magazine. It ended its run in 1918. The artwork is remarkable and a statement of American attitudes concerning the automobile during the first full decade of its diffusion. The illustrations are simply wonderful.

Letters to the Editor

A Response to “Whatever Happened to General Motors” *AHR*, 61(Spring, 2020), 66-81.

From Pat Bisson

Editor’s Note: Pat Bisson is a former Board Member and Treasurer. Essentially, Pat was in the trenches at GM in more than a few capacities and this is what he saw.

Reading the very interesting “So, Whatever Happened to General Motors in Dayton, Ohio?,” I thought I would take the opportunity to relate to similar happenings in Flint, Michigan.

During the time period 1993 to 2005, I was a contract engineer for General Motors, working through Troy Design, Inc. Assigned to GM as a Product Cost Estimator, my work locations were in Flint, Pontiac, and finally the GM Tech Center in Warren, Michigan. Unlike most of my co-workers, both GM employees and fellow contractors, I was totally immersed in cars and the industry. I paid close attention to what was happening, while others were nonchalant, more interested in their golf scores and Monday Night Football.

My career in the auto industry has three parts. Graduating from General Motors Institute in 1964, I was a Product Cost Estimator at Oldsmobile. In 1977, I was transferred to Buick as supervisor of their Cost Estimators. A year later, I was transferred to Buick Product Planning to guide their model change tooling budgets and also eventually given responsibility for the carryover carlines. In late 1985, realizing a lifelong desire, I resigned GM and purchased a small town Chevrolet – Oldsmobile dealership. Selling the business in 1993, I returned to GM for another 12 years as a contract employee.

Thus, I feel that my recollections have some value to automotive historians relative to the profound changes that have occurred in the domestic auto industry. As a member of the Society of Automotive Historians, my desire is that more auto industry people, both salaried

and hourly, of this dynamic era would share their experiences.

So here goes. I often quote the panel participants as their comments are the basis for my recollections as to what happened in Michigan, often similar incidents.

Tom Green mentions “... all the cars in the 1980s that all looked alike.” I was in Buick’s Product Planning Dept. when this happened. There was a recession in the early 80’s, 1980 -81 time period. During our monthly Product Planning sessions with Buick management, during the first 15 – 20 minutes or so, the top executives (General Manager, Comptroller, Manufacturing Manager, Sales Manager, etc.) would converse about current matters. I found their conversations fascinating! I recall the Comptroller mentioning that GM almost ran out of money to make hourly payroll the previous week. Hence, amidst the cash crunch, GM management toured the Divisional Styling Studios, reviewing the new for 1982 cars, notably the all-new J-Body and the new Front Wheel Drive A models. GM management thus deemed that to save tooling dollars, there would be exterior body panel and instrument panel sharing.

I recall Buick’s J car Skyhawk was told to share deck lids with the Pontiac J2000, an instrument panel with Oldsmobile’s Firenza, rear quarters with the others, and so on. The same routine followed with the new 1982 A cars (Celebrity, A6000, Ciera, and Century). Thus, we had the look alike cars. These measures were very necessary at the time as tooling dollars were scarce.

Regarding innovation, John Heitmann mentions innovation “It came from the suppliers” Is this ever true today. With the domestic industry cutting back on engineers to save money, they are relying more than ever on new technology and innovation from suppliers and their engineers. A good call from John!



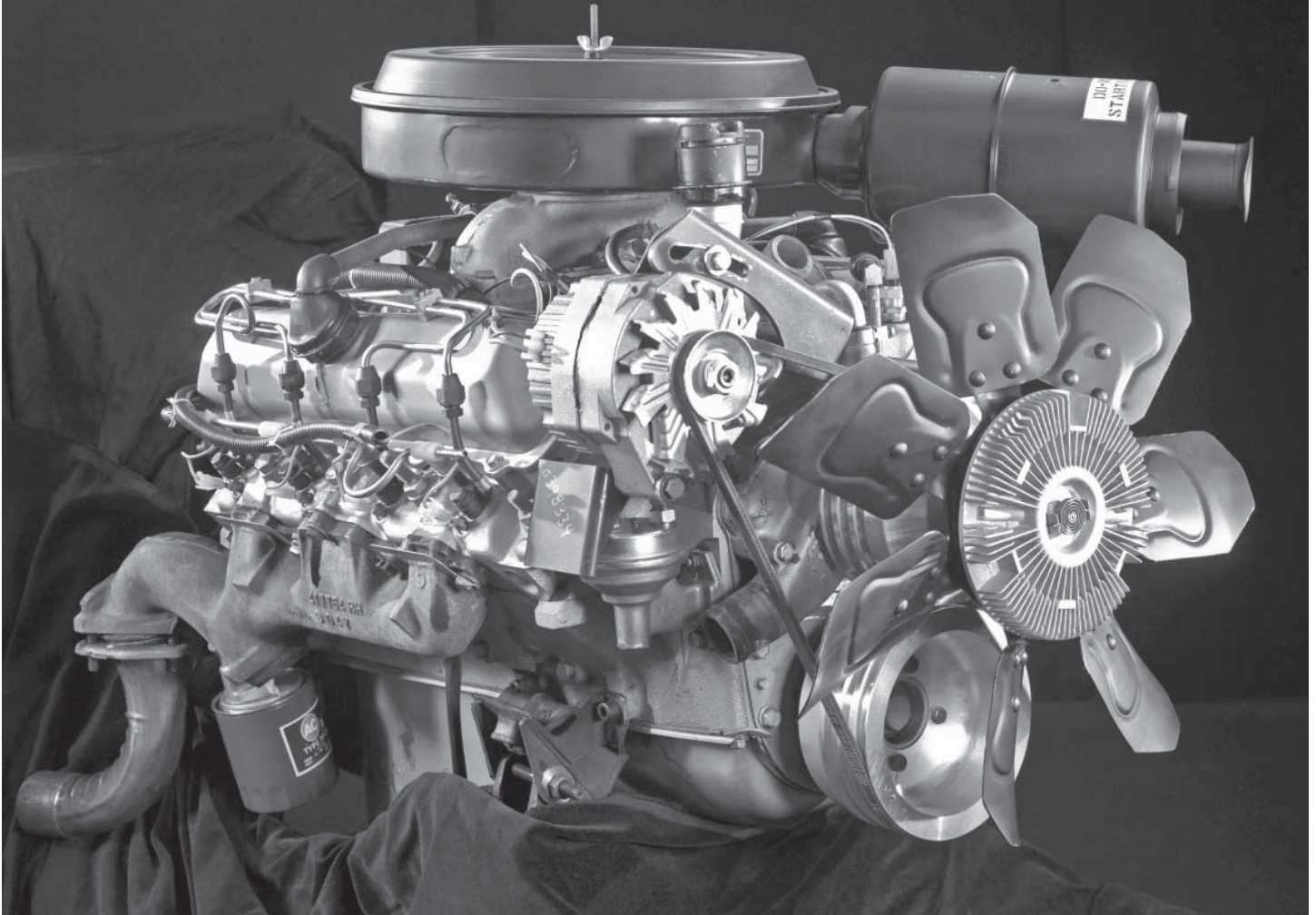
General Motors Tech Center, ca. 1970's aerial photograph, facing North showing entrance off of 12 mile road. GM Media Archive.

Here's a little history regarding supplier pricing: In the US auto industry's heyday, when GM was making huge profits (in spite of their size), we would grant our suppliers *price increases* every year. These ranged from perhaps 1% to 5%, depending on who knows what. I presume the supplier asked for a certain percentage, or whatever. This lasted throughout the 60s and early 70s. Contrast this with today's often fierce pricing battles with suppliers. A reflection of the changing economics in the domestic industry.

Moderator Garten mentions the poor quality of GM's 1980's vehicles. True, as the 1980's developed into a period of malaise in the industry. We were overloaded with government regulations, from emissions, to fuel economy (often opposing targets), bumper standards, FMVSS, EPA, DOT (the IIHS was not yet watching over the industry too much), and more. We had so many engineers at Buick that we had to lease additional space. Product Planning was on the fourth floor of the Citizen's Bank building in downtown Flint and Reatta Engineering was on the fifth floor.

Ed Garten mentions GM's "...obsession with the next quarter's profits at the expense of quality vehicles that would ensure brand loyalty." And I will add GM's obsession with today's stock price! Thus, we had our product cost reduction programs as a result of GM promising the Wall Street analysts that we would take millions of dollars out of our material cost budgets!

Some cost targets made a lasting impression. One I do remember was during the development of the Oldsmobile Diesel engine in the mid 70s, when I was a Product Cost Estimator at Olds. I was not the estimator for the Diesel engine, but the fellow at the next desk was. During the final stages of development, Engineering was exploring oil filters. Apparently Diesel engines contaminate the engine oil with carbon, so they were looking at Diesel engine filters to remedy this situation. As you can expect, they were costly. But the Finance people deemed "no more cost increases." So they ended up with a regular gas engine spin-on cartridge filter, and a recommended 3,000 mile oil change interval! Not a good thing for Diesel engine



1977 Oldsmobile 5.7L (350 CID) V-8 Diesel Engine. GM Media Archive.

owners, who often purchased the diesel because of their long-range driving.

One more comment regarding cost, and somewhat related to the mentioned “planned obsolescence.” That is pretty much gone today, as car body cycles typically last seven years or more, with little styling change. When I returned to GM in 1993 as a contract employee, the mandate from the finance people was “no changes to the carryover carlines except cost reduction.” This was a far cry from the heydays when GM tried to enhance a carline as it aged to keep customer interest. What continues to change every year is keeping up with government regulations. So while the car may appear carryover, there are a plethora of changes related to emissions, MPG, safety standards, etc. These are costly in terms of R & D, not to mention the added material and labor costs to the vehicle.

John Heitmann mentions “... the gradual decline of the area’s tool and die industry” This also happened in Michigan, and was somewhat related to the demise

of the annual model change. With styling changes every year, many ornamentation and trim changes, the tool and die shops were working seven days a week with new tooling to support. There was also a new trend to go off-shore for dies in the quest for lower prices.

Tom Green and component costs: as a new GMI graduate in 1964, and having purchased our first home, I desired to purchase all Frigidaire appliances. Even with my GM discount, they were still priced too high for these newlyweds, so we ended up with Kenmore. The Frigidaires were burdened with the higher UAW wages (auto industry wages) and demarcation of work rules.

Also, items like alternators, AC compressors, etc. became mere commodities, with nothing unique to various vehicles. This magnified the problem of GM component plants and their “out of sync” wages, benefits, and also importantly, costly work rules. Vehicles no longer had to have a Frigidaire compressor or a Delco alternator, a Harrison Radiator a Delco radio, at GM prices. Even at

what we called “corporation variable cost,” which was less than the actual transfer cost to the car divisions, the allied plants could not compete with the sales price from outside suppliers.

An interesting story regarding Delco radios: The largest Olds dealer in the world, Story Oldsmobile in Lansing, ordered all of their Oldsmobiles with radio delete. For less cost, they would then dealer install an Audiovox radio, which looked exactly like a Delco radio. This is when Delco started putting their name on their radios. Strange situation that at the home of Oldsmobile, Olds employees were not getting a genuine factory radio. You would have thought Olds executives would have noticed. And a copyright would have applied regarding the appearance of the radio face.

When GM spun off the component parts plants into Delphi in the mid-90s, the story they gave us was that this maneuver would give the component plants a better shot at getting business from other than GM, broadening their portfolio of customers. Not true!

The real reason was to get out from under their high labor costs! Whatever propaganda GM talked, the real reason was cost. There was further evidence of this when in the early 2000s, working at the GM Tech Center on HVAC and powertrain cooling issues, my systems engineer related how Purchasing had instructed Engineering to “... get out from under Delphi as quickly as possible.” In my area, this included compressors, condensers, radiators, HVAC modules, alternators, etc. Quite a contrast from their public story of doing all they could to support the Delphi plants!

Speaking of strikes, I remember the last strike in Flint, Michigan. It seems the workers at Flint’s Metal Fab stamping plant fulfilled their daily quota of parts early in the day. For instance, when the shift started at 7 AM, they would reach their quota by lunch time. Obviously, their daily quotas, in terms of number of parts, were way too low!

Strangely, plant management came to an agreement with the local union that if the workers would continue on making parts (even though they met their daily quota) they would be paid overtime for this additional production! Thus, they were being paid overtime wages for not actually working any overtime, nothing over eight hours per day! The additional parts production in numbers was converted to overtime hours.

Well, a GM vice president decided this had to stop. So a confrontation developed, and a strike. I think the strike lasted about two months, was very costly, and

GM eventually settled. The union won, and the practice continued. Again, affecting the whole corporation and lost production and profits.

John Heitmann mentions “doubling-up.” When I was at Oldsmobile (1959 – 1977) I never heard of this until I came to Buick (1977 – 1985). It was not only for a couple of hours, so someone could take an extended break, but sometimes it lasted for an entire week, as one person took a week’s vacation. When he returned, the other fellow left! Essentially, a paid vacation. This was a clear indication that the jobs were too light. Basically, two people for one job! Similar to the situation I related at Flint’s Metal Fab Plant, where the daily parts quotas were too easily fulfilled.

By the way, the line foreman likely knew what was going on, but he had enough troubles, so wisely decided to “not make waves.” Dealing with a few scowflaw employees and the union, and “if push came to shove,” management wouldn’t back him.

Richard Downing mentions “poor work habits that management failed to confront.” As in a previous paragraph, I suspect that management; especially first line supervisors had had enough! If the job is getting done, why create more trouble for myself? “Let sleeping dogs lie.”

Tom Green sort of verifies this: “... the hardest job on the management side is the first-line supervisor.” Then he goes on to list some, only some, of his daily problems over which he has no control over! And the pressure is always intense “to meet production.”

Moderator Garten mentions “adversarial relationships.” In June of 1977, when I transferred to Buick, I couldn’t believe the difference in union/management relations. In Lansing they pretty much worked together. In Flint it was constant conflict. Today, Lansing has two assembly plants, and Flint has only the truck plant. I couldn’t believe the difference 60 miles made! Flint was in the heart of the industrial complex area that stretched from Detroit, Pontiac, Flint, and Saginaw, fully immersed in the union mentality and the legacy of the sit-down strike.

John Heitmann mentions American workers visiting the headquarters of the glass factory in China, and being overweight (fat, dumb, and happy?). Reminds me of when Buick sourced the Opel from Isuzu in Japan. An Isuzu person remarked that when the Buick people visited Isuzu, “it was just a big vacation!”

Don Bigler mentions he thought it odd that GM “kept selling off subsidiaries.” This puzzled me also.



Pontiac Dealership ca. 1995. GM Media Archive.

It seems that when the going got tough, GM bailed out. But then, perhaps the GM executives came to the conclusion that with their union plants and costly work rules, they simply could not compete with non-union producers and off-shore suppliers.

Regarding work rules, I don't think enough attention is paid to the enormous cost of 2,000 pages of work rules in the UAW/GM Contract. I came to the conclusion that *in a union shop, everyone knew what their job wasn't!* So much to be done, and nobody to do it! With all these work rules, a company could be driven to bankruptcy!

"Don't buy one that was made on a Friday or on a Monday ... " Workers on the Second shift (afternoons) would be paid on Thursday. Thus, a huge absentee problem on the Friday afternoon shift!

With heavy absenteeism on the assembly lines, they would have to pull workers off the machining floors to fill-in on the assembly lines. So yes, until these guys became accustomed to what parts went on each car, there was a good chance for errors and defects. It usually took at least an hour to learn the intricacies of the job. The machining and component departments could stand to lose a few workers for the day as they had parts banks. But these workers were not happy being put on an assembly line (tied to the job).

John Heitmann: "Beginning around 1972 the government began to design the cars." A lot of truth to this. I earlier mentioned the malaise in the industry in the 1980s could be tied to the fact that we were overwhelmed with government standards. I believe for the sake of implementing government standards by model year, the new model year is officially designated as September 1 for new models and meeting emission standards, etc. I remember during the Jimmy Carter years, the government

was very lax at setting standards in a timely fashion. One year, September 1 was fast approaching, and they still had not issued our new standards. As you can imagine, this was huge. Apparently head of National Highway and Traffic Safety Administration Joan Claybrook was completely unfamiliar with design, tooling, build dates, production, etc. A lot of headaches and overtime resulted.

Ed Garten mentions "de-contenting where various small features were removed each year after vehicle launch – a way of shaving a few pennies off the cost of each vehicle." Absolutely! It was like a drug

addiction. And I suspect it still goes on at GM today. A few months after the launch of a new model year, GM Financial would, for instance, initiate a program to "take \$100 out of the LeSabre." Since the cost savings had to be reflected in the current year budget, this meant feature and content deletions.

When Bob Lutz returned to GM, he railed against this practice, in a widely distributed memo stating "I will not allow this." When I read the memo, I thought "sorry Bob, the dirty deed is already done." His theory, to which I totally agree, is that by doing this we make the vehicle less attractive, then we have to "put money on the hood to sell the car" (referring to rebates).

A seminar participant asks "Why were the shareholders seemingly quiet during the long decline of General Motors?" I would ask, *why was the Board of Directors seemingly quiet during the long decline of General Motors?* They were passive. What did they discuss at their Board of Director's meetings?

Regarding GM's drastically reducing their dealer network, ostensibly to save money, as they told Congress, was a big lie. As a GM dealer for eight years, I can testify that it cost GM nothing to service the smaller dealers. We paid for everything! Pamphlets, showroom materials, lunches at zone meetings, lunches at office manager meetings, special tools, excessively high priced promotional materials, absolutely everything. We did not even have sales or service reps call on us, as they did in the "good old days." Perhaps once every three or four months we would get a brief visit from a "factory man" (District Sales or Service). Everything was through the Dealer Communications System (DCS). Hell's bells, we even paid a monthly lease fee for the big GM dealer signs that graced the front of our lots.

And yes, the smaller dealerships had “a slim profit margin making it hard to stay in business.” This in contrast to the large metropolitan dealerships that really know how to extract money from their customers.

Using Honda and Toyota as examples, why they could get by with fewer dealers was flawed, as these brands were very desirable. GM dealers had to fight a poor quality reputation. Example: Remember the last Chevrolet Nova, built at NUMMI, and really a Toyota Corolla? Toyota dealers were adding an auxiliary window sticker to Corolla with an added “Market Adjustment Factor” of typically plus \$400. Conversely, we couldn’t sell the Nova even with a rebate! Same car! We were warned at dealer meetings (we paid for our lunch) that if we did not sell more Novas, Chevrolet would lose their volume allocation at NUMMI.

When the foreigners came ashore, someone was going to lose market share. Because of labor costs, the domestics simply could not compete in the economy priced segments. The U.S. being the world’s largest market, and being an open market, didn’t help the domestic makers.

Another factor aiding the imports was the domestic makers relaxing their policy of not letting their dealers own another franchise. Thus car dealers, always looking for another opportunity, greeted the newcomers with hopes of getting a franchise. So you had well-financed dealers establishing a Toyota or Honda store in a nice new attractive building on a main thoroughfare, far different from Max Hoffman’s humble beginnings. And far different from the old days when the undercapitalized Studebaker, Kaiser-Frazer, Hudson, Crosley, etc. dealers were in converted gas stations on side streets. Even the large Ford dealer in Des Moines, Iowa, picked up a Yugo franchise. It was good to him for a little while!

If COVID hasn’t injured the Chinese makers too much, watch the large dealer group’s line-up to snag a franchise when they eventually enter the U.S. market.

NAFTA also did not live up to its promises. When originally sold to us, the premise was that it would “raise all boats” and create a viable middle class in Mexico that could buy American and Canadian products. That didn’t happen, as the auto industry, and others, are still taking advantage of the Mexican worker. After 25 or more years of NAFTA, the Mexican worker still cannot purchase the cars they produce. As long as they are significantly underpaid, they will continue to syphon jobs from the US and Canada.

From former GM executive Tom Green, “Pointedly, perhaps GM senior leadership thought ‘Dayton is not a place to continue doing business.’” There was a similar story here in Flint, Michigan.

General Motors wanted to install what they called a flexible body shop at the Buick City Complex in Flint. This would allow them to easily shift production from larger to smaller cars as the market and GM needs shifted (or vice versa). Buick City included a car final assembly line which the body shop would feed. Well, GM wanted an outside firm to install the flexible body shop, likely for a lot of reasons, with the competence of outside firms that specialize in this type of construction and installation being a major reason.

It is remarkable that GM even agreed to pay the GM skilled workers that would thus *not be involved* a \$50,000 bonus to let the outsiders do the job. I think they may have even upped the ante. The union kept delaying a decision.

Well, one day, a GM vice president (the same guy who tried to stop the phony overtime scam at Flint Metal Fab – and failed) came to Flint to tour the site of the proposed flexible body shop. I was working at GM at the time as a contract worker. My GM boss related to me that when the GM VP returned to Detroit, he immediately called back to Flint and advised that the plans for the flexible body shop were cancelled. End of story. Well, not so fast!

I retired at the end of March, 2005. After a year or so, I started working part time at an Auto Auction. Most of the staff I worked with were retirees, a good many from General Motors. Well, so it happens, one day I was having a conversation with a retired skilled tradesman from Buick. I do not recall how we got on the subject, but he related to me how one day a high level GM executive toured the body shop site at Buick City. To greet the man, and obviously make a statement, all of the skilled tradesman closed their tool boxes and put on a mini “Sit Down Strike” for the GM executive!

Apparently Mr. GM executive got the message and thus the immediate call back to Flint to cancel the body shop project. He quite obviously decided “Flint is not a place to continue doing business.”

For more GM commentary, read my Unpublished Manuscript on the SAH website.

<https://autohistory.org/members-information-library-index/unpublished-manuscripts/a-car-guy-bean-counter-reminisces-by-patrick-bisson>

Contributors, Number 62

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Pat Bisson is no stranger to the SAH, formerly serving as Treasurer. As an engineer at General Motors and also as a GM car dealer, he has lived through GM's decline between the 1970s and 2000.

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Louis F. Fourie has gained exposure to automobiles in the Southern Hemisphere after working for General Motors Overseas Operations and visiting South America, South Africa and Australia. He has written a three volume book titled *On a Global Mission: The Automobiles of General Motors International* and has contributed article for a variety of magazines and publications. Louis is a Past President of SAH.

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Kuan-Hung Lo is a Ph.D. candidate in the Department of Science, Technology, and Society at Virginia Tech. He obtained his M.A. in Gender Studies from Kaohsiung Medical University and an M.S. in STS from Virginia Tech. His interests include the gender history of technology and other intersections of gender and technology. His current research focuses on social, political, and environmental adaptations in engineering laboratories and everyday life society throughout innovations.

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A Detroit native, Chris Lezotte received a PhD in American Culture Studies from Bowling Green State University after a 20-year career in advertising—some of it spent writing car commercials. Now working as an independent scholar, her research focuses on the relationship between women and the automobile in a variety of contexts—women's participation in various car cultures, as well as the representation of women and cars in popular culture.

Kevin M. McDonald

Dr. Kevin M. McDonald is an automotive and financial services attorney. He has published extensively in both the English and German languages on a wide variety of legal and policy issues affecting the automotive industry. He also serves as an adjunct professor of consumer law at the Washington University School of Law in St. Louis, Missouri. He is currently working on a book surveying the most important legal cases in automotive history.

Wayne Moore

Wayne Moore earned BA and PhD from the University of North Texas and is a recipient of Outstanding Alumnus in Higher Education from UNT. He is retired Vice President and Professor Emeritus of English at the University of Texas Rio Grande Valley. He also served as chief academic officer at the National College of Ireland. He has consulted in strategic planning, facility programming, and master plans in higher education in Saudi Arabia, Ireland, and the US. His interest in cars began by helping his father rebuild Model A's. Relevant published works include *The Dashboard Book: American Automobile Dashboards 1899-1969* and *Hood Ornaments: 1899-1959*.

Authors wishing to submit articles for publication in the Automotive History Review are requested to follow these guidelines:

Manuscripts should not exceed 10,000 words and should be double-spaced. An abstract is requested. Judging criteria include clear statement of purpose and testable hypothesis, accuracy and thoroughness of research, originality of the research, documentation, quality and extent of bibliographic resources, and writing style. Diagrams, graphs, or photographs may be included. Submissions are to be electronic, in Word or pdf files only, to the e-mail address below.

Possible subjects include but are not limited to historical aspects of motorized land mobility, automobile companies and their leaders, regulation of the auto industry, financial and economic aspects of the industry, the social and cultural effects of the automobile, motorsports, highway development, roadside architecture, environmental matters, and automotive marketing, design, engineering and safety.

The appropriate translation of tables, figures, and graphs can only be accomplished when sent in Word format since all files must be converted to Adobe Acrobat pdf format for publication in the Review. Remove any hidden commands (i.e., track changes) prior to submitting your electronic file. Incorporate tables in the text, rather than providing them separately.

Photographs that are not especially sharp, such as those taken in the early 20th century, should be submitted as glossies to ensure best-quality reproduction. More contemporary photographs may be submitted as e-mail attachments. TIFF format is preferable to JPEG. Resolution should be 300 dpi.

The spelling of words that prevails in the United States should be used, e.g. "tires" rather than "tyres;" "color" rather than "colour." Dates should be expressed in the style used in the United States: month, day, year. However, if a publication is cited in which the date of publication is expressed as day, month, year, that style should be used.

Measurements should be in English; followed, if the author chooses, by the metric equivalent within a parenthesis.

Numbers over ten should be expressed in Arabic numbers (for example, "21st century." Numbers often or less should be spelled. The exception is units of quantity, such as a reference to a "4-door sedan" or a "6-cylinder" engine. If the engine is V-type, place a hyphen between the V and the number of cylinders, e.g. V-6.

Titles of articles referenced should be in quotation marks (British authors should follow the American style of double marks instead of single marks, which seems to be now common in the UK). Titles of books, journals, newspapers, and magazines should be in italics. Following American practice, the period in a sentence ending in a quote should appear following the word, not following the closing quotation mark. However, semi-colons and colons appear outside the closing quotation mark.

For ease of reference endnotes are preferable. When citing works, the following order, style, and punctuation should be used:

Rudy Kosher, "Cars and Nations: Anglo-German Perspectives on Automobility Between the World Wars," *Theory, Culture, & Society*, 21 (2004): 121-144.

Alfred P. Sloan, *My Years with General Motors* (Garden City, NJ: Doubleday & Company, 1964), 439-442.

<http://www.youtube.com/watch?v=I2cPB16scJk> (accessed July 17, 2008).

Where there is no doubt as to the state where the publisher is located (e.g. Boston, New York City) the state is omitted. When an endnote refers to a work referenced in the immediately preceding footnote, the word "Ibid." is used. When an endnote refers to a work referenced earlier in the article, the following style is used: Foster, *op. cit.*, p. 54. If the author has used works that are not referenced in an endnote, they should be added at the end of the article under the title "Additional References."

In cases of doubt, please contact the Editor at **Jheitmann1@udayton.edu**.

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ca. 1970's aerial of the GM Tech Center facing North showing entrance off of 12 mile road (Courtesy GM Media Archive)

A Response to “Whatever Happened to General Motors in Dayton, Ohio?”