

When Mr. Feuer remarked that merchandising, advertising, and public relations agree we should not make these claims, Mr. Dredge said that PR recommends that the ads on these runs be phrased as performance evaluation tests. He went on: we are in a peculiar position as far as advertising goes because, by nature of our product, we are unable to race it—we can't announce as Ford did on Daytona—all we can do is run it at Bonneville. Later, maybe on drag strips, but it is not suitable for drag strip racing now. We should talk about it from the standpoint of safer design; however, when we announce that the cars have run that fast, we do say, inferentially, that others can go that fast also. Mr. Dredge agrees with Mr. Feuer—the manner in which it is handled has a great deal to do with it. Mr. Dredge read the following wire:

The Super Lark will be featured in the June issue of Car Life magazine along with the Wagonaire. The Super Hawk will be featured in the June issue of Motor Trend magazine with the Hawk on the cover. The Avanti with the R3 engine will be featured in the June issue of Hot Rod magazine.

Three New York based magazines also have stories running on the new, high-performance cars. This is publicity that we couldn't get at this time of the year with anything but high-performance cars. All of these stories will emphasize speed because that is what the cars do, and they handle well.

PUBLIC RELATIONS

Pricing R3, Super Lark, and Super Hawk

Mr. Dredge commented that the purpose of these cars, basically, is to get image. If we price ourselves out of the market, we lose all the image we tried to gain. If we can't afford to build them, we shouldn't build them.

April 1, 1963 (There was no discussion on Jet Thrust cars or R-series engines)

April 8, 1963

PARTS & ACCESSORIES

R3 Engine

We're going to have a meeting this morning after this meeting on service and warranty for the R3 engine. We have checked with GM Pontiac. (Ford says they are going to have a racing car.)

PUBLIC RELATIONS

Mobilgas Economy Run

Our effort in the run this year was to avoid duplication of what happened in the runs in Florida where the dealer entered, but the car didn't even run. On the Mobil Economy Run, even if you don't participate, your car is entered anyway. We changed over from the 6 to the 8, and Bill Corey entered. He ran 5th in his class at 20-56 mpg—the Buick was the winner. The press car was a sister car which they drove in accordance with the rules, and they averaged 23.2 mpg, which would have put that car in second place. With professional drivers, it would probably have taken first place. Its high day was 24.89, which was higher than any day for the Buick. Granatelli prepared this car. The Corey practice car did 23-24 mpg. These cars are in South Bend now. (Corey said the entry car ran fine.) Mr. Dredge doesn't feel we are in a hopeless position with the V8 because cars it ran against did about the same mileage this year that they did last year. He tried to establish a 2-door sports class next year where we might put in the Avanti and/or the Hawk. There was some interest with Mobil and USAC in that area; in fact, there was some interest this year, but nobody pushed it. The Press cars were an R2 station wagon, an Avanti, and the economy car. The official camera car for the run was a wagon. It broke a tab off the alternator and required an emergency repair. There were a few miscellaneous items of repair and complaints: heater and blower noise. There was an undue amount of noise from the alternator—probably from the alternator bearings—in all the cars.

R3 Engine

Pricing Mr. Dredge made some inquiries regarding industry practice. The highest price he found was from Chevrolet on the Corvette, which was \$1,258 over the next highest Corvette price. This price covers special brakes and special wheels; it is a complete racing car, including the engine. They no longer offer this since they have withdrawn from racing. The Ford engine price includes the drive line package, and a rough average is \$460. (In some cases, they include heavy-duty brakes.)

April 15, 1963

PARTS & ACCESSORIES

R3 Engine

Mr. Egbert referred to the minutes of the previous meeting and said he had never heard of warranting a racing engine. From personal experience a while back, he knows that Ford offers no service or warranty at all on their racing engines. Mr. Dredge commented that if it goes out as a special engine, it is one thing; if it goes out as a complete automobile, there has to be some warranty on the car itself. Mr. Egbert agreed, on the car, but not on the engine. This should be said legally, nothing. He indicated that a bulletin be sent out so that everybody understands it. He pointed out that first of all, we don't want to sell them—we're only selling enough of them to qualify them for racing.

Mr. Egbert asked about the prices mentioned in the previous meeting, e.g., the Corvair. He asked if they had a suggestion for the price of the R3; he asked Dr. Lamberti if he had sent in his recommendation. Dr. Lamberti replied that his price recommendation, his personal opinion, is that we cover our manufacturing costs. When Mr. Egbert asked if there was a group recommendation on the price, Mr. Dredge told him that an agreement hasn't been reached yet.

Thanks once again to Richard Quinn for making these Studebaker executive meeting boardroom minutes available. We will continue this interesting and exciting 'behind the scenes' activities in our next issue of Jet Thrust News.