Chalmers L. Goyert Oral History

Interview number: 91.1.1673.68

Reminiscences and Interview Recorded: 7 November 1985

Part of the Edsel B. Ford Design History Center Oral History Project

Transcript digitized by staff of Benson Ford Research Center: 2023

Benson Ford Research Center
20900 Oakwood Boulevard · Dearborn, MI 48124-5029 USA
research.center@thehenryford.org · www.thehenryford.org

Note to Readers

The Automotive Design Oral History Project, Accession 91.1.1673, consists of over 120 interviews with designers and engineers conducted during the 1980s by David Crippen of The Henry Ford.

This copy was produced from a bound, hard copy final version of the interview.

For more information, please contact staff at the Benson Ford Research Center (research.center@thehenryford.org).

- Benson Ford Research Center staff, 2023

DESIGN ORAL HISTORY PROJECT

GOYERT, CHALMERS L.

1985

EDSEL B. FORD DESIGN HISTORY CENTER

Henry Ford Museum &
Greenfield Village

This is David Crippen of the Edsel Ford Design History Center at the Henry Ford Museum & Greenfield Village in Dearborn, and today is November 7, 1985. We are interviewing today Mr. Chalmers L. Goyert who is a resident of Dearborn and a long-time proponent and developer of the art of product planning at Ford Motor Company. We will ask Mr. Goyert if he would give his career reminiscences in his own way and in his own words. Please begin at the beginning.

A I was born in Indiana of parents, both of whom were born in Indiana, so they were died-in-the-wool Hoosiers from small, Southern Indiana towns. When I was five years old, my father moved to Bloomington, Indiana, where I grew up. He, for a number of years, was a salesman. He sold a product that never went out of style, and was always in demand, and is in demand today. The product was burial caskets.

I went to grade school -- St. Charles Catholic School -- in Bloomington and into Bloomington High School where I was active in drama and football -- odd combination. I went on to Indiana University and majored in accounting anticipating to go to law school as part of a six-year program. There was a slight altercation in the Pacific around 1942 that changed my plans. I was in the infantry going in as a ROTC second lieutenant and discharged as a major.

Q You may be one of the few ROTC second lieutenants that survived that conflict?

A Yes, I was very fortunate in surviving that. An astounding number of my classmates did not make it through. Just the luck of the way the ball bounced, what your assignments were and when they were, and I was

just very, very fortunate. For example -- an aside -- we had the orders in hand and the loaded rifles to enforce them to land with the invasion of Japan. And just a few nights before we were scheduled to sail -- we were staged in Manila -- they dropped the [atom] bomb. We still staged forward in the same program that had been laid out in the orders and the same contingencies, except no one was shooting at us, at least, we hoped they weren't. We had an interesting time when we went into Japan. Our mission there was to return the allied prisoners that the Japanese had taken. Those that were able to leave, we eventually put on boats and in hospital ships.

But, in any event, I came back from the war [to Bloomington]. The law school was overflowing, and I sat in. [The University of] Indiana Law School was very small. I guess it still is. I had been married during the war, and we had a youngster on the way, so I went back to business school and taught in the summer school. At that point, they needed teachers badly because the G.I. Bill people were flooding back, and I was teaching in the summer school and teaching at an Indiana University branch at Indianapolis, north of Bloomington, and kept quite busy teaching accounting and cost accounting -- some auditing. I was eventually officially discharged from the Army, received my master's degree in accounting and went to Eastman Kodak Company.

Q How did the job at Eastman Kodak come about?

A Primarily through the normal screening process. They sent recruiters in to Indiana, and we were told which recruiters were going to be there and when. We got some help from our instructors -- "You might be interested in this." -- and Kodak sounded pretty good, all things considered. I'd heard that Rochester [New York] was a very nice locale, and

it had industry, therefore, opportunity. It was not a heavy industry town like Dearborn or Detroit. And they had open-ings for accountants, primarily in cost accounting, and it was there that in February of '48, the fellow that had a desk next to me was Tom Page. He had gone there from Harvard. He was an accountant. As a matter of fact, when you grabbed your movie film camera, back [in those] days, you would use what they call the movie film or cine film from the French. And Tom was a cost accountant for the cine film production department, and I was the cost accountant for the roll film department when you used your little [still] Kodak [camera].

So we had parallel jobs. He was in one department and I in another. I stayed there three years -- '48 to '51. One of Tom's very close [friends] who knew Tom at Harvard said, "Come out to Ford. There is a good opportunity here." And Tom couldn't go because of his recall to the armed services. He was in the Air Force, and he went to France. He never went to Korea because they supplied logistics. The system apparently was run through some part of France. Incidentally, while he was there, his family lived in the same house with another family -- another officer by the name of Clem Kirk.

Some years down the road after Tom came back, I kept in touch with him. Our wives became very close friends, and our kids [knew their kids]. So Tom never went back to Kodak, except to pick up his pencils and quit and go to Ford. In turn, Clem Kirk followed him to Ford. And for awhile, there were about a half a dozen people where it seemed that one was on the coattails of another because of contacts and coming into Ford [which] had the reputation, at least in that small circle, as the

great land of opportunity. They needed people, and they were expanding, and they were on the go, and the Whiz Kids were in charge, and let's get aboard.

Tom just retired in January as an executive vice-president, member of the board of directors, and headed up the Diversified Products Operation.

Q He had brought it through one of its most successful periods?

A Yes. Tom was a very, very capable executive, a fine man, and since he's retired, he is holding a chair at Miami University in Oxford, Ohio, where he went to school. He's commuting down there four days a week, and he's in Dearborn three days a week, and they just got a new house over in Fairlane East, so his wife is now trying to get him settled in in two different houses at the same time. But, in any event, that's how I came to Ford. I was specifically hired by a man by the name of Jack Reith.

Q Would you tell us about Jack Reith, or else you can develop him later as you work your way through.

A I don't know Jack's background, to tell you the truth.

Q Was he one of the Whiz Kids?

A He may have been a sub-Whiz, if there was such a thing. Normally, he was considered one of the Whiz Kids. Maybe it was because Ben Mills was one, and, of course, Bob McNamara. Reith might have been from right field of that group. Quite a dynamic character; one of these fellows that was always moving. He could not set at his desk. He would be chewing on pens. We used to laugh. He'd go through about ten pens a day. He'd chew on 'em, and then he'd throw 'em across the room. Quite a dynamic guy and quite an energetic kind of guy. As we used to say, "Jack had no priorities. Everything was priority number one."

And he hired me. I remember, specifically, he said, "Why are you interested in coming to Ford?" And I said, "I want to make some money. I understand there's a good opportunity here." He said, "How much you want to make?" It shows you how naive you can be. This was in '51, and I said, "Well, in the height of my career I'd like to be making twenty-five thousand dollars." He says, "You can do it." I got hired.

My immediate boss then was a fellow by the name of Chase Morsey.

Q Tell us about Mr. Morsey.

A I don't know much about his background either prior to Ford, except that Chase was thought to be, and I think probably so, a pretty brilliant guy. He and Jack both had a feel for the product, what would sell, what people wanted, and they both tended to be able to motivate pretty well. Right then and they got you to -- as they used to say -- they'd say jump, and the only question was how high. And they tended to turn people on. In those days, the product planning organization was considered -- at least by the people that ran it and, perhaps, by the people on the outside of it -- as a rather go go outfit. They were the young eager beavers. That all sounds nice, but as it turned out, after so long, that gets a little old. People begin to believe their advertising, and we did. Lewis Crusoe, the first head of the Ford Division, tended to treat Jack as his number one lieutenant, and Jack, in turn, delegated a lot of that implied authority to Chase. And really to sum it up -- and then Chase, you know -- like "We are the children" -- "We are the ones" -- "We're going to save the world" -- "We've got to save those damned divisions" -- "We're going to be great big heroes." So we got pretty damned arrogant, to tell you the truth, and we made product planning -- if you

talked to enough people back in those periods of the late 'Fifties, we were pretty damned hot shots, and they weren't very popular in a lot of places. I witnessed more than one. I never witnessed a fist fight, but I had some situations where one executive product planner would lean across the desk of another guy -- another function -- and say, "You're just a goddamnned liar, that's all," and the guy would sit there and take it.

The reason that that some of those feelings/tension came up with the system of product planning, and that went sort of to the core of it. The division was given the objective -- and I don't where we'd gotten the great buzz words of goals and objectives and missions and all those things that were formalized in the structure later on, but they say the mission of the Ford Division was to bring in vehicles -- cars and trucks -- that were fully competitive with competition -- and that, in those days, meant Chevrolet -- that could be sold at a Chevrolet price and make a profit. So it involved all the things that go into making a product salable: appearance, function, quality, durability, you name it. But it also carried a heavy implication of containing cost. The system was built around a concept called design cost. The design cost of the car -- a highly-theoretical concept, but it was the basis of the system -- was the cost to build that car if all the parts of it were being built in a modern factory with the most efficient manufacturing and engineering techniques known to man. In other words, state of the arts. There was no allowance in the concept of design cost for people getting lazy, or people not functioning at a hundred percent efficiency as the day went on. Any cost over and above that so-called theoretical design cost had

to be accounted for by some reason. What was the reason for the variance?

So the name of the game of the product planner, of course, was containing costs, and they would go to the purchasing department, which happened to be -- back in those days -- run by Al Kahn, and if he had to buy a widget that went on a car that was ten cents over what in theory the cost would be made in a new factory, then he had sinned by the ten cents worth, as it were. You'll see how popular we'd be going down and saying, "You fellows aren't doing your job. You are costing us more than we allowed for that."

Q Who's the gentlemen you mentioned?

A Al Kahn was the purchasing agent for that time. And it didn't make you very popular. You say, how did you arrive at the design cost? There were a group of cost estimators who, presumably, knew their business. They had had experience in manufacturing and said, "You ought to take a piece of steel, and you ought to be able to stamp it or forge it or whatever you do with it and twist, and it ought to take three operations here and four operations here, and it ought to come out, and you ought to be able to bore it, and that will take you through a time study. And that's what it really costs, and if it costs any more than that, then somebody is screwing it up. The cost control is administered that way, and people got slapped on the wrist for going over cost and, concurrently or diversely, if they beat the design cost, and they did sometimes, then they got great brownie points. They weren't great heroes. By and large, they were usually on the short end of the stick.

Also involved in the job of the product planner, in addition to bringing in a product that was acceptable in terms in appearance, which

is a whole other story and getting into styling, was bringing the vehicle in on time. We always were under the illusion, whether it was true or not, that if G.M. was going to introduce their car on the first of November, and Fall introductions tended to be sort of etched in stone in those days, and we didn't introduce until the fifteenth of November. In other words, if we were late, we would lose a certain number of sales in those fifteen days that we would never recover, and we would say, "Let's say we could lose five thousand sales in those days, and five thousand times the so-called economic profit difference between the variable cost and the revenue was a thousand dollars. A thousand times fifteen thousand, that's lost money -- lost profit." So timing was very important. And timing always seemed to be tight. It always seemed to be because people would start, and then there would be mistakes, and they'd start over, and that was lost time. And sometimes the management couldn't make up its mind which way they wanted to go, so we'd run what we'd call insurance programs --two programs for awhile. That was very expensive for you to be spending money on two of 'em when you were only going to use one.

But timing got to be really a cause celebre sometime. During all this time, the little ole hotshot product planners were running around to various divisions: the engine division, and the transmission division, and the stamping division, and the assembly division. Assembly happened to be then within the Ford Division. But we were running around, and we'd get word. We'd have meetings with these people on a regular basis. Keeping tabs on them. We were just like -- "Did you do your duty today?" It wasn't quite that way, but one day they said, "We can't make that

timing." All hell broke loose. "Now why can't you make the timing?" "Well, you guys were late making the decisions on this," or "the vendor was late on that," and so forth. "What do you got to do to make it up?" "I don't think we can make it up. We're just going to have to be late." "Okay, you're going to be late, huh? You're sure?" "Yeah, yeah, I'm sure we can't make it up, right, guys?" The division would be standing over here, "Yeah, you're right boss. We can't make it." There were some dirty things. The product planner would sometimes say, "Okay fellows, you can't make it. I guess you're the only one. We're going to have to go tell Mr. Crusoe that the program is going to have be delayed because you [say, metal stamping] can't make your part of the program." And the guys -- Crusoe had 'em scared -- they'd say, "Well, now wait a minute. Let's...." And pull tricks on 'em -- play one against the other. And that's why we were such bastards. Really were not thought of so highly.

That went on. I'll tell you who straightened that out, mostly, who really, I thought, put us in our place and put product planning in proper perspective and that was when Bob McNamara came in and took over the division after Crusoe got promoted to group vice-president. And Bob was the finance element coming in. Now it's true, Crusoe came from a finance background, but Bob had been the controller of the company. And that's another interesting aspect of the thing. Product planning, having this responsibility for the products, say, in the '48 car, would be pulling all of this car together. They would be the ones that would go over, for example, to the design center and talk to the Gale Haldermans of the day. Of course, Gale was way down the line in those days. George Walker was there and [the one that] went to Chrysler....

Q Elwood Engel?

A Elwood and Joe Oros and Bob MacGuire. And the product planners would get with those guys and say, "Okay, what'll we serve up here for the management?" And then we'd have to work with the engineers on package size. You know, "How big a car are we going to need, or what engine are you going to put in it?" Frequently, we tended to develop sheet metal and the chassis and the size of the car independent from the engine. In other words, you took the engine that was available. In those days, we didn't do engines quite as frequently as we did later on. But they did the development of the appearance of the car through the sketch stage, and then through the clay model stage, and then through the fiberglass stages. You've probably heard a lot about that development. The product planners tended to be -- we tended to be -- masters of ceremonies, and we had all these cats around. You know, we were cracking the whip. "Today's the day we want the styling tiger on, and tomorrow we want the body engineers to tell us about the package size." And I don't mean to leave the impression that it was a continuous hate relationship, because it wasn't. We got along fine with a lot of these people. They were just as young and eager-beaver as we were, but we tended to control it. We would, in effect, say to Mr. Crusoe to Morsey or Reith, "Next Thursday come over. The stylists are going to have some clays ready for you to look at, and the emphasis is to pick the roof line," or the grilles or whatever is up. And, so, we'd schedule the meetings, and Thursday they'd come over, and then the product planners would, and then the stylists would walk around and look at 'em, and they would make their choice. "We like this front end, and that back end, and this roof line," and the

damned thing would end up like a camel. But it was through an evolving process like that.

We would set the meetings up, and we would work with package engineers. Then we'd say what it was: the major, physical conflict was between the styling of the car and the physical require-ments of the car. As we used to say, the engineers want it like they did it last year, because they finally figured out how it worked. But engineers tended to want the car big so they could house all the compartments comfortably. And you could get pretty good tolerances so that they could get in. The stylists, on the other hand in those days, [wanted it] long, low, hot, with fins, looking like it's going eighty miles an hour while it's standing still. These tend to come into conflict, particularly in the height of the hood. When you get the engine in. After all, you've got the ground, you got the engine, and then you got the hood, and so, frequently, the conflict would be on that dimension and then the overall height. If we couldn't resolve the conflict before a showing, you'd see the car sitting there. It would be nice, and low and sleek, and then, right out in the middle of the hood, would be a block about so high -- so big around -- just a sticking up. Somebody would say, "What's that?" "Well, that's where the engine says that it's got to be, according to these dumb engineers because they don't how to get the engine down." "We can't have that." "Well, tell them that."

Q Who set the original engineering package? Did you do anything in connection with the body engineers?

A We tended to negotiate it. And I'll tell you what we negotiated off of. The starting point was usually the current product or its

[rival] Chevrolet, and we'd say, "Let's make it better. Let's make it bigger on the inside but smaller on the outside." You were always moving from a known base, and frequently it was the Chevrolet. Now when you had a new car, a brand new car -- and when we brought in a Mustang and a Falcon, those cars tended to be from a known base, too, but we don't want it as big as the Chevrolet, we want it twenty inches shorter, or we want it twenty inches lower. We want the school teachers to take down their hair and go zooming off to a motel room with their boyfriend in this car. It's not the family sedan. And it was that kind of a thing; it was a negotiated thing. And then you knew it wasn't all just beat 'em on the head, it was playing a little psychology, too, of saying, "You guys can do it. Can't you beat them?" The cruise effect. Chrysler engineer's perspective was to tilt the engine. Remember when they tilted the six-cylinder engine? That pulled the height, not pull that plug down. Things like that.

But there was a myriad of details. The automobile design and whatever it came out at the end was a cumulation of just literally hundreds and hundreds of thousands of decisions. The product planner rode herd on these. Now I don't mean that he rode herd on every individual decision. He rode herd on the results -- what came out. And it was his job, at a certain point in time when the calendar came around, to present the program to management for approval, and that was the infamous, as you may have heard, blue letters. Back before they had the office of chief executive, and they had pumpkin orange paper, we used to write it on blue paper, and it was to the product planning committee. "Subject: 1959 Ford car. The purpose of this letter is to recommend that the 1959 Ford car

be as follows." And then there'd be a summary. And he said, "The package is seventy inches long and etc., etc. Styling Model C, as shown at styling media so and so, and also out in the courtyard." And then you'd go through all the details of the thing: what its technical performance would be, miles per gallon, top speed.

Then, of course, a big section of the blue letter had to do with the costs, both the fixed and the variable costs. In other words, we were committing to the management that this car could be brought in for a tooling investment of eighty-seven million dollars, and a facility investment of a hundred and twenty million dollars, and that the variable cost of this vehicle would be four dollars under the model it replaced -- that's the current car. And that the timing would be such that the car could be introduced on X date, and based on all of the cost input, the ground rules laid down by the finance office as to charge-offs and amortization, the profit per unit should be etcetera, and the volume per unit would be so much, and the volume <u>will be</u>. We had to predict the volume and what penetration it would have. Oh, it was a great fairy tale. I shouldn't really characterize it as a fairy tale. It represented the best optimistic estimate that we could come up with.

Now I don't mean to give you the impression that a bunch of hot shot kids here could go out and commit the management and the decisions. They just didn't override that, <u>but</u> they did have the responsibility for getting all of these people to essentially sign off on what was in that blue letter. Later on, as we got more experience, we had a sign off system whereby a draft of the blue letter would be sent around to all the key division managers, anybody that was committed in there, and asked for

their comments. And they were given a certain number of days to send their comments back, and we would get them, and then we would summarize those comments. And the former would be presented, and then the management would ask, "Are there any comments," and I, as secretary, or Bill Burmeister, or Will Scott or whoever it was, would say, "Yes sir, the body division believes that the fixed cost will be higher. The engine division is not sure that they can bring in that new engine." Sometimes there was a new engine coming along -- not always in on time, but they have agreed to try and give it a possible insurance program. And, so [a lot] of people in the room, and they were big meetings. In fact, Henry Ford used to be ticked off with as big a group as there was, but there was a lot of people being committed.

Q He liked small groups?

A He did. He liked very small groups. So out of those meetings -- and it wasn't all just done in one meeting. We would start, that would be it, and then they'd say, "Well let's...." Usually there were a number to get it started -- open issue. "The metal stamping division hasn't finished all their studies. All right, we'll meet in a month and see where they stand, and a few others, and, in the meantime, we will want to do some looking at the styling." And so they would.

One of the problems always was the stylists never quit. The stylist kept developing, and developing, and developing, and about the time we thought we had a program that management liked, why, they would go and design, somewhere off on a dark corner, a whole [new] entry, and it looked so much better than the one they approved, then the management would say, "Jeez, why didn't you show that in the first place?" "We just

invented it." And that would frequently throw the thing into a -- then it was, "Can you make that in time? Can we make the changes?"

And they didn't approve the whole car at once. Generally, just the basic sheet metal would be approved. That was the most important thing. Then the details: the grille, the interiors. That was a whole separate kind of a thing. Instrument panel is a separate thing. Taillights. One of the interesting things, the thing that took the longest, in terms of timing, to develop was the instrument panel, because the instrument panel had so much spaghetti. The ramifications of where the instrument panel was situated and how the line went had a lot to do with things you wouldn't think about. But that was, generally, the product planner. He conceived this baby, and he brought it to bear.

I used to illustrate this when I lectured on it at U of M and Michigan State and some of the other places where I did some seminars afterwards. Depicted as a piece of paper, or a blackboard, with a wheel. There was a circle in the middle, and the circle I labeled "the product," and around the outside of this circle, with arrows going into product, were all the other functions. Here's the sales office over here, and there are arrows going to product, and they want the product to look like a Cadillac and sell for a Chevrolet. Here's the finance guys. They want the thing to cost like a Chevrolet and sell at the price of a Cadillac. And here's the engineers: they want it like last year because they finally figured out what worked. Here's the manufacturing guys: they don't want any changes because they finally got the plant set up. And then, later on: here's Ralph Nader and all the do-gooders that want it to run without any smell. You could draw a whole spectrum around

there. Then I said, "And here is the poor product in the middle being tortured and only protected by the product planner," who had to be working out. And if you want to use a word for what a product planner really did, it was the "great compromise." He worked out the best compromise he and his people could. And there weren't a helluva lot of 'em. The product planning staffs were never very big when you considered that -- particularly later on -- initially, it wasn't so tough. We had the Ford and -- they are in a Ford truck -- but then you've got the Falcon, and pretty soon you got the Mustang, and you got the Grenadas, and you've got the Mavericks, you've got the Lincolns, you got the Mercurys, you've got the Cougars, and on and on. And for each one of those cars, you had a model year. So you could draw the chart thing of all of the car lines running across the years. As a matter of fact, it's a good illustration in what the systems people like to call "matrix management control." You take all the vehicles and label those, and you label the vertical lines "years." You've got the years coming across. And then, also, you have all of the doing organizations. You've got the metal stamping division, you've got the assembly division, the engine division, sale operation, finance operation -- all of the operations -- and you're leading this car over these years through each of those -- and satisfying or compromising each of those functions. You take the manager of the stamping plant. He has got the stamping division. He's got to be worrying about, maybe, six cars at one time -- different model years, different car lines.

So that was Ford's system for sort of -- it was a little parallel to what the soap companies do when they count executives. You know,

somebody's got Oxydol, and, by God, he pushing Oxydol through the system and through the matrix, and that's sort of a matrix would have the the Ford car, and he'd have a boss, of course, that would have Ford and Mustang. But that's the way it worked, generally.

Q Did your office set the cost and the pricing package?

A Yes, we set it in the sense that we made a recommendations for it. Management, obviously, set it, but the premise was you had to go out and find out which was their primary competition, and that, originally, was very easy. It was the Ford -- it was a Chevrolet car -- and we used to tear down, as you've probably heard, competitive cars rather regularly and cost them out. They were our boggie, so that meant that when we were doing the Ford design, if they had a brakedrum that had been costed out at X dollars, that gave us the target for our brakedrum -- that or less. So, in that sense, yes, we did monitor the cost, and sometimes there was a reason for that cost being different. We had a different system.

Pricing recommendations: I remember one time we made the company a lot of money. We sat down one weekend with pricing. At that time, we extended the price a dollar or so under the competition on the cars and the options and accessories. We just went through and rounded everything up -- just rounded it up. A few million dollars we made when you multiply it by the number that we sold. We used to say it was a nickel and dime business, but you had a big multiplier. So, yes, to answer the question, we certainly had a hand in it, and, of course, it wasn't without some conflict. Finance guys, who were quite strong in the company, and always have been, and, probably, always will be, were there. Usually, we wanted to price competitively. They wanted to price higher,

and they'd say, "You can get more for the car." For whatever reason, they'd -- and the sales people, of course, were on our side. This is priced lower because they were getting mad at getting measured every ten days by the sales report. Never get in a job where you're measured every ten days. It's a killer.

Q It must be. The finance group, headed by McNamara, along with Lundy and Crusoe, they tended to be pretty much the dominant force there for a number of years?

A Oh, yes. Mr. Henry Ford II played the role of a listener and learner. In that capacity, as anybody who was in that job of product planning and particularly if he had a job of secretary of the product planning committee and the design committee, which all three of us were -- Will and Bill and I -- got to see a lot of Henry Ford and got to see him in action. We got a pretty good feel for how they operated. And a lot of crazy stories. You could fill a book with stories, but just one. We had a station wagon, the Country Squire version. What color and what width of striping do you have on the upcoming station wagon? We had a design committee, and we had this model set up there, and we had two or three models. The coloring was a little different, and the striping was a different width, and it was Breech and Crusoe at that meeting. They couldn't agree on which width of striping to put on the car. They couldn't agree on which width of striping.

Q You mean they got involved in that minutiae?

A Oh, yeah. And we were, frankly, a little surprised that they got involved in that, but they did. Finally, they picked one, and then we came to find out why. They both had boats, and they both had striping on

it, and they were both trying to get the same striping that they had on their boat. Just one of many examples of funny things that happened.

And glass into polarized glass and safety glass. I forget how this got into the product planning meeting, but it did. I worked for Bill Ford at the time, and we'd been doing some work on safety glass. And I forget what we were trying to do, [whether] we were trying to get the U.S. to go to the European system of using this tempered glass in the wind-shield or not. In any event, we'd been doing some experiments on it, and Bill knew about it. So it came up in the meeting, and Bill said to me, "Chalmers, go get some of that tempered glass and show the committee how strong it is and what its characteristics are." So I went tailing out of that big, round rotunda, and I get a wastebasket. We had a bunch of glass, and I found it. It took me five minutes or so, and I came back in and put the wastebasket down and put the glass in it, and everybody was sort of looking at me. So I started stomping it with my heel, and I couldn't break it. Finally, I put a little prick and some heat to it. I just pricked it, and it flew all over. Everybody just burst out laughing, and I never heard a group laugh so hard, and I didn't know what was so funny, you know. I said, "What the hell was everybody laughing at?" And Bill, when he finally recovered said, "You missed the expression on George Walker's face." He said, "George was in the middle of a big speech when you came in, and he was just about to reach the point, and it was a pretty dull speech anyway, and you started stomping on the glass, and everybody just broke up." I don't think George ever did forgive me for that.

Q How did you relate to the design people in the early 'Fifties? Do

you remember some of the people involved and some of the difficulties or pleasures you had working with them?

A This, of course, was in a subjective area, and it was difficult to say, "Well, that's ugly, and this is good looking." I mean, it's in the eye of the beholder. And my memories of the design people, as we mentioned: McGuire, and Oros -- that group -- and there were a lot of them whose names I don't recall. I always enjoyed going over and, very frankly, I had a great deal of admiration for their creativity. Those people were really skilled craftsmen, and they could take a lump of clay and make it look like an automobile. So realistic that you almost had to go feel it.

Generally speaking, stylists did not run into a lot of conflict. The conflict they ran into was primarily, as I said before, with engineers or with manufacturing people. They would get frustrated. G.M. cars, for example -- bumpers -- or certain sheet metal would have very, very sharp edges, you know, very crisp lines, and the stylists wanted those kind of lines, and they'd model 'em, and the manufacturing guys would say, "We can't make 'em that way. The presses won't crisp 'em that much." How in the hell does G.M. do it?" "We don't know, but we can't do it." That was one example.

Another example was the designers -- this is before the days of Nader -- wanted to pull the bumpers and the front end chrome in tight to the sheet metal. They didn't want to have 'em sticking out like cow catchers on a train. And they would take a line -- a string with a weight on it -- and hang it on the corner of the front fender and see how much it cleared the bumper. If it cleared an eighth or a sixteenth of an

inch, that was good enough for the designers. Those days went away because when Nader came on the scene, they made those clearances greater. That tended to be their biggest problem to be able to work within the constraints that -- it was amazing, once you got a model approved. Management had finally approved a model.

Incidentally, later on we had a thirty-day cooling period because they changed their minds. So we said, "No work with go ahead -- no template taking or any taking off the points -- until thirty days." That was to give management a chance to come over and take another look under a different circumstance. They might feel better the next day or some other day. But, eventually, "All right, this is the one we're going with." And then we used to say, "All you can see around the model are asses and elbows," because the engineers were all around there looking at their various parts, taking their measurements. They all, then, had to go back out and eventually convert these to drawings and to the die model and put the die model together to see if everything fits.

But the times at styling were interesting, and it was interesting to see how people react and how people sold. Iacocca and Gene Bordinat, they got along well. If they were over there, say, on a Monday looking at a couple of models, and Gene says, "I kind of like model A," Lee would say, "But B -- I think you could do a little bit with B and make it look better." So he'd come back on Friday, and he'd look at A, and he'd look at B, and he'd turn to Gene and say, "Gene, when you want something to look ugly, you sure as hell know how to fix it, don't you?"

Q Gene did have a predilection for large, ornamental cars?

A Yeah. Gene always said that the mark of his success, whatever it was before, was his survival -- that he was able to survive through Henry

and Ernie and Crusoe and Chase Morsey and all those guys because styling really didn't have a champion. The business of staying in business is made up of champions. Who's going to take this cause, or this product, or this program and carry it right up the hill against all fire storms? And styling really had to find somebody outside of their own organization, because while Gene was looked upon as a competent design manager, which he was, he was not looked upon -- and this always irked him a bit -- as a businessman.

Q Not cost-conscious?

A Yeah. He said, "Those guys really think I'm a dummy when it comes to dollars and cents."

Q How about George Walker? What role did he play in this?

A George and I -- and I'm sure you know George originally was under contract to the company.

Q As a consultant?

A He had Joe Oros and Elwood Engel -- three of them. And, I guess, they had a separate studio at one time. By the time I got here, they were taking over the place, and then George was made a vice-president of the company. George, who, generally, was not taken very seriously by most of the people, including the management, but he was clever. And he had a pretty good sense of design, because he did coach the people. And one of the things about [styling], the good people say, "I invented the Mustang," or "I did this," or "I did that." McNamara said, "I did the Falcon." Well, no one person did those cars. It represented a combination of talents and efforts and starts and stops. But George was there. He served as a focal point. If they wanted to talk styling, they

talked to George. George was a little different than most people, and he was -- well, let's put it this way, he knew how to live.

Q Dressed flamboyantly?

A "I'm at my best when I've got my white convertible, and my white Palm Beach suit on, my two white Dalmatian dogs up on the seat going down Miami Boulevard." He used to be a pro football player way back. Canton [Ohio] or someplace like that. The designers had a little separate dining room over in the body engineering building at the executive level, and George used to hold forth there regularly. And he had a mind that he knew more dirty jokes than all the committees put together, and he was not reluctant to tell them.

Q At this point you -- about 1954 -- you're moving on from profit and pricing into future planning -- the future car line. How did that work go?

A The first part was pricing strategies. Then the next job, I, in effect, got moved up one where I was responsible for overall recommendations. There's where I would start dealing with the stylists. I had somebody replace me as a pricing guy, and I probably had a cost control guy, and maybe an option guy that was working for me. I was sort of the head recommender for the Ford car. There was a similar counterpart for Ford truck. I think it was Charlie Baldwin, at the time. I'm not sure, but it was one level up. He got a little bit more visibility. He probably made more presentations. You did when you were the pricing manager, and it was one of the ways in that organization they'd give you more money, would give you a different title, and your job didn't change all that much, but that was sort of par.

Q You were recommending future directions in product?

A Yes. That's right. And, you say, "Well, where did you get all those brilliant inputs?" You really didn't have any single source. We used to follow the competition, I remember. We used to really keep our ears aground on what competition was doing. We used to joke about it. You could tell when G.M. changed the location of the fences on their proving ground, because the guy that was responsible for intelligence would come in and ask for a longer zoom lens for his camera, and he had to reach further.

Q Who would be financing this industrial espionage?

A Oh, God, put in the budget. One camera -- Nikon. Zero to five hundred millimeter....

Q Everybody knew what it was for?

A Oh, yeah. While we did take pictures, and pictures were frequently shown to management -- put 'em up on slides or prints -- the best information on what the competition was doing used to come from the tool shops. We had tooling out in a shop, and G.M. would have tooling in a shop and Chrysler, and our guys would go out there. We'd query the tool designers -- the guy that would go check the tools -- "What did you see across the board?" At D.A.C. and on the cocktail circuit, you got a lot of information. So with future designs, if you're thinking of that in terms of recommending a Buck Rogers, no, not that. What it's going to be two, three years down the road? What are we going to change next year?

It used to be the cycle was reasonably firm. You had a new car every three years. A new car would last three years, and in the first year, you've made a little change in it -- just enough that people know

it was the newest car. You'd change the bumper and the grille. Then the second year, if I made a bigger change in it, and then the third year, you had an all-new car. So that's what we're talking about.

Now the Buck Rogers-type cars -- those futuristic things -- came out of the design studios. Those are the kinds of things Gale Halderman would do. He'd turn his designers loose and say, "Show me the car of 1999," and they'd do the fins and rockets that they used for the show cars.

Q At this point, your first boss, Jack Reith, has gone on to other projects, and he's moving along rather fast?

A Jack went from the job in Ford Division to France. He went to France, and he headed the job of selling the French operation to anybody that he could sell it to. What the hell was the name of the car -- the company?

Q Simca?

A Simca, yeah. He took a couple of guys with him, but he had the job of getting that up so it would be saleable and then sold it [to Chrysler] and then came back. By the time he came back, they had promoted Crusoe. When he came back, he took over the Mercury division. Benson Ford had the Lincoln at that time. But Jack was the head of the Mercury division. McNamara took the Ford Division after Crusoe. He came from the controller's job. Then he took the Ford Division when Crusoe moved to start the new staffing operation that ended up with the Edsel. Crusoe was Jack's boss when Jack and Emmett Judge were doing the Edsel.

Q Hadn't Reith presented the embryonic plan for the new car, which became the Edsel, to the planning committee?

A Yes. I never will forget that. Jack went on the Edsel kick for Crusoe, and this was under the sponsorship, or, at least, more closely related to the Lincoln-Mercury Division and the Ford Division. It wasn't related to the Ford Division at all. And Bob McNamara, who was a Ford Division general manager and was my boss, made sure that I understood that because -- see, Crusoe had a funny position. He was head of the vehicle divisions. He was really McNamara's boss and Reith's boss. So they would be having these various development meetings for the Edsel, and Crusoe wanted a representative from each of the major divisions to attend these meetings because if we were going to introduce a whole new line of cars -- the Edsel -- then everybody would have something to do with 'em, you know. And I was appointed by McNamara to be the Ford Division representative at the meetings. And, so, I duly got my notepad out and my briefcase and started over. As I started to get in the car, he met me in the garage, and I remember he said, "You go listen. You make no commitments about the Ford Division to this [car]." I said, "Yes, Sir, I understand." And he was dead right, too, because what he was concerned about, and exactly what happened, they asked for contributions -- in effect, market share. How much market share are Ford Division going to lose? How much is Lincoln-Mercury going to lose? How much are we going to take from G.M.? How much are we going to take from Chrysler? McNamara didn't want anybody preempting and having somebody come back and say, "You agreed that you're going to give up X percent of..." and we never did, as I recall, never did give up or state what percent of the market we would give up. I guess the implication was to give up without a fight, I don't know. The point of the whole thing was, Bob, I don't

think ever believed in the Edsel and wanted to keep himself at arms length from it, and he was pretty successful in that.

Q Oddly, one his old champions, Crusoe did?

A Yes.

Q Had he been seduced by Reith's logic or...?

A Yeah. I think that between Emmett Judge and Reith, they probably convinced Crusoe. I don't know that Crusoe was all that much of a champion of McNamara. I'm not implying that there was any hard feelings or dislike, I just never got the impression that Bob was being supported. You know that his mentor was Crusoe. He could have been, but it just didn't come through very clearly to me.

Q There was a certain amount of rivalry?

A Oh, yeah. Although Crusoe, generally, had the advantage of being the senior or elder statesman.

Q He had a been a Breech intimate?

A Yeah, that's right. And Mr. Crusoe had a way of -- I wouldn't want to say frightening people -- but he kept them at their distance. He had a sense of humor that showed through, occasionally. One little incident: we were standing out in the courtyard one day with George Walker, and he had a model to show, and George was a great politician. George always wanted to know which way the wind was blowing before he committed himself either way. Mr. Crusoe was late, and Mr. Crusoe had come out of the styling lobby doors and was walking the length of the courtyard out there, and we were all under the one tree that existed at that time, and George was saying to one of the product planners, one of the guys, "Which one does he like? Does he like that A model?" The guy was insidious.

He knew Crusoe didn't like it, so he told George he did. He said, "Yeah, he likes A, George." So when Crusoe comes up, George would say, "Now, Mr. Crusoe, this A model, you're dead right. That looks great. This thing really has got right lines to it." And Crusoe looked at him, he says, "George, that car looks like it's been in an accident." Just brushed old George off.

Q McNamara rightly saw that the Edsel was going to be a disaster and distanced himself...?

A Yes, he did distance himself from it. Now whether he did that because he saw it was a disaster or because he saw it as a threat to his division, you can take your pick there. But, generally, hindsight's great. We can all look back and say, "Now, the Edsel was a fine car. No problem with it. It was as good a car as, probably, the G.M. counterparts -- the Pontiac. It was just the wrong time." People weren't looking for that kind of a car, and the theory being that Crusoe's support of the car was you got to have as many stores as your competition has if you're going to sell as many suits. And we didn't have enough stores. We had Ford/Mercury/Lincoln, and he wanted to have a fourth store.

Q You did have a big gap?

A Yeah. He used to say, "We are raising the customers for our competition." Take it up through the top grade of Ford, and if they wanted to go up and didn't want to jump up to a Lincoln, they had to go to Pontiac or Olds or Buick.

Q Emmett Judge was an interesting character in this episode, wasn't he?

A Yeah.

Q He was gung-ho right up 'till the end?

A Yeah. He was the project manager, in effect. He had been a product planning manager, and those two terms are almost simultaneous. They're almost the same words. And Emmett was a manager on that. A cute little story about Emmett and about the Edsel that involved George Walker. George had a tendency to fall asleep at meetings, sometimes. As there was a meeting of the design committee, dealing with the Edsel, and fairly early in the stage, they were dealing with the overall length of what the car should be, within limits. And they had developed a cardboard prop where they could move the back wheels back and forth like this to imitate different lengths. And Emmett was up doing this. George was seated up on the dais with Breech and with the rest of the committee, including Charlie Beacham. Do you know Charlie?

Q I've heard of him, yes.

A Charlie was a comedian. He was the old sales guy, and he loved to needle people, particularly George. And he was sitting next to George -- up, four behind Breech -- and Emmett was moving the car out to see what length they like, and George was nodding. Breech said, "What do you think, George?" And Beacham said, "How long do you think it ought to be, George?" And George says, "Right there, Mr. Breech." That's how the Edsel got it's wheelbase.

Q How did George Walker survive in that atmosphere of ridicule and...?

A Precariously. He used to pull some stunts. He was clever, and I can't go into all of this stuff. One time, Bob McNamara called George

and said, "George, I'd like to come over in the studio this morning and take a look at that model we looked at last week." George said, "Bob, the boys haven't quite got it ready yet. Could you come about two o'clock this afternoon? I think we'll have it ready." Then Bob says, "Okay." And what he didn't know was that George's secretary had patched George through -- George was in Miami. George caught the airplane -- beard and all -- just barely made it, and Bob never did know that.

Q That's incredible.

A Yeah, we used to have all kinds of stories like that. One, I remember. My office -- at one point in time when I was in the central product planning office -- was right across the hall, cater-corner. Bill Ford's office was there, but I worked for Bill. My office door was here, and Walker's was there, and I was going out about five thirty. George was standing in his office door looking into his office talking to his secretary. He was standing like this. I had a pretty good relationship with George, and I said, "Hey, George, what..." and he turned like that, and said, "What do you want?" He was joking, but, hell, the thing looks like a cannon.

They used to tell stories about George. George would sit and watch his television with a gun on the floor. He wasn't all that sure of himself. But whether that's true or not, I don't know.

Q You've moved into an interesting stratum at this point. Someone is head of the central product planning office.

A Crusoe.

Q And you're the first executive director?

A Yeah, kind of. When it was set up, Emmett Judge was the project officer for the Edsel. Then, run off to the Edsel Division, and Crusoe

wanted to have a staff. That's what it was, and, so, I was the product planning manager at the Ford Division. Don Petersen was product planning manager at the Lincoln Division, I believe. McNamara had the Ford Division, and Crusoe wanted to have an executive product planning manager/executive director to come in for the staff of his. So, Bob McNamara called me down one day and said, "Crusoe would like to have you come over and be the director." Later on, I got to be executive director. You know how they throw those terms around? And I said, "What's it all about?" And he said, "Why don't you go over and talk to him?" So I did, and what Crusoe told me was, "I want to have a staff here -- a small staff." By then, we had Ford; Lincoln-Mercury had Mercury and Lincoln and Edsel. "A designing little staff to coordinate what these are doing and to make sure they're bringing the stuff up to the management in an orderly, timely manner, and also to make sure that the vehicle divisions out here and the manufacturing divisions are getting along. We don't want to have any more of this cowboy stuff, and I'd like to have you run it." By that time, I'd matured a little bit, and I knew that you didn't argue. I really didn't have a choice as far as if I was going to go.

I also had the feeling that Bob wanted to get Don into the product planning job in his division. See, Don had been with the company before I had and had been recalled to the Marines before I got there. And Bob knew him then. I don't exactly know what job Don had in that initial [phase] -- it wasn't very long. But I sensed that Bob would like to get Don into that job, and, if he did, it would have to be my job because he couldn't put him in a lower job. So I went to become the director of the

product planning office. Now, oddly enough, I never answered to Crusoe, although Crusoe hired me. Crusoe then got his heart attack. But between the time that I took the job and the time I reported -- or very shortly thereafter -- he had a heart attack and never came back.

Bill Ford inherited Crusoe's job, so I had a long stint then in that job working for Bill Ford. Will Scott came in for awhile and worked for Bill Ford, and I worked for Will. Then Will went off to be the safety director, and I came back and ran it. So I was working for Bill, and they put Will in there. It's like Will and I. I count Will as probably my best friend in the company. He and I always got along just great, and I thought he was a tremendous person, as I did Fred Secrest. But both tremendous guys, and we try to keep in touch.

Q You note that your responsibilities, however, as the executive director of the central product planning office was pretty much as you had done as an executive assistant to Crusoe and then McNamara?

A Yeah. Under McNamara, it took on a different twist. McNamara is a very creative guy.

Q Tell us about him and his role. What his procedures were and how he thought.

A One, he was obviously brilliant. Two, he was intellectually egotistical. He almost had to be to go where he had gone. I think that he was very frustrated by the lack of drive and the lack of work and that people didn't measure up to his standards of what they should do. They didn't work as hard as he did, or think as hard as he did, and didn't drive as hard as he did, so he was that kind of a guy. He had a good perception of the job that had to be done in the company, and he moved

into areas to get that job done that weren't really, organizationally, his responsibility.

I remember talking to him once about it. I forget what the particular thing was. I think it happened to come under Charlie Patterson, who, at the time, was a vice-president in manufacturing. He told me to do something. I said, "Bob, you can't do that." He said, "I'm going to do it until somebody tells me to stop," which told you a lot about his character. He was a very proud guy. I don't know whether he did this out of spite or whether it was really a fundamental characteristic, but he would make it a point to not use the company perks that went with his job. If he was going to Europe on business, he didn't call up the travel agency and get first-class. He had his secretary call American Airlines and get a ticket, and they wouldn't even know he coming. He'd show up at the airport and get a taxi, and no car to meet him, and, boy, he used to drive those guys crazy. There was no way to get a handle on this guy, but it served a purpose.

He had a reputation of being a very lean, straightforward, no nonsense, no mixing of good times and business. One time reportedly -- I remember it was a sales managers' [meeting]. Whether he changed his mind or whether it was an inadvertent mistake. They all showed up out at the company hanger with their wives. Bob showed up and said, "What are all the women doing here?" He sent them all home. You can imagine [the hassle].

But to get back to what kind of a business man he was. He tended to be very objective -- "These are facts, and given these facts, you draw this conclusion, and drawing that conclusion, you move to this action."

He, if anything, failed, in my opinion, to recognize human divergence or human error. And I've thought about this many, many times after he went to the Pentagon that that tendency to want to move only from a known base and not being able somehow to discount what he was hearing, maybe caused him his greatest grief in the Pentagon.

He was reluctant to -- no, I'll say he was proud. Example, if you had an idea -- I had talked with him frequently because when he got in Crusoe's job, I was his number one staff guy, and he used my staff for the kind of studies he wanted. He really kept us busy -- Crusoe, he wasn't all that busy, but Bob did. Bob had us running on various consumer studies. And you'd have an idea, you know, and you'd say, "Hey, Bob, what do you think about this?" Or, you know, "Have you considered this and this?" He'd listen, almost impatiently, and he'd say, "I don't think that would work. I think there's too many this or that." And you'd say, "Okay." A couple days later, you'd find that idea coming back around, but this time it was couched as, "I'm thinking about doing this," and, of course, you kept a straight face because the point was you got your idea across and weren't worried about getting credit for it. He had a little tendency to want to be the originator of ideas. In that sense, he was egotistical.

He lacked a certain degree of imagination. One of the stories that I remember when I was there that really gave you a clue as to why he had a problem in the product area, and particularly in the design area. We were over in the styling rotunda looking at a car, and George Walker was there and three or four of us, and Bob looked at the car, and he says, "George, that car does not give me a feeling of beauty. It doesn't give

me a feeling like the sort of ambiance like the stained glass windows in the cathedrals of Europe give." George just looked at him, and we all looked at each other, and out of his earshot says, "Christ, those jigs down in Harlem, they're going to buy that car and don't even know to spell cathedral much less worry about the windows." But the point was that he didn't have a feel for the common man or what motivated people. And, perhaps, I'm too harsh with him, but all of the things that I saw him do, he was a very persistent guy, a very thorough guy, and he worked very hard at it.

He and Phil Caldwell had a lot in common. Boy, they both worked hard. Did their homework.

Q But they weren't very flexible?

A No. No, they were not. The big difference was, Bob would make a decision when decision time came, and it wasn't always the case with Phil.

Q It was an interesting time for you?

A Oh, yes.

Q It must have been very challenging?

A Very interesting time, and then because you saw these people pumping through there, saw their styles, and I learned a great deal. I learned more in that period of time in that job than I certainly would have writing a doctorate about any subject because Bob went through there, and then we had Bunkie Knudsen and his group. And then, of course, we had Lee [Iacocca].

Q At this point in the latter stages of McNamara's career, up to 1960, how did product planning coalesce as a company-wide process? You

were at the very beginnings of it, and were you able to influence the type of decision-making that went on in terms of how the product finally was put together?

A Yes, and in an odd sort of a way. It developed during that period of time and became more used in a generally-accepted way later on with Iacocca. The vehicle divisions and the vehicle division general managers were always trying to second-guess or out-guess Bob, you know, because Bob was really running the show. Breech and Ford were there, and Bob was the one that served up to them the alternatives, and it wasn't just a matter of saying, "Which would like, gentlemen, A or B." It was, "Gentlemen, we have two here. A's the greatest, but if you guys, in your stupidity, want to take B, why go ahead."

So the vehicle divisions had to, in effect, sell Bob [on] what they wanted to do. And the other divisions -- the division managers -- they were charging hard. They were being measured every ten days with the sales, and the sales were the function of the product. But what my office became, and more me personally than the office, was a switchboard of information. It was a two-way street. Bob used it, and Lee used to use it, in spades. Bob would say, "The Lincoln-Mercury Division should propose going this way in that field. I wish they'd think that through and come in with a proposal along those lines. I'd like to see it worked out." What he was really saying to me, go tell whoever it was -- by that time, Ben Mills or whoever had it -- [Matt] McLaughlin, maybe -- "Go tell them that." I became a messenger back and forth.

And it was a two-way street. The vehicle divisions -- and there were some of the manufacturing divisions in there too, but mostly vehicle

divisions -- would say, "We can't do that. We don't have enough manpower or the program budget just won't make it. We've looked into that. I hope we don't have to kill ourselves running up what will be a loose end." And what they were saying, "See if you can get Bob switched off that." And that worked fairly well. Big bosses, like the president and executive vice-president level, generally don't like, "You do this." They don't like this. They like to have sort of a slippery transmission without having it to be, "I am the boss, you listen." And, very frankly, the staff sort of served that purpose. Now, it wasn't always on a personal basis. Bob would say, "Why don't you have guys look at the advantages of a front-wheel drive in a car the size of the Falcon," and it wasn't this, "and outline a study that we might consider doing." I'd go around to the engineers and whoever I had to -- the transmission people and the engine people, what's involved. Pull together sort of a, "Here's what the job would be." And they would know I wasn't dreaming that up myself. And I'd tell 'em, "Bob wants this." It wasn't a big staff at the time. We had, maybe, a half a dozen people, and some of which were typists. Most of 'em were product planners in the divisions. A lot of the product planners went back and forth through there.

And with Iacocca, it was more pronounced. Lee didn't _____ the point. He said, "You go tell those bastards what I want 'em to do. Do this." But that was a two-way street, too. I didn't have free license. They expected me to help them get along with Lee within reason and to point out what's today's flash point or what's the flash point that's coming up. So, in that sense, it was very interesting to see the -- Lee was much better than McNamara. Maybe I'd just gotten older and got

better ideas, but [Lee] would be more acceptable of an idea. "That's not a bad idea. Rack that baby up, and let's see what you can do with that. Let me take a look at it." Of course, Lee would chew your ass out, too, like nobody's business if he felt like it, and we all learned how to roll with that punch. But it was an interesting time, and I always felt that I had, probably, the best job in the company for a long time living all through all those periods and acting as interpreter in some cases between and among the various and sundry executives that held those jobs.

Q Would you give us a case history of a product that you and Mr. McNamara had a lot to do with -- the Falcon -- and if it illustrated how Mr. McNamara thought about a certain type of product?

A I don't know that I can give you too much in the way of specifics. I can give you some general concepts.

Q That would be good. How it came about and who...?

A Bob was of the opinion, and so were a lot of other people, that we needed a smaller car. I guess the G.M. car that preceded was the Chevelle -- it wasn't the Chevette. Chevette came later. They had a smaller car, and they beat us. I don't remember what it was. I don't remember the name of it. It might have been a Chevy II, but, nevertheless, it's not important. And the design of the car, if you'll recall, was, if anything, a very practical kind of a car, and that reflected the influence of Bob McNamara more than anybody else.

Q This spartan outlook.

A A spartan outlook and make it so that there's enough head room in it that you don't have to break your back getting into it, and that it rides high. You're sitting up, you've got good visibility. It didn't

represent all that much of a challenge to the engineers or designers. I can't recall that we had any great weight control on the car. We may have. I guess, we did have, too, by that time, because weight got to be another factor in product planning, particularly as we moved on into the miles per gallon considerations. I remember it had a weight factor because, at one time, they jacked up one of the prototypes, and the bumper bent on it where they put the jack under it. Reportedly one designer said, "I didn't design the bumper, I designed the under place where you're supposed to put the jack." But it reflected -- the designer's were given to understand that this is going to be a practical family car, small, but easy to get into, easy to handle. And the designs came out that way. It was not, as I recall, the most loved car in terms of the design people.

Q Who was responsible for the design of the Falcon?

A At that point in time, it would have had to have been Joe Oros who had the Ford exterior studio. At the time he had that, Gene Bordinat had the Lincoln-Mercury studio. Walker was the vice-president of design, and Elwood [Engel] was sort of a floater.

Q Swing man?

A Yeah. He did whatever George wanted him to do. He might be working on interiors, or special jobs, or advanced jobs. But, other than that, it went through the normal kinds of development. The Falcon, if I'm correct, was the first unitized car. A lot of the debate had to do with the merits of unitized versus body frame, because our cars had been body framed up to that time, and that was the foundation of our car.

Q That was new for Ford, but was it new in the industry?

A No. It was not new in the industry. Several European cars had unitized construction. And I don't recall whether the small Chevrolet car had it or not, but I'm pretty sure Falcon was the first one. Now, frankly, all the cars have gone unitized.

Q So there was a lot of debate as to the pros and cons of...?

A Yeah, that's right. It was not a highly-controversial car in a sense that anybody wanted to argue with McNamara, and rightly so because we needed a small car. The writing was on the wall.

Q He was certainly right in that respect.

A Oh, he was, yeah. He was right in that. As opposed to the Mustang. The Mustang was a creative boat, as it were, and it had no counterpart.

Q Or precedent.

A There was no precedent. The Thunderbird, on the other hand, did have a counterpart, and that was the G.M. Corvette, and I remember the day that was born. Bob McGuire was the guy that started on the Thunderbird, and he was told to make out a car that was better than the Corvette, and cheaper, and made with steel -- not with fiberglass. And we were down in his office, and he started -- oh, one of these things that sketching, and then you'd end up with hundreds of sketches and put 'em on the wall, and they'd look around -- walk around and look at 'em and pick out a few. The process -- did Gale [Halderman] take you through the process of selecting designs?

Q Somewhat, but go ahead.

A It was just an impressive thing of how -- they had quite a few young designers out there, and they had these boards, and they would

sketch. The bosses would come down and say, "That's pretty good. Develop that one a bit further." And then they'd end up on a wall as sort of a starting point, and the management would walk through and maybe say, "What do you think about that one?" "Well, let's take it another step." And it was an elimination process, because sketching was cheap. When you got to full-size car renderings, that took some time and, obviously, money. And then when you went from that to clay, that's when you really got into the dough -- [doing] a clay model. And then when you went to see-through -- when you can see through the greenhouse -- each one of these build up. Running a design studio is not the cheapest thing in the world. I often thought we played around at various times in the design center and never could convince anybody, and, correctly so, that how much money you could save if you could somehow design a miniature model. In other words, like a toy car, and then if you could put the viewer in some kind of a machine -- a box -- that he was looking through where it appeared to him to be full size -- where he had no reference points. And, if we couldn't save a ton of money, nobody agreed with it, and they were probably right.

We used to spend a tremendous amount of money, and I'm sure they still do, on styling clinics. We'd take these cars out and do various -- well, we used to laugh about it. We said we'd get the Toledo housewives up here, and they'd bring a couple bus loads of people up from Toledo because it was close and take 'em over here and show 'em a number of models, and then give 'em lunch, and take 'em back. Mr. Ford never really thought that was such a brilliant idea. As a matter of fact, he used to chide the stylists. He'd say, "You guys just can't make up your

minds, so you want to blame it on the Toledo housewives." He never quite bought it all the way.

Q There's a point there in the sense that, even today, the reliance on what is known now as consumer research was kind of [dicey]?

A Yeah. One of the biggest drawbacks was that people didn't know what they would want three to four to five years down the road and, secondly, if you had something -- if one of the alternatives they were viewing was -- similar to what was on the road today, that tended to get a leg up. People tended to like more what they were familiar with. I think that there are definite limitations. And we used to show 'em the car. "Which car do you like best, A, B, C, or D?" and they'd select the car. And then they'd say, "Okay, now what do you like about the car? What about the grille?" And then the guy said, "The grille, I forgot it had a grille." Then he'd have to think up something to say about the grille, and there was always a problem were they trying to please you or not. But we used to spend a lot of dough on those things -- carting them around the country -- and they'd take 'em to California because California was supposed to be the avant-garde. You know, if Californians like 'em today, they'd be great five years from now.

Q You were never too sure about [that assumption]?

A [Never was] sure of that.

Q I remember the Edsel [Division] relied very heavily on a gentleman -- Dave Wallace -- who went through a lot of academic survey research and came up with who he thought the Edsel would appeal to, and nothing came of it.

A What we know about subjectivity, particularly in the aesthetics field, to get people to admit that styling or appearance is an important

buying characteristic is [tough]. You take a bunch of people into a meeting and say, "All right, we're going to list here a bunch of characteristics, and you tell me which are the most important to you when you buy a car: safety, durabil-ity, mileage, reliability, reputation of the dealer, reputation of the family-owned company. A whole factor of 'em, and you'll get what appear to be very supportable rationales. Safety will be high, price will be high and so forth. If you put appearance on there or style, it'll tend to be low, and, so, that we knew from other research that that wasn't true. So, we started changing the question. You'd take the people in and say, "What do you believe motivates your neighbor to buy a car," and styling would come up very near to the top. It was, "He's a flighty kind of a guy. He doesn't have good, basic values. He's of style -- whatever looks good. He's not really concerned about what's important. Now, I'm smart. I know what's important," kind of a thing. You always were playing in that field. They developed some, what they considered, rather sophisticated techniques for the way they asked questions.

Q It was an imperfect science at best?

A Oh, yes.

Q I suspect people in your discipline would look somewhat askance at it?

A You did, but being human beings, what you did, if the styling agreed -- it's like the lawyer says, "If the law is on your side, pound the law. If the facts are on your side, pound the facts. If neither are on your side, pound the table." If the styling was on our side: "That styling research, boy, that's good." "Well, what do you expect of Toledo housewives?" and that kind of a thing.

Q Falcon was a very spartan car, but it did have a measure of success?

A Oh, yes. It was the right car, right time. Just like the Edsel was the wrong car at the wrong time.

Q A complete antithesis?

A That's right. The Falcon, until the Mustang came along, was the highest sales car in the history of the company.

Q So, in a sense, McNamara felt vindicated that his vision was the right one?

A Yeah. We always felt that it was too bad for the company that Bob left when he did. If we could have today a Bob McNamara as a chairman and a Lee Iacocca as a president, what a tremendous team! If we'd have had those for the last ten years, what a tremendous team that would have been because they complimented each other. Bob had a good business sense, and he wasn't the type to get carried away.

Lee tends to be quite emotional. Lee can get himself worked up. We always said that Lee sort had to have somebody as sort of a flywheel -- a counterbalance -- to get [his] feet on the ground most of the time.

Q There's a poignant story that David Halberstam recounts in his The Best and the Brightest. After McNamara had been at the Department of Defense for a couple of years, and back in Dearborn someone began tinkering with his favorite car, the Falcon. He found out they were considering a convertible, and he writes back to one of his [former associates] -- rather plaintively -- "What the hell are you doing with my automobile?" Do you remember anything like that?

A I can't confirm that. I don't know whether that happened or not.

Q But they did begin to tinker with it, as they did the Thunderbird, and it became a far different automobile.

A Yeah. The Thunderbird has gone through so many generations. It's gotten big, and then it got little again, and then it got big, and then Bunkie put four doors on it. About the only thing that's really survived, is its name.

Q The two-seater Thunderbird's press was very good, but the sales were not too exciting.

A That's right.

Q Do you remember who made the decision to make it a four-place car?

A No, I don't.

Q Whoever did, it was a good decision?

A Yeah. It was a compromise -- four-seater car. The lifestyle of people that buy that kind of car, there tends to be more country club people that want to take another couple to the club rather than a single, hot-shot who just [cruises] was where it was coming from.

Q Those early 'Sixties Thunderbirds were very well done.

A Oh, yeah.

Q Stylistically and mechanically.

A I have always been of the opinion that, at least over the years that I was with Ford, the most important single element of Ford's success -- to the degree that it had success -- is of its maintaining rather consistently, for a number of years its second-place position, was its styling difference. If you were a reasonable man, a reasonable buyer and stood back and said, "I want to buy a car. What car should I buy?" Based on just objective criteria, probably most people would come to a G.M.

car. As a matter of fact, they'd come to a Chevrolet -- a cheap Chevrolet: basic transportation, most dealers, most service, better reliability history than Ford. It had everything going for it. It was always priced competitively and frequently below Ford. Why would anybody buy a Ford? Enough people bought a Ford, and I can think of only one reason why -- -- the design of it. Now a certain number would buy because there was a dealer in town, and dad knew the dealer. But, basically, as far as the product goes, the fact that Ford offered a different design. True, it was Chrysler that offered a different design. Theirs was so terrible. They were really ugly cars. And Ford, regardless of the criticism that the design center would come in for -- and they'd come in for them regularly -- the car sold on its own goddamned design.

But they were the ones that had enough difference, and Ford design gave the customer a choice, and there were enough people that gave it a choice. It's that simple.

Q McNamara is spirited away by the Kennedy administration. Did that cause quite a bit of consternation in the product planning group or the groups that you headed?

A We were all surprised. We finally got used to surprises. I forget which one occurred first, but Henry Ford's first divorce was cataclysmic. We'd thought the company would fall in the next day because Ford, to a much greater degree than probably any other company in the world, was more personalized with the Henry Ford. Hell, nobody knew the head of G.M. outside of Detroit. And we thought, surely, that we'd just never see the light of day again.

Q You'd lost everything but the young vote?

A That's right. And then Bob's leaving was a surprise to us. We had a little warning that he was being courted for the Treasury -- a day or so before it. Did it bother us, particularly those of us in the product area? No, not really. Not nearly as much as Iacocca's leaving or Knudsen's coming in. Knudsen's coming in stood us on our ear, and Iacocca's leaving left a tremendous gap among a number of us, and that number, I've got to say, was the Iacocca camp. There were a couple of camps there, and when Henry fired Lee, we felt the bottom fall out. When Henry brought Bunkie in, we weren't all that shattered because, after the first shock wave went through, most of us could figure out pretty well where it was going to end up because we knew a bit about Knudsen from what we'd heard, and we certainly knew how Iacocca would deal with that. He dealt with it exactly like we thought he would. He stonewalled him.

Q After McNamara's departure, who did you report to at that time?

A Was that when the elderly gentleman came in who was a manufacturing guy?

Q John Dykstra for a couple of years.*

A Where was Arjay [Miller] in that?

Q He was controller after McNamara left.

A John was a nice gentleman and did not consider himself really a product-oriented kind of a guy, and he didn't make too many ripples in the planning [area].

Q But was there one problem there? I recall [someone] saying something about a decision that Mr. Dykstra made in terms of product

*Editor's Note: After McNamara resigned the Ford presidency, effective January 1, 1961, Henry Ford II resumed the office. On April 12, Dykstra was elected president and served until May 1, 1963, when Arjay Miller was elected.

planning. He was engineering-oriented, and he felt that's where product planning should go.

A It's true, he was engineering-oriented, and there was a point in time. Now it may have been when Dykstra was there. Both Dykstra and Charlie Patterson [Executive Vice-President] were anti-product planning and pro engineering or manufacturing.

Q The old-line opposition that you had to put up with all the time?

A Yeah. And it's entirely possible that the movement did start to go then to really follow G.M., because G.M., historically, and they still have the product planning under the engineers. Eventually, the organization -- I can't tell just when this happened -- but product planning disappeared as a word, and product development became the word.

Q More all-encompassing?

A Right. The head of product development was Don Frey, and Don was an engineer. So that may have occurred about in that time.

Q Did it make much of a difference in terms of your planning processes?

A I was off of the staff at that time.

Q That's right. You had gone on.

A I'd gotten out of the line of operation. And I can't recall that it made any particular impression. We used to kind of joke about Dykstra. There there were a couple stories -- one I want to roll towards you: they were ordering some pricing -- Will [Scott] was making an argument about pricing on a vehicle here, and Dykstra was in the room, and somebody said, "Why pricing at that level?" And Will said, "Well, you know, Adam Smith says supply and demand and so forth and so on." And

after the meeting was over, Dykstra clearly didn't agree with him. He got ahold of Will, and he said, "Will, I don't agree with you, and I want you to get that guy Adam Smith out of your office into my office tomorrow, and I want to talk to him." And Will didn't know what to say. Some of us heard it, and Dykstra walked off, and Will was always a wit. Somebody said, "Well, Will, what are you going to do now?" "I'm going to try to hire a guy that sold Adam Smith."

But, no, he was not, as I recall, an influence. And it may be that the engineers started to move in then. Frey was more of a product planner than he was an engineer. We didn't have a major conflict there.

Q At this point, you have quite a different assignment. How did that come about? You're moving into the international area in '72?

A That came about because in the course of the staff job, a guy by the name of Ed Molina. Ed came to the company from New York from the futures trading business. As a matter of fact, he and John Andrews ultimately came to be first head of Ford of Europe. John came first, and then he brought Molina. Molina is a whole story in himself. Very unique guy. Last of the entrepreneurs. He's the one guy in the company I always said that worried about the company's money as though it were his own. A crude, rough, knowledgeable, street-wise kind of a guy that certainly didn't fit the Ford corporate image. And he came in.

At this time, Tom Lilley was the head of Ford International. That was when they had International here before Ford of Europe, and Ed was put in charge of Mexico. His first job was managing director of Mexico, and his heritage was -- he spoke Portuguese and Spanish, and her folks were from Paraguay or Uruguay. But, in any event, he had South America,

and after Mexico, they promoted him to vice-president of Ford South America. And he collected up a little staff. As a matter of fact, Bob Alexander went to work for him for awhile. Gene Carr was there for awhile. I was there. Tom Dennome -- a couple of other guys -- maybe a half a dozen. And we were the international staff which tried to act as liaison. Ed, because he came in the company late and because he really never spent a lot of time in the U.S., didn't have a very good feel, really, for how the U.S. system worked, and so he had me and the staff to be -- "Ed, what do you want to do? We'll get the U.S. people lined up to do it." We sort of acted as his representatives in the U.S. company.

He was an outsider in some respects. Henry Ford liked him. He liked Ed, and Ed had a sense of humor. And drink, that guy. At that time, I was a young guy, and he'd take these young guys, and he could drink 'em right under the table. Energy! We'd get in an airplane, and we'd fly to Rio or Sao Paulo or someplace down there. And immediately upon landing, we'd start a meeting. We'd meet all day. It went on all afternoon. It seemed like all night, until eleven or twelve o'clock. "Come on, let's go."

Q You had to have a rather large capacity for alcohol in those days?

A You had to have a cast iron stomach to work with that guy. He was something else. Women! Oh, Jesus. He would surround himself with [them]. Two guys who were as far apart as you could get -- Ed Molina and Phil Caldwell. It was just about as low as you get. Ed's strength was he understood the South Americans. He understood the government, he understood what made 'em tick, he understood that greed and understood how to use them, and wrote, pretty much on his own, the automotive decree

under which Mexico is operating today. And the same thing in Brazil and in Argentina. Ed had a big hand in that, and he knew the politics. He'd say, "I've run up more bills in whorehouses in South America, but that's the way the Mexicans think."

And he did make a lot of money for the company. He worked out this thing where we could import Brazilian engines that we could sell at a tremendous profit. They didn't make engines there, but we had to export something -- the so-called three for one. I learned a lot under Ed. I worked for him about a year and a half. I used to enjoy him. He could tell jokes just one right after the other. Unfortunately, Ed would smoke cigarettes faster than that, and he contracted cancer and died three or four years ago. But what a character! He used to say, "I don't care what they do to me. They can never take the dances away from me that I've danced."

At one point, I remember, they gave him both South America and Southeast Asia. He had the whole works. And then when they cut that back, Iacocca was considering that Ed would leave. They didn't want Ed to leave. Ed was power in all those areas. The dealers loved him. He tore right over in a dealer meeting. He'd have dealers in for dinner. Ed would go up into the mountains in the country and have a dealer meeting in army barracks. Get 'em all up there, then bring about three or four truckloads of women up. Stuff like that.

Q Mr. Goyert, perhaps we could spend a bit of your time today on a summing up of the operations of the international division between 1972 and 1973 when you were there as an executive staff assistant.

A Okay. The international automotive operations can be thought of as three sub-units, although it wasn't divided up, organizationally, in

such a fashion. But the three major units, as I saw them, were Southeast Asia, which took in everything from New Zealand North up to Japan, and, eventually, China when Nixon decided to play ping pong with the Chinese or whatever it was that he did. That was one segment of it. The second segment was the South American, and that, literally, included all of the major countries in South America where we either had operations or to which we exported what we called the K.D. kits -- knocked-down kits. In some of those countries, we would have a major dealer who would assemble those kits and be our wholesaler to other dealers. But that's the segment in South America. The third, and by far in the management's -- particularly Mr. Ford's -- viewpoint, the most important one was Europe. Canada was part of the U.S. We treated Canada like us.

Q North American?

A North American, yeah. But Europe was, by far, the most important and the oldest. At least the oldest of any big volume business. And it had a sub-unit within it, and that was the tractor operations in Europe which were rather important. They did not originally [report to] Ford of Europe. But, at one time, the tractor operations reported to the D.P.O. -- diversified products manager -- not to the international man. As a matter of fact, when Bob Hanson had D.P.O., he had tractors in Europe. So you had those three.

By his behavior, and attitude, and what he said, and the way he operated, it was pretty much pretty obvious to most of us that Mr. Ford loved Europe. At one time one rather high-priced executive said that he believed that if Mr. Ford could figure a way to still remain chairman of the board of the parent company and also run Ford of Europe as an

operating office, he would like to do it that way. But Mr. Ford was very fond of Europe, and, as a result of that, at least when Mr. Iacocca was chief operating officer, which, obviously, by title included Europe and everything else. Mr. Iacocca, while he went to Europe and attended all regular meetings, many of which I went with him on as did some other staff people, it was obvious that it was Mr. Henry Ford's show, and we did not get into the meat grinder and hard decision about the way he operated in the U.S. And it was there he told me, "Mr. Ford likes Europe. He'd like running Europe, and I don't think he needs or wants a lot of help with it, and that's fine. He can run your own." While we travelled around Europe, when I worked for Iacocca, [it was] Mr. Ford's domain.

Going back to the other two segments, though, as I say, the management of South American companies was different. The environment was different, just the whole atmosphere was different. The people were, obviously, different, and not very well understood by many people in the company here. And so as long as they were doing all right and not making a lot of waves or causing problems, they pretty much let the vice-president in charge of Latin American, which was Molina, and the vice-president of Southeast Asia, which came to be Bill Bourke, by the way. At one time, Bourke worked for me. When Bourke went to South America or Southeast Asia, it was assigned to Molina. So Molina was vice-president -- the lowest title in the company. Vice-president South American for automotive and Southeast Asia. We had a funny name for it, but it covered everything. And Australia, of course, was the big operation there. And, as I mentioned the other day, they eventually separated those two, so, obviously, it left Ed with South America.

But nobody understood those areas very well. The biggest problem they ever had -- it's kind of interesting -- you may recall that in Argentina we had some shootings. As a matter of fact, a total of two, maybe three, people killed. The decision of what to do about the people that were there, particularly the Americans that were there, became a crisis of some proportion. I know there were around-the-clock meetings, literally, all night to finally determine how dangerous it was, how bad it was, should we abandon it, just walk away from it? You can't walk away from a million dollar installation. You've got people relying on you.

The decision was, should we pull all the Americans out? Historically, we like to have in those foreign locations, even in Europe, although we're getting away from it now in Europe, a Yankee, as we say, as managing director and a Yankee as a finance manager. The rest of the people can be, and were encouraged to be, natives, as it were -- locals. But in Argentina, it was such an issue that they told managers, "Tell X to be prepared to leave in twenty-four hours," and they pulled them out -- Paraguay, or Uruguay or someplace like that, and left that management down there in charge of the Agentinians -- promoted whoever was the highest ranking guy and the managing director, and, guess what? They didn't break. They were very profitable, but it wasn't necessarily because they were Argentinians. Profit in the automobile business, it was the United States, or Uruguay, or Mexico, or England as a function of so many different factors, that to ascribe profitability, or the other side of that coin, tremendous losses to any one factor, is, obviously, misleading or naive because it doesn't work that way. There's a lot of factors that come together.

So in substance, the European -- or the international piece of the arm -- was never, in people's minds, as important as U.S. although, in some tough times in the U.S., it was Europe more than South America that made the company look halfway respectable in their performance profitable finance statements. But I enjoyed the year and a half or so I worked with Ed Molina. Finally -- although I'd learned all that I was going to learn, although that was quite a bit -- I don't remember exactly how I did let the word get out I was ready for a transfer. Mr. Ford called me in one day and said, "I understand you've had about all of Molina you can stand," or words to that effect.

Q Typical approach.

A And I said, "Well, I've had quite a bit, and go ahead." And he said, "Well, we're going to reorganize the committee system again for the umpteenth time, and we're going to have a policy committee. I'd like to have you come run that as a secretary of the policy committee." He said, "You'll work for me. You'll take your direction from me." And he said, "I will assign you, organizationally." The only guy he had reporting to him, really, was Jim Cummins. "I'll sign you over on Fred Secrest's staff." Fred was executive vice-president of administration or something like that. And he said, "You'll be over there for rations and quarters, but," he said, "your work will be with me on the assignment on the policy committee."

Q That was about 1972 or '73?

A 1973.

Q This is a pretty big assignment?

A It's kind of funny. You say somebody is the secretary of a committee in a corporation. At first glance, most of them think that's a

clerical job. What do they do? They put out the agenda, and they take notes, and they write minutes, and they keep the records, and that's really a high-paid clerk. On these committees at Ford, it actually was a fairly important job because you, as the secretary, really had a lot to say about what items should come to the committee in the first place. And we set the agenda. And to keep track of what should come to the committee and, most importantly, when. There was a great tendency in the company for the line management -- not the one to come to the committee. "Let me do it myself. I don't need a bunch of staff guys to help me. I don't need Henry looking over my shoulder. Just let me do it, and we'll get around there eventually." What they really were saying, "After everything's done, then we'll come and tell you about it." And Mr. Ford, he was being sold anyway. So, in fact, you're right.

Q He was looking for more input?

A Yeah. And because I'd been around quite awhile, and he'd gotten to know who I was through my work in the product planning staff, he counted on me to really advise him, not only what the hell we should bring to the committee and when, but he also said, "What's going on? What are these guys trying to sell? Why are we...?" I said, "Mr. Ford, you ought to take a look at the Fiesta program." "Okay, what's up with the Fiesta program?" "Well, there's some problems, and there's some differences of opinion, I understand." You had to be careful. You didn't want to be the guy that went running to the boss and whispering in his ear, but, on the other hand, he was asking you to fill him in on what the issues were, and the issues, invariably, involved people. So it was in that role that -- then this policy committee was supposed to be sort of a super committee, and it pretty much stayed that way.

Q Nothing higher in the committee structure?

A There wasn't, at that time. Technically, the executive committee was higher, but it rarely met, and it met only in emergency sessions when the board couldn't be assembled. So the policy committee was really central planning, and it went beyond product, too. It went into a number of other things: facilities, and it did not deal with personalities. They had the personnel committee which was made up of outside directors for obvious reasons.

Q For compensation?

A Yeah. That's right. So in that period of time when I was in there, I got to know Mr. Ford on a working basis quite well, and his door was open. I had no problem getting direction -- seeing him. A couple of times -- Fiesta happened to be one. The issue was naming the car -- what the car ought to be named.

Q The code name was Bobcat?

A Yeah, that's right. And there was a lot of -- you know, they did research like they always do, and naming cars was always a big headache. I remember one time when that issue was coming up, and we'd been through the research, and people had various ideas and favorites, Mr. Ford told me in the office one day, he says, "I know what we're going to call it, but I'm not going to tell anybody." And it was Fiesta. He had decided on Fiesta.

Q I've always liked it. So it was his? You'd gotten out of basic product planning at this point. You were into planning policy?

A Yeah. Although, you've got to remember that the bulk of management's time was -- perhaps it still is -- product. The decision of a

theory, or, at least, the operating position that most of these people took was if the product's right, if the product's competitive, and that includes right by being cost effective, everything else will sort of take care of themselves. And to a certain degree in the business that's true.

It still takes up the bulk of their time, but we started to get help. With the government regulators -- egged on by Mr. Nader -- and the various safety and transportation authority, then more and more of management's time got absorbed with government. But, frequently, a good part of that was product: the emissions, the fuel economy, the safety issues. Ninety-nine percent of them related to the product. There were some that related to the plants, and you couldn't be getting carbon monoxide out of a plant, and the paint was over there. Basically, it was product.

So the charter of the policy committee was larger than just product. A good percentage of the time it was still product.

Q It would be interesting at this point to digress a bit and to tell us your observations of your working relationship with Mr. Ford. Mr. Ford has been analyzed to the 'nth degree in recent years, but I don't think anyone has ever said much about a relationship which was largely professional. You found him, obviously, much more of a corporate person than he's been made out to be in recent accounts?

A Yes. I have some thoughts on that. Mr. Ford, in my opinion, was a tremendous guy, if for no other reason than the fact that he worked at the job. Now given the background/the history of the family, Mr. Ford could have elected at an early age to go off and live on the Riviera or wherever he wanted to cop out and could have. He couldn't have spent all

the money they had if he'd lived to be a thousand. I feel very sure of this personally that it was a matter of great pride of Mr. Ford. He felt that responsibility to continue the heritage of the company, and much has been made about his saying, "My name is on the building," and he used that phrase from time to time in meetings, but he didn't use it lightly. He took it seriously, and he worked at it. So that was number one.

Number two, Mr. Ford had, in an odd sort of way, something that's rather rare in top corporate executives, and that is a fairly heavy dose of humility. Mr. Ford did not pretend to know all of the answers. So many top executives feel that they have to carry an image of almost infallibility about. It wasn't Mr. Ford's case at all. Mr. Ford was, in that sense, very humble and said, "I don't understand. Let's go over this again, and what are you getting at?" And this was true in many areas, but most true -- or, at least, it seemed to come out more -- in the area of great importance: styling -- the appearance of the cars. He would say many times. I described the other day how you go from models, and you've got various alternatives, and you get down to short strokes, and you've got to pick one and go with it. He was always very active in that -- right in the middle of it -- as were all the other top officers of the company. Mr. Ford would frequently say, "You fellows all seem to like model B. I don't. I like A, but you have to build 'em, and you have to sell 'em, not me." So, he said, "I'll go with you on that." I can't recall any other executive, including Mr. Iacocca, that ever evidenced that sort of a humility.

There was an area where he was rather adamant, and that was the one I mentioned before, was names. Unless he agreed with the name, by George, it wasn't going to go by, and he made an issue of that.

Q I wonder if it harks back to the fiasco they had with the naming of the Edsel?

A I don't really know.

Q He was out of town when that was done. According to published reports, Breech pushed it through.

A I know he wasn't in the meeting when the decision was made. He withdrew from the meeting. There was another thing that Mr. Ford felt strongly about, but, again, he recognized the responsibilities that he'd placed on his line operators. Mr. Ford felt, or believed, for a long time that our product line, as well as the competitions, was much too complicated. We had too many models, too many series, too many of everything. That we would be better off if we would not have Fords, Falcons, Mustangs, Thunderbirds, Edsels, Mercurys, Lincolns, Marks, on and on and on and on. This was a continuing concern of his, and he would bring it up rather regularly, and, of course, the people that wanted to keep the cars in the sales operation, they'd say, "Mr. Ford, whichever one you drop, you're gonna lose penetration of points." We were at that time a bogie. We were hitting about twenty-five percent of the market, and "If you're going to drop this one, you're going to lose to...." Well, we may or may not have.

He did feel strongly in those areas. As I say, he did his homework. He was active. When he was around the meeting, he ran the damned thing. He wasn't just sitting there having somebody else run it. He was stamping like that. To a certain degree, Mr. Ford felt that he got more information on an issue if there was a pretty good disagreement among the people, and some people have characterized this as "Mr. Ford

likes to see people argue a lot." You can put it that way, but he did enjoy a good heated debate among various aspirants to causes, and he encouraged it.

Those are all good things, and he, like any of us, did have a few flaws here and there, and if you got on his bad list, it was very difficult to get off. In fact, you never got off. And he got some people on his bad list for various and sundry reasons. One of the most outstanding ones was Hal Sperlich when Hal was the chief product planner -- one of those brilliant men.

Q What could you tell us about that episode? It's a fascinating one. You'll probably get to it in the course of the 'Seventies, but was it the downsizing?

A I'll have to recall which one was Sperlich the problem. Downsizing was one issue, but I can't recall the specific product issue that entered. It probably wasn't a single one. Really what it was, he thought Sperlich was selling him. They were going back to this thing of, "You won't listen. You keep pounding in where you...." I know what one part of it was was the bringing over of the car before the Escort. It was the Fiesta.

Q Bringing it over to this country.

A To this tiny building in here. Iacocca thought it ought to be built here, and Sperlich did, too, and Mr. Ford didn't. And Mr. Ford publicly admitted that he was wrong. I've read this in published statements where he said, "I was wrong. I didn't think the American public wanted a car that little. Our expressways are -- I was wrong." Well, he made the wrong [decision]. By that time Sperlich was hitting the bricks, as it were.

Q He put him on the shelf for a few months?

A Well, yeah. He fired him, and he gave him an office to send out his resume. And, of course, he landed on his feet over at Chrysler.

Q Soon to be an ally of Iacocca's.

A Sperlich was probably closer to Iacocca in the company than any other single executive that I know of.

Q That was part of the problem with Mr. Ford, I suspect?

A Oh, sure. Oddly enough, executives, even the top placed ones, have jealousies.

Q Especially, at that level, he felt himself isolated from what you've said?

A Sure.

Q He wanted more input. When he felt somebody was going around him, he would set up a little empire, so he could resign.

A You know, that's the way Iacocca took care of Bunkie. He isolated him and said, "You're the boss' guy, you run it." And Bunkie said, "Yeah, where are my help?" "Your help are over here helping me." That's an over-simplification.

Q At this point, it might be a good idea to ask you about your observations of the Knudsen presidency. How it came about, and what happened, and how he was finally isolated.

A It came about as a rather complete surprise to all of the people in the management of the company, because I happen to remember that one quite well. When he was announced [February 6, 1968], my wife and I and another couple had been planning a vacation in the Bahamas. We had a product planning meeting coming up, and we'd scheduled the thing in such

a fashion that after the product planning meeting was over -- I was secretary of the product planning committee then -- that then we'd go to the Bahamas. The date came for going to the Bahamas, and Mr. Ford on three or four successive days called me up and said, "Defer the product planning committee meeting. Defer the product planning committee." So I deferred it, and I deferred it, and then finally he called me up and -- I remember it was my birthday -- he said, "We'll have it on February 7th." So I said, "Okay." So we called the meeting, and everybody was there around the board table in the board room except Mr. Ford, and when everybody was seated, the doors opened and Mr. Ford brings Mr. Knudsen in and says, "Here is the new president of the Ford Motor Company."

Q Semon "Bunkie" Knudsen?

A Oh, oh.

Q What a bombshell?

A And he'd done it all himself. He had done it all himself.

Q I read that he went out in an Oldsmobile to talk to Knudsen in Bloomfield Hills. I wonder if he recognized it.

A It wouldn't surprise me, but he did it. He had some advice from some of his relatives that said, "That isn't very smart, Henry. You have Iacocca there." And Mr. Ford reportedly took the position, "Well, Mr. Iacocca's a lot younger than Bunkie, and he'll have his turn." That's like a buggy, and that's it, and away we go. We didn't go away very fast, as you well know.

Mr. Knudsen -- one of the problems was believing his own advertising. It always is a problem if you do that. He wasn't as good as his advertising said he was, and he didn't see that. And he tried, "I ought

to show these guys -- these dummies at Ford -- how we do it at G.M. We get things done. Me and John DeLorean, we know how to do things." And he was ramrodding around. He brought in about a half a dozen people. Larry Shinoda -- the designer. He brought him in. He brought a guy by the name of Johnson in who was a marketing guy, and he was over in Lincoln-Mercury division. I don't know exactly where he ended up.

And then there was another fellow whose name I should be able to recall that came into design, too, but he was not a designer in the sense of what we call a stylist.

Q Dave Wheeler?

A Dave Wheeler, yeah. Bordinat was the vice-president of design then. Mr. Knudsen and Mr. Shinoda seemed to, on several occasions, operate as though they were the only two people in the design center, and there wasn't any intermediate management in between. You can imagine how Mr. Bordinat reacted to that. And Shinoda reportedly [said] -- you get all kinds of reports -- that he was going to be the first oriental designer vice-president in the country in the company.

Later on when Bunkie was fired, Bordinat was in Europe, and they called him and told him what had happened. They said, "Do you still want to let Wheeler and Shinoda go." And he says, "Nah. Keep 'em there. Wheeler we may keep." He said, "I want to personally fire that son-of-bitch Shinoda." And he did, boy. When he got back, he brought him in, and he fired him.

But Bunkie used to work with Shinoda. And this is not just hearsay. Bunkie was a great performance guy, and they had a Talladega car. Talladega, at that time, was one of the big performance race tracks in Alabama.

A Knudsen set up the Knudsen trophy for the Talladega, and he had Larry design it over at the design center. And I remember one time we were all standing around from a design meeting, and it was over, and Larry was there. Knudsen said, "Larry, how's the design on the trophy coming?" "I happen to have it here, Bunkie. Like to take a look?" So he shows it to him. "Yeah, that's pretty good, Larry." He said, "I've got some ideas. Why don't you and your wife come over Sunday afternoon and have cocktails at the house, and we'll talk something about..." and Bordinat is standing [there]. Just trying to point out the relationship.

Q Very awkward.

A Very awkward all around. At the time, in the central product planning office, I felt sorry for Mr. Knudsen, to tell you the truth. He wasn't as competent as he thought he was. He certainly didn't live up to his reputation. At least, we didn't see evidence of it, and he did have a chance. Christ, Iacocca had people locked in tighter than hell, and Iacocca isn't the most subtle guy in the world. He lets you know he was seeing how you were bouncing that ball. There was Knudsen standing there.

Dave Wheeler, as far as I know, is still with the company.

Q He just retired about three months ago.

A I liked Dave. His expertise, at least, initially, was in aerodynamics. He did a lot of the work of how you get the cars to be, as we say, slippery.

Q Worked in the wind tunnel?

A Yeah. And one of the little jokes -- at the time when Bunkie was fired, the design center had a little dining room off the engineering

dining room. It was for design center executives. And because I was there, I reported to Bill Ford as did Bordinat, so I ranked enough I could have dinner there or a lunch in there. A couple of guys -- one of the fellow's name was Al Charlette, who subsequently retired. He was my number two guy, so he was eligible. The day they fired Bunkie, we went into lunch. That was the big topic of conversation.

Q Had it happened in the morning?

A It had happened in the morning. Wheeler came in [with his friends], and they were just very quiet. Dave sat there, and he said, "Well, I guess I'll not be having lunch here much longer." This was a little before Christmas some time. Al Charlette got off -- really the thing that broke the ice was he said, "Oh, Dave, you'll probably stay on. They're not going to fire you. But just in case they do, Merry Christmas!" It broke everybody up. Even Dave laughed.

But Mr. Knudsen just couldn't do anything and, obviously, wasn't getting the kind of cooperation he needed. He didn't understand the Ford system, which is easy to see why he didn't. But he might have made his lot a little easier. He might have even survived, although I doubt it, if he'd have had a little more, "I don't know it all fellows." But there was a tendency of, "I've been here before, and I know it." It was humiliating. I remember after he was fired, his son or son-in-law was moving in the area, and they needed a van of some kind. Bunkie called me up at the office and said -- we were on a first-name -- well, I was on a first-name basis -- Chalmers, and I was pretty much Mr. Knudsen. He said, "Chalmers, can you get a van for me and my son-in-law?" I said, "Sure," and we got it.

One of the reasons I got to have a fairly good -- as good as you could have -- working relationship with Bunkie is a fellow who had been my secretary went over and became his secretary. A fellow by the name of Harold Steffan. The last I heard of Harold -- and I don't think he'd be retired yet because he was younger -- he was in the credit company someplace. But, in any event, because Harold had worked for me for quite awhile and then -- but so much for [Bunkie].

Q A nice enough guy, but he just didn't live up to his promise?

A Yeah. He should have swallowed his pride early on and stayed at G.M., and he probably would have succeeded Ed Cole. As it turned out, Ed Cole was killed three years later. But Mr. Ford, when he saw it wasn't working, he fired him, and the [issued] famous quote: "It just didn't work out."

Q He's used that to good effect?

A Interesting question is who gave Bunkie the word?

Q Have your ever found out?

A I'll make an educated guess that it was Bill Ford.

Q He was usually the go-between in delicate matters like that.

A That's right.

Q He had a little more sensitivity.

A Bill was universally liked. I worked for him on two different periods of time, and I liked Bill -- still do for that matter -- and it would be difficult to not like Bill. Very quiet -- he's his own man. And a lot of people are critical of Bill. Oh, they have been over the years because he and his little participation in the company. He didn't participate. And I used to talk to him. Every once in awhile something

would come up, and his rationale was, he said, "Look, this company has enough damned trouble with one Ford -- Henry. Christ, if there were two of us, and we decided to go different ways, it would tear the company up."

Q Basically, that's the way they operated. He didn't want any divisions in the company. Henry was strong willed enough.

A Yeah. While most of the stuff I've said here has been very positive about Mr. Henry Ford, on balance he was very positive. Some of the negative things were pretty bad in my view and in other's views, including his relatives.

Q Was it that he was autocratic and often capricious?

A The company is fortunate. I'll have to put it this way, that so far -- and now that Mr. Ford is out of it, it isn't all that big an issue -- that there was never a public blowup.

Now the Benson Ford [Jr.] thing -- incidentally, Molina was involved in that.

Q Still with the company?

A Yeah, he was still at the company. This would have been when they were going to send Benson down to Mexico, and he was going to do work in the Mexican company like Edsel did in the Australian company. As a matter of fact, the first time I heard about that deal was when Benson, Jr. and his advisor -- the guy that conned him out of all his dough [Fuentes]. He flew down to Mexico for Benson to be interviewed, Ed Molina suspected that there was something that didn't quite smell right in that whole deal, and when they wanted him to come to Mexico, he said, "Well...." What he told me was that, "I couldn't refuse," but he said,

"but I sure as hell didn't look forward to it." Well, it never worked out.

Q You continued with the policy committee, but in 1977 you've been assigned to the office of the president. How did that come about? Was this with Mr. Iacocca?

A Yeah, that was Lee. As a matter of fact, when I got that, I got off the policy committee. The policy committee went to somebody else -- Grosse Pointe Charlie. I can't think of his name. In any event, Lee had a small staff. He had about four or five of us. Art Conners, the sales/marketing guy, was on it. I was on it. Who else did we have? Later on, Matt McLaughlin was on it. But, in any event, it was a group of about three or four.

The job there was to be Lee's -- we always described it as Lee was the kind of guy that needed somebody to go along behind him and pick up the pieces and interpret for him, because Lee was a quick study -- made quick judgments. Some people thought he made 'em too quick. Perhaps, he did, in some cases. But he really did need somebody to interpret for him. It's one thing, "Well, we're going to go do this now. Okay? Okay, meeting's over." When are we going to do it? Who's going to do it? How are you going to start it? Who's going to be in charge? That kind of thing.

Q The nuts and bolts?

A Yeah. I was the guy that had that job for Lee. I would sit in on his meetings, and he set up what was called an operating committee.

Q You had not had one before?

A Probably had. They've had every committee in the company known to man.

Q They used to call it operations committee?

A Operations. Maybe it was an operations committee. But, in any event, it was Lee's committee. He had a bunch of sub-committees come out of that, and some of those still even survived the MacKenzie onslaught. But this is what he had when MacKenzie came in, and a lot of that got changed around. But, in any event, Lee would have his meetings, and I would be there, and instead of minutes -- well, I did minutes -- but I was the guy that made up the assignments that came out of the thing, and that was probably the period, of all the damned near thirty years that I spent with company, that I felt I was, one, contributing the most, and, two, I was probably being more helpful to others than I had ever had an opportunity to be before, because Lee is a strong leader, and he had a loyal following. People, they weren't naive, they knew that Lee wasn't going to lay down in front of the tracks for 'em if it came to that, but Lee had their respect. He was smart, and he was energetic, and they wanted to deal, but what in the hell did he mean? What did he want? And, frequently, a meeting I would go off, and I'd take my rough notes, and I'd sit down, and I'd say, "There are four things that we need to gain direction on: this ought to be done by finance. this ought to be done by Ford Division/sales, this ought to be done by product development, this ought to be done by engineering." And I'd list concepts -- general direction -- specifics, including check dates: thirty days, report back. And I'd fire these up to Lee and say, "This is how I interpret it. Did I miss something?" And ninety-nine percent of the time he'd say, "Okay, send 'em back." As a matter of fact, I got so I would send a buck slip -- make up a buck slip for him to sign just over

his signature which would say, "Harold MacDonald, attached is agreements we reached in the meeting as I've noted. LAI." I got a file of notes. Jesus, I'm just about ready to dump those things.

Q Don't. Send 'em over here.

A There's some in there -- not many, though. But there are tons of blue letters in there, organization charts. I had policy letters. You guys want that stuff?

Q Yes, we do.

A I haven't thrown any away yet, but I'm just about to. There must be -- I'll bet you that if I took all the books I've got dealing with that, that I could fill a box almost as big as your desk.

Q Great. We'll come over and help you pack and bring them [back to the Archives].

A Well, let me look through them, and I'll probably take you up on that. We'll have to do a little reading yet. There are some things in there that -- I kept a diary for a long time. In the period of time after Lee left, and I worked for Bill Ford, I got a tremendous insight into relationships within the family -- particularly between Bill and Henry and how he felt about things, and where he and Henry differed, and some of the very difficult times they had. Mr. Henry Ford was a very concerned person. I guess we all are as far as our families. The last thing in the world he wanted to do was to alienate Bill -- most of this is from what Bill told me -- and he felt that he didn't have to explain his actions to anybody or justify them to anybody except Bill. ISt seemed like he went out of his way to try to have Bill understand. I was thinking of Henry Ford when he went around to the directors and met 'em in New York.

Q He respected Bill's opinion, and he was the last male person in the family that he [could talk to] -- Benson was gone, and Benson had always been something of a different person for him?

A Yes. Mr. Benson Ford was a loyal family member -- very, very quiet. He was always a member of the product planning committee and the design committee, but very, very rarely said anything. He didn't literally say anything. He would come to the meetings, and he would listen, and, occasionally, Mr. Henry Ford would [say], "Ben, what do you think about that?" And Ben would, "Ah, all right." But he was never -- he, too, probably, recognized one Ford was enough for the company. I always liked Mr. Benson [Ford]. Benson Ford was just a real nice guy, and I got to know him on a "Hi, Chalmers" basis.

The other day, I was looking through my stock portfolio he sold me. He didn't sell 'em to me, but he told me about some. This was way back. He was chairman of Henry Ford Hospital. Henry Ford Hospital was issuing some bonds for expansion. At that time, they were paying a pretty good rate for -- this is way back -- seven percent or something like that, and they were tax exempt. First time the hospital had been able to get a tax exempt [status]. It's rather common now, and I've still got the damned thing. It ought be worth a bundle in 1990.

Q Mr. Chalmers [Goyert], could you give us the reason you were assigned to the office of the president in 1977?

A Lee asked for me. I wouldn't want to swear to that. In the policy committee, I was working, of course, for Mr. Ford, and that may have been one of the reasons Lee asked for me, if he did.

Q Was Lee ever at the policy committee?

A Yeah. He was a member of the policy committee, but it made a difference who Mr. Ford was dealing with on setting agendas and deciding issues and so forth. Oh, yes, he was a member, as were the top division managers and so forth.

Q Was he a regular attendee?

A Oh, yeah. And that was another thing about Mr. Ford. By gosh, Mr. Ford went to meetings! It was a rare -- and God knows we had a lot of meetings. Oh, man! At one time, I kept score -- for a month -- of meetings that I went to, which were all of them because there were meetings of the finance committee and some of the others that I wasn't involved in, and just who was there. You could fill up the board room, and their meetings would go on for hours. The question was, who is running the store? You wonder how these guys could run the divisions and run the operations. It was a responsible job. And they'd sit in those damned meetings, day in and day out.

If the company ever runs a lot, a fellow had to by consensus in the sense that everybody had -- the idea was that if you were at the meeting and a decision was made and it affected your operation, you'd better speak up or forever hold your peace. If you didn't object, then, by gosh, you were hooked. So, that's why we had big meetings. You had to involve all of them.

The best I can remember is Lee asked for me because I'd worked for him with the product policy committee. And when I was working for Molina, Lee would frequently call me in respect to something on product in the international thing, and he always knew. Lee and Molina got along very [well]. They were great buddies.

Q They would see things similarly?

A And Mr. Ford liked Molina. There were three guys I can think of off the top of my head that Mr. Ford liked -- one was Molina and the other one was the guy that ran Australia who recently retired. He was managing director for Australia for years and years. And the other was George Farris who was vice-president of the steel division for awhile.

We had these quarterly review meetings. These guys would come in and present their plan and how they operated. You could just tell which ones of those meetings Mr. Ford enjoyed and who he enjoyed as opposed to those that he had to go to.

Q Speaking of good friends, I understand Jack Davis died just recently?

A Yeah, he did. I saw it in the paper. That goes way back. That's the original.

Q In this job, you were involved with the action programs involving advanced vehicle development, engineering, capital funding, budgetary controls. That's quite a portfolio.

A We were involved with 'em, and what it was was developing alternatives -- working them out. A lot of this had to do with budget time. Budgets were coming up. Lee would have some ideas. For example, when I was working with Lee, he would let me know, generally, what he was thinking about, and I would go out and talk to the divisions and, in effect, help them out a bit. If they knew ahead of time what Lee was primarily interested in, it could save them some time and also help them figure out their strategy. But, again, resumes tend to -- mine's no different -- make a person sound more important than he was. I have long

had a clique, and I really believe it. In the Ford Motor Company we had damned few executives -- maybe one or two -- but we had a lot of highly-paid clerks, and I was one of the highly-paid clerks. I never felt that I was an executive in the classic sense. That's a relative thing,

Q You were in a unique position to make an assessment of Mr. Iacocca's administrative abilities?

A Yeah.

Q Could you spend a few minutes on that subject as you observed it?

A Yeah. As you gathered from what I've said, Lee was a brilliant guy. He was particularly strong in areas of sales, where he'd made his name originally, and in product. He had a feel for what people were wanting -- what turned people on. And he tended not to be very democratic in the process, either. He knew what he liked, and if he had the power, he'd put it through. He was right more often than he was wrong. People accuse him of being sort of a hip-shooter and sort of disorganized. I, myself, said he's the kind of guy that had to have somebody go around behind him and pick things up. It was true. But, on the other hand, he had a feel for the need of a system, even though he might not always operate that way.

For example, one of the assignments that I got one time -- and it turned out to be a goddamned career assignment because it took so much time -- was, "Make me up a book -- a three-ring binder -- of all the things that I ought to have on my desk and be knowledgeable about and be current about every day." And out of that, we went off and got a plastic binder with zippers around it, and I went through and laid out the product programs -- where they stand, so he ought to have a product program

section of three or four pages. He ought to know where we stand on budget and capital program. He ought to understand the engineering budget. The key things. What the sales penetration is, what the competition is, what are the competitive product plans? Those were the things that we tracked as closely as we could.

So I made the book, and it was about that thick with tabs. Making it up wasn't any trouble, but keeping the damned thing up was the problem. No sooner did anybody find out that Lee had one of those, than they had to have one. We ended up making up about six of these things, and we had to keep them up, and that took the clerical people in my office -- a couple of secretaries -- and people on the staff supplying the material.

Another facet of Lee's management style was his tendency to jump organizational lines down to the person that had the answer, and this is disturbing to a lot of people. If you had been with Lee for awhile, you got used to it, and it didn't bother him so much. The important thing was you always had to keep your boss informed of what you told Lee so that he wouldn't be surprised. But Lee would do that.

Another characteristic was his creativity. He frequently surprised us with a, "Why don't we," just out of the blue. It was obvious as it developed that he'd been thinking about it, perhaps, for some time. Maybe not. But he did have some innovative ideas. One example of this: "I wonder how we stack up against G.M. and Chrysler in our expertise and our various functions? Let's go find out." So we listed down about ten functions: controllers office, finance, product planning, sales, marketing, advanced engineering, office of the general counsel, dealer

policy board. I don't know whether to put that one in there or not. But there were about ten of these functions on the ballot, and they went to the ten guys that headed up the functions that were being rated. Personnel was one of them, too. I remember that. And the direction was, rank each one of these versus G.M. and Chrysler. Are we number one? Personnel are number three. And why.

Incidentally, this is why I quit. That's what happened. And boy oh boy, that was a tough one. These guys had to sit there and, you know, Jesus, I got to rank these guys. I have to have lunch with them -- rank 'em down. I remember I got the job of putting the thing together.

Q Was this the so-called [Iacocca] book we've heard about for many years?

A No. I don't think that's the book you referred to. I've heard it referred to as the book of the guys that he paid over a hundred thousand bucks. It was that kind of a book.

Q This was keeping track of...?

A But this wasn't a continuing thing. He just wanted to know.

Q I thought, maybe, he kept two.

A The various people reviewed each other. I don't remember the specifics, but, I know management and personnel came out lowest of all of 'em. They thought we were the worst in that. But that was an idea. One of the ideas that he popped on us one day -- we had to help him get out of that one for awhile. We did, finally. He said, "Jim." It wasn't Jim Ford at the time, it was whoever was running the credit company. He said, "He's over there. He's putting out now forty-eight month paper." You know, forty-eight months to pay your car off. For awhile it thirty-six, and then forty-eight, and now it's sixty. He said, "He's putting

paper out on cars for longer periods of time than our cars will last. If I were a customer, and I had some of Jim Ford's sixty months paper, and the goddamned fender rusted off before I got the thing paid off, I'll be goddamned if I wouldn't tell 'em to come get the car."

But, in any event, one day he said, "You know, we do everything on the car. We go up and mine the ore, we go down and we make steel, and we stamp it, and we smooth the edges, we build it, we distribute it, we sell it, we finance it, we fix it, we do everything except one thing. We don't supply the fuel. Why don't we go into the oil business?" That takes some big thinking. You sit there, and we finally talked him out of that one just on the basis that...."

Q Had he thought that you might buy a petroleum company?

A Yeah. He said, "Why don't we just have a refinery, too?" In that, he was an innovative, creative thinker. The loss to the company was tremendous when we lost him. But he needed a balance. I had a real respect for his abilities. I guess I would have to agree with Mr. Ford in this respect. I don't know that I would have wanted to have turned the company over to him lock, stock and barrel. I don't know that I would want to have handed Lee the mantle that Henry Ford held for so many years because Lee was strong and could influence people.

He did a tremendous job for us in Washington. And there's no question in my mind, he's the only guy in the automobile business that could go down to Washington and con those guys into that government-guaranteed loan for Chrysler. They didn't buy that on logic, or on numbers, or objectivity. He just charmed them. He just charismatically sold 'em. He's a salesman.

It was a shame that Mr. Ford could not have somehow kept Lee and given him enough rope to let him lead in the way he could lead without endangering the company in his view. The idea of an OCE wasn't bad. They had the wrong guy in charge. If he had had Lee in charge after Ford left and had Phil [Caldwell]. Phil was a great counterbalance for Lee. Real smart, and Phil is a different type personality -- careful to a fault, almost. But he's the kind of guy you needed on the other side of Iacocca that tended, sometime, to spin out of orbit -- not dramatically because he did have good sense.

And Lee was a very personable guy. I got to know him quite well, not only in the office. I'd see him half a dozen times in a normal working day. Whenever he went on a trip to Europe, he always took a company plane. Mr. Ford didn't like to do that, but Lee did. And I went with him and two or three other guys --Bordinat usually went, Sperlich went, and, frequently, his family went along. His two daughters and Mrs. Iacocca -- Mary. So we got to know him pretty well, and he was a family man to the core. Mrs. Iacocca was a grand gal. She really was a tremendous, down-to-earth kind of a person, and she adored Lee and the kids. She was a great person.

Q And it was a great loss for Mr. Iacocca?

A It was. A little side incident: Lee liked to cook, and we were in Cologne at a meeting. They used to alternate the meetings between England and Germany, and he gave me hell because I'd set the agendas up over there and the meeting schedules. He said -- this is about the way Lee talked -- "You son of bitch, you've got us in the meeting, and you keep us there all day, and then at night we don't have any time to do

anything but have a drink and go to bed. Why don't you schedule us some free time?" He'd talk like that. You know, you had to understand Lee, because, if you didn't, you would -- my God!

But, to make a long story short, the next meeting, we scheduled an afternoon shopping. We went down on a street in Cologne that had a lot of shops. There was a place that had beautiful cookware of all kinds -- stainless steel ladles and all the things you use to cook with. They had 'em hanging up. Will Scott was on this trip, I remember. Lee got Will and me, and we went shopping, and he went into this shop, and they had this stuff hanging up, and he said, "You know, every time I go in the kitchen to fix spaghetti, she's got cracked candles, and this is chipped or that's chipped. Get rid of all that crap now. I want one of those, and one of those, and one of those, and one of those." Lee went out, and we were both carrying -- I guess, he's still got it hanging in the kitchen.

#

The copyright status of photographs and printed material is often difficult to determine, because it is affected by such things as the employment status of the creator, the date material was created, the date material was first published, what information accompanied the first publication, and whether the copyright holder exercised his/her/its rights to extension. The Henry Ford has not determined copyright status for many of the photographs and published materials in our collection. Therefore, the Henry Ford is acting only as an owner of the physical original.

- The Henry Ford is not responsible for either determining the copyright status of the material or for securing copyright permission.
- Possession of a photocopy does not constitute permission to use it.
- Permission to use copies other than for private study, scholarship, or research requires the permission of both The Henry Ford and the copyright holder.

The copyright law of the United States (Title 17, U.S. Code) governs the making of photocopies or other reproductions of copyrighted material.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specific conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." Such uses are considered "fair use," and by law do not require permission of the copyright holder. If a patron later uses a photocopy or reproduction for purposes in excess of "fair use" - including but by no means limited to posting on a Web page or to an Internet Use group, or publication in a book or magazine - the patron may be liable for copyright infringement.

Benson Ford Research Center, The Henry Ford
20900 Oakwood Boulevard · Dearborn, MI 48124-5029 USA
research.center@thehenryford.org · www.thehenryford.org