

THE CONTINENTAL GAZETTE

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FIXING UP FORD

If business were politics, Detroit would be the Middle East. So how is an outsider like Alan Mulally finding solutions? And why does he seem to be enjoying himself?

Fortune Online
by Alex Taylor III

Alan Mulally is in my face - again. In fact, he has barely left it for the past two hours. He has taken me through the thick loose-leaf binder he assembled for my interview and shown me another five binders filled with interviews he did upon taking the CEO job at Ford, along with research material and personal notes. He has given me his opinion on all the stories I've written about Ford (F, Fortune 500) since he took over and, for good measure, the stories I wrote about Boeing back when he worked there. The man is relentless and demands all my attention. He won't let up until he has turned all my "nos" and "maybes" into "yeses."

Call it the Mulally method: this good-natured but relentless insistence on following what he has determined to be the correct course of action. My immersion is taking place around a conference table in his office on the 12th floor of Ford Motor Co.'s world headquarters in Dearborn, Mich.

Mulally is sitting so close, he could be in my lap. The office decoration is sparse, but Mulally likes the 180-degree view; Ford's historic River Rouge complex is visible on the horizon, and he says he can keep an eye on General Motors (GM, Fortune 500) and Chrysler from here too. Not that Mulally has much time for window gazing. He's on a crusade to save Ford Motor.

Now he's showing me the corporate mission statement he wrote and had printed on plastic cards and distributed to employees. And here is the hand-drawn diagram he's created just for me (with my name in a cloudburst!) to explain what it all means. In case I hadn't noticed, Mulally says, "I went to a lot of work for this."

Trust me, Alan, I noticed.

All this attention is wearing me out - but not Mulally. In the midst of history's second-worst auto depression, Mulally seems to be ... enjoying himself? This is a man who lives less than three miles from his office, arrives there each morning at 5:15 a.m. for a 12-hour workday, and does so with smile. At 63, he still gets enthusiastic about tackling big jobs. "I've always wanted to do something important, and it had to be in a big organization," says Mulally.

You would think once in a lifetime would be enough for the aeronautical engineer in charge of developing the 777 airliner at Boeing (BA, Fortune 500). But here he is, doing it all over again: "What gets me really excited is a big thing where a lot of talented, smart people are involved," he says. Mulally once asked his mother, now 90, "Why am I this way?" She replied, "You've always been this way."

Mulally's being "this way" has, at least for now, kept Ford ahead of GM and Chrysler in the fight for survival. Unlike its traditional rivals, Mulally's Ford insists it has enough cash to ride out the economic downturn and does not want the government loans that the other two companies have accepted.

Ford's financial independence is largely due to a new operational discipline that Mulally has installed, as well as some timely strategic moves he initiated. So while GM suffered the ignominy of seeing the Treasury Department's auto task force depose chairman and CEO Rick Wagoner, and Chrysler has declared bankruptcy, Ford stands alone as an independent company and, potentially, a Detroit survivor. "Alan was the right choice [to

be CEO], and it gets more right every day," says executive chairman Bill Ford, the man who hired him.

Ford Motor is still losing money, like nearly every other automaker, but it shows signs of recovery. In the U.S. its market share of retail sales to individuals (as opposed to wholesale sales to fleet customers) has gone up in six of the past seven months. It has negotiated four new agreements with the United Auto Workers, bringing its hourly labor cost down from \$76 an hour to \$55 an hour and, Ford says, promising to make it competitive with Toyota (TM). While GM and Chrysler are hoarding cash, Ford actually laid out \$2.4 billion in March to pay down \$10.1 billion in long-term debt. Its share price has increased nearly fivefold since hitting a low in November.

'Pretty relentless'

Mulally, who was hired as CEO in September 2006, hasn't engineered, designed, or built any cars. But he has devised a plan that identifies specific goals for the company, created a process that moves it toward those goals, and installed a system to make sure it gets there. Mulally watches all this with intensity - and demands weekly, sometimes daily, updates. "Alan's style is pretty relentless," says chief financial officer Lewis Booth, a 31-year Ford veteran. "He says, 'If this is the reality, what are we going to do about it?' not 'We're going to work our way through it.'"

The Mulally method has pointed Ford to some smart strategic moves. Sensing a recession in 2006, Mulally decided to borrow \$23.6 billion against Ford's assets. Piling on more debt wasn't an easy call, but the extra cash meant that Ford could say no to government loans when sales fell apart last year. Mulally is moving to integrate the company globally, despite several failed attempts in the past. In 2010, Ford will be selling small cars in the U.S. that were developed in Europe. Mulally persuaded Bill Ford to dispose of Jaguar and Land Rover and focus its resources on the Ford brand, and by moving quickly he managed to sell them to India's Tata in 2007 when there was still a market for makers of luxury vehicles. He took longer to untangle Volvo from the rest of the company, but he has now put that up for sale too.

Those moves have helped Ford separate from GM and Chrysler, and Mulally is pumped. "As we come through this, we're going to be a turbo machine on the other side," he says. He has promised that Ford's core North American operations, as well as the entire company, will turn profitable by 2011. It had better, because it can't keep losing money indefinitely. Ford recorded a loss of \$14.7 billion last year and another \$1.4 billion in 2009's first quarter. If the U.S. and the rest of the global economy continue to slump, Ford's survival could be endangered. "The test of Ford's liquidity will be how low vehicle sales go this year, when they recover, and what levels they recover to in 2010 and 2011," writes analyst Shelly Lombard of Gimme Credit.

Besides, Ford hasn't always handled prosperity well. It boomed in the mid - 1980s on the strength of the Taurus, pickup trucks, and Lincolns, only to be laid low by the recession of 1990-91. Then it squeezed record profits out of Expeditions, Lincoln Navigators, and pickups - all built on the same platform - in the middle to late 1990s. But a binge of overseas acquisitions, combined with laxity in operations, brought it limping into the 21st century. When Mulally arrived in September 2006, Ford was known mainly for its pickup trucks and the Mustang, and the company was on the verge of collapse. It lost \$12.6 billion in 2006 and another \$2.7 billion in 2007.

Now, if the economy recovers on schedule, Ford is in a position to thrive. To meet stricter government fuel economy standards, it is introducing a line of more efficient, smaller-displacement engines with turbocharging, and it will start rolling out electric vehicles in 2010. A healthier Ford will be able to scoop up business from GM and Chrysler as those companies shed brands and models. Goldman Sachs's Patrick Archambault sees Ford picking up 25% of the sales the two companies lose, equivalent to 1.35 points of market share.

So how does an industry outsider like Mulally come into a company as large as Ford - with its 205,000 employees, multiple product lines, and international operations - and straighten it out?

To people like me who follow the industry and find its inner workings infinitely complex, the success of a non auto person is surprising and, frankly, a little discomfiting. Mulally, after all, was so removed from Detroit ways when Ford hired him that his personal car was a Lexus. Although there are similarities between building airplanes and making cars - heavy R&D, complex manufacturing, supplier relations, a unionized workforce - there are crucial differences too. Mulally had no experience in mass marketing or dealer relations. Although he has weighed in on model names, brand streamlining (he is allowing Mercury to wither away), and product complexity (he was flabbergasted to hear that engineers had created 132 different center consoles for the Navigator), he leaves product decisions to the professionals.

The story of how Mulally revived Ford's best-known sedan is a quintessential demonstration of the Mulally method - analyzing a situation using accepted facts and then winning over support through persistence.

Here's the story, told by Mulally:

"I arrive here, and the first day I say, 'Let's go look at the product lineup.' And they lay it out, and I said, 'Where's the Taurus?' They said, 'Well, we killed it.' I said, 'What do you mean, you killed it?' 'Well, we made a couple that looked like a football. They didn't sell very well, so we stopped it.' 'You stopped the Taurus?' I said.

'How many billions of dollars does it cost to build brand loyalty around a name?' 'Well, we thought it was so damaged that we named it the Five Hundred.' I said, 'Well, you've got until tomorrow to find a vehicle to put the Taurus name on because that's why I'm here. Then you have two years to make the coolest vehicle that you can possibly make.'?" The 2010 Taurus is arriving on the market this spring, and while it is not as startling as the original 1986 Taurus, it is still pretty cool.

It's difficult to imagine the reaction of hard-bitten Ford executives to Mulally's arrival. Sharp elbows, fierce loyalties, and frequent turf battles were hallmarks of Ford's management culture: The tough guys won. Despite nearly 40 years in the commercial airplane business - one of the most international of industries - Mulally looks as if he had just left his home state of Kansas. He dresses like a Boy Scout leader - blue blazer, button-down shirt, kiltie loafers - and his open-mouth smile makes him appear bemused or even a bit puzzled by what goes on around him. That corn-fed sincerity, however, masks confidence, discipline, and a fierce desire to win.

"Communicate, communicate, communicate," Mulally explained in one of his notes to me. "Everyone has to know the plan, its status, and areas that need special attention." For instance, Mulally is determined that Ford reduce its dependence on light trucks as gas becomes more expensive, and he has let the entire organization know it in the bluntest possible language. "Everybody says you can't make money off small cars," he says. "Well, you'd better damn well figure out how to make money, because that's where the world is going."

Mulally's openness seems to have won him support throughout the organization. Says manufacturing boss Joe Hinrichs: "Alan brings infectious energy. This is a person people want to follow." Sometimes Mulally verges on guilelessness. In preparation for our interview, he provided me with a one-page summary of his managerial abilities. Titled "Alan's Leadership," it includes some boilerplate - "proven successful leader ... business acumen and judgment ... steady ... true North" - but leavens it with less quantifiable traits: "expects the very best of himself and others, seeks to understand rather than to be understood." I can't imagine another CEO making such a list public. Bill Ford sums Mulally up this way: "Alan is not a very complicated person. He is very driven."

Arriving at Ford, Mulally boned up on the company like a student cramming for an exam, interviewing dozens of employees, analysts, and consultants, and filling those five binders with his typed notes. The research allowed him to develop a point of view about the auto business that now frames all his decisions. Its pillars draw heavily from his experience at Boeing: Focus on the Ford brand ("nobody buys a house of brands"); compete in every market segment with carefully defined products (small, medium, and large; cars, utilities, and trucks); market fewer nameplates (40 worldwide by 2013, down from 97 worldwide in 2006); and become best in class in quality, fuel efficiency, safety, and value.

Are corporate mission statements so 1990s? Not to Mulally. To let everyone know what he had in mind, Mulally created those plastic cards with four goals on one side ("Expected Behaviors") and a revised definition of the company ("One Ford") on the other. To Mulally, it is like sacred text: "This is me. I wrote it. It's what I believe in. You can't make this shit up."

"I am here to save an American and global icon," Mulally declares. He drives performance the way he did at Boeing, with the Business Plan Review, a meeting with his direct reports, held early every Thursday. "I live for Thursday morning at 8 a.m.," he says. First up are Ford's four profit centers: the Americas, Europe, Asia Pacific, and Ford Credit. Then come presentations from 12 functional areas (from product development and manufacturing to human resources and government relations).

"When I arrived there were six or seven people reporting to Bill Ford, and the IT person wasn't there, the human resources person wasn't there," says Mulally. "So I moved up and included every functional discipline on my team because everybody in this place had to be involved and had to know everything."

The Thursday meetings are held in what's known as the Thunderbird Room, one floor below Mulally's office, around a circular dark-wood table fitted with three pairs of video screens in the center. Eight clocks, one for each Ford time zone, are mounted on the wall. There are seats for 18 executives around the table, with additional ones on the perimeter ("Here's where I sit," says Mulally, indicating a chair: "Pilot's seat").

There are no pre-meetings or briefing books. "They don't bring their big books anymore because I'm not going to grind them with as many questions as I can to humiliate them," Mulally says. "We'll see them next week. We don't take action - I'm going to see you next week." No BlackBerrys are allowed, and no side conversations either - Mulally is insistent about that. "If somebody starts to talk or they don't respect each other, the meeting just stops. They know I've removed vice presidents because they couldn't stop talking because they thought they were so damn important."

Mulally instituted color coding for reports: green for good, yellow for caution, red for problems. Managers coded their operations green at the first couple of meetings to show how well they were doing, but Mulally called them on it. "You guys, you know we lost a few billion dollars last year," he told the group. "Is there anything that's not going well?" After that the process loosened up. Americas boss Mark Fields went first. He admitted that the Ford Edge, due to arrive at dealers, had some technical problems with the rear lift gate and wasn't ready for the

start of production. "The whole place was deathly silent," says Mulally. "Then I clapped, and I said, 'Mark, I really appreciate that clear visibility.' And the next week the entire set of charts were all rainbows."

"If something is off-track, we are much better at identifying it and resolving it," says CFO Booth. "Not everything turns to green. If it doesn't, we have to modify the plan." To monitor operations during the week, Mulally can visit two adjacent rooms whose walls are lined with 280 performance charts, arranged by area of responsibility, with a big picture of the executive in charge in case there are any doubts. Everyone at the Thursday meeting gets wall space. Mulally spends 30 minutes explaining the charts to me, making sure I stand 20 feet away so that I can't see any of the data. The message, though, comes through clearly: Mulally has his finger on every piece of this large and complex company. So does his board of directors; they see a subset of the same data. There are no secrets at Ford anymore. "This is a huge enterprise, and the magic is, everybody knows the plan," says Mulally. And everyone seems to be onboard. Chief financial officer Don Leclair became a company hero for arranging the \$23.6 billion loan in 2006. But other executives found him hard to work with, and Leclair decided to retire. Mulally doesn't want to have to settle arguments between executives, either. "They can either work together or they can come see me," he says. He demonstrates how infrequently that happens by springing up from his chair, dashing into his outer office, and then racing back and sitting down. He reports that nobody is waiting to see him. "They're not here. There's nobody here. There's nobody outside. So they must be working together." I am speechless, but I get the point. Will it work?

So far, Mulally has been mostly managing the hand dealt him when he arrived. The first new model to bear his fingerprints will be the restyled 2010 Taurus that goes on sale in June. His plan for "One Ford" won't get a real test until next year when two small, fuel-efficient cars, the Fiesta and the Focus, make their way from Europe to the U.S. It remains an open question whether Americans will be willing to pay more for the smaller, higher-content vehicles. They will have to if Mulally is to succeed in reducing Ford's dependence on pickup truck profits.

The biggest unanswered questions about Mulally are how long he will stay at Ford and who will succeed him. Bill Ford has been saying that he hopes Mulally never leaves, but having spent nearly four decades in Seattle, he isn't likely to settle in Dearborn, and in fact, the company spent \$344,109 in 2008 flying Mulally and his family between the two cities and elsewhere. Now that Ford is running more smoothly, there shouldn't be a need to look outside again for his successor. If Mulally leaves when he turns 65, the betting is that he will be succeeded by Booth, who is 60. If Mulally stays longer, then 48-year-old Fields would likely be the choice.

Mulally talks as if he has found a home and is doing the work he was always intended to do. "Something about just being mature, being almost 64, is that I've been there. I've been through a lot of cycles. I'm not up and down. I'm rock-solid, no matter where the bad news comes from. I'm steady. And everybody knows why I'm here. It's not a career move. I'm not trying to get ahead. I am not looking for more awards."

At one of his early meetings with employees upon joining Ford in 2006, Mulally was asked whether Ford would be able to remain in business: "Was Ford going to make it?" "I don't know," Mulally replied. "But we have a plan, and the plan says we are going to make it." It was a moment Mulally's mother would have appreciated.

TO EACH LINCOLN ENTHUSIAST BELONGS THE RIGHT TO ENJOY HIS OBJECT OF AFFECTION IN HIS OWN MANOR OF CHOOSING

Kurt Wetterling



That's what I keep telling myself, anyway. Admittedly, it makes me crazy at a Lincoln meet to see a slab-side shown with a set of hubcaps on it from the 70s. But the reality of it is this: if you are keeping a classic old Lincoln on the road and away from the crusher,

you should be able to do whatever you want to in order to enjoy it to the fullest. For most of us in the Lincoln club, that means bending over backwards to make sure our cars remain as close to original as is possible. For others, not so much.

But whenever I run across a Lincoln that does not adhere to that philosophy, I like to pass it on to others. A case in point is this 1978 Lincoln Town Coupe that has been customized and made into a low-rider. A total of 20,977 of these



were made in 1978, or about one for every 3.5 Town Sedans. So, while they are somewhat rare nowadays, it is not like taking one of the original Lincoln Continentals and shooting it with hundreds of bullets at a toll booth to make a movie. (Okay, *THE GODFATHER* is my favorite movie of all time, but they still shouldn't have done that to Sonny's car.)

And there is no disputing the effort and expense some will go to in order to put their own stamp on what

the Lincoln division of the Ford Motor Company created decades ago. I think back to this years Salado Meet and the '47 Lincoln Continental convertible that arrived.

Undoubtedly the craftsmanship of work done on the car was top notch. The color of paint was stunning. And the end result was a beautiful example of a customized classic car. And yet, I find myself shaking my head



and saying, "I could just never do that to a great original car." For the record, I don't know the guy with the '47 in Salado. He may have found a old rusting shell in a junk yard and created the rolling piece of artwork out of something that otherwise would have never been saved. But with only 778 of them produced in 1947, probably only a handful remaining, should even one be sacrificed? And, of course, the answer is "Yes, if that's how I want to enjoy the hobby."



SPEAKING OF LINCOLNS WITH SEVERAL POINTS OF INTEREST:

This Lincoln was for sale on eBay as the newsletter went to press. Located in Florida, the exterior of this 1967 Lincoln Continental convertible was relatively stock with custom wheels and tires having been installed (and easily removed) and a full set of special



decals placed on the car for use in the Fireball Run, a fund raiser for the Child Rescue Network. According to the owners, the decals could all be easily removed by the new owner in order to return the car to stock.



The only modification made to the inside of the car is where the dash board was signed by the legendary car customizer Chip Foose. Not quite like having the dash board of your Mustang signed by Carol Shelby, but certainly a noteworthy addition, nonetheless. The bidding was up to \$9,100 with two and a half days to go, but if you could write them a check for \$14,990 the car could be yours without having to wait till the end of the auction. As is, how many points do you think would be deducted at a national meet?

While I'm sure there may be a price associated with the Hooters Girls shown in the picture, none are included in the purchase price of the Lincoln.



43 YEARS LATER, STILL A PRESIDENTIAL RUNNING MATE

By Bill Griffith

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MIDDLEBOROUGH - For John Lawlor, the link between automobiles and presidents isn't limited to a holiday weekend once a year. Lawlor, self-proclaimed "spiritual, technical, and menu adviser" to Tom and Ray Magliozzi's long-running National Public Radio "Car Talk" show, owns one of the limousines used in the 1960s by Lyndon Baines Johnson, the 36th president of the United States.

Lawlor keeps the custom Lincoln, a 1965 model, in a garage that used to be part of the Maxim Fire Truck Co. complex, along with other vehicles he calls "orphans of today's collector-car and memorabilia craze."

But LBJ's car attracts the most attention. Lawlor came across it in 2002 while scouring the Internet. He searched for "Lehmann-Peterson," referring to George Lehmann and Robert Peterson, auto designers who collaborated with Lincoln between 1962 and 1970. During that time, they redefined the American limousine in their Chicago workshops.

"It was on consignment with a high-end dealership in Florida," Lawlor said. "I contacted them the next day, but they told me I was just too late, that the car had been sold."

The dealership gave him the new owner's name, however, and Lawlor tracked him down. "He was a serious collector," he said. "Another of his cars was one of the mid-'50s Cadillacs used in the film 'Driving Miss Daisy.'"

The owner told Lawlor the black limo "had been used in government service and may have been used by LBJ." In 2006, the limo was put up for sale again, and Lawlor bought it on the spot. "I paid about what you'd expect to pay for a nice Lincoln - not a limo - from that period," he said, about \$20,000.

The seller attached one condition to the transaction. "He made me give my word that I wouldn't use the car commercially," said Lawlor, meaning he couldn't rent it out. "He wanted the car to go to someone who would preserve it for its historical value." It was only when the transport driver was unloading the car in Middleborough that Lawlor found out for certain he had purchased a presidential limo.

"The driver asked me where I'd found LBJ's car," said Lawlor. "I told him I hadn't, but he said, 'Oh, yes, you did.'"

Sure enough. If the dashboard plaque that said Lehmann-Peterson built the limo expressly for Johnson wasn't enough to convince him, the White House radio phone with extensions still labeled made it pretty clear that this was a special vehicle.

Most of the Lincolns made by Lehmann-Peterson, including those built for Cabinet members, had a walnut case in back that housed a small black-and-white TV, but this one was different. "It had a pop-up bar and the original crystal [glassware] that came with the car," Lawlor said. "It also had LBJ's inaugural invitation, a schedule of events, and keepsake keychain."

And it was in remarkably sound condition, with just 36,000 miles on the odometer and a 430-cubic-inch engine that produces 340 horsepower.

To create a presidential-worthy limo, Lehmann-Peterson took the basic Lincoln sedan of the day, cut it in half, added extra support and a 34-inch insert. The result was a car that was a shade over 22 feet long with more body rigidity than a standard Lincoln. The thicker body panels were more for reinforcement than protection -



genuine armored limos would not come until later. The suggested retail price of a Lincoln sedan was about \$6,400; Lehmann-Peterson versions cost \$16,000 and up.

"It's got plenty of power," said Lawlor. "It's also remarkably stiff and rattle-free. And, for its size, it's pretty nimble. It's right at home on the roads today, and you could use it as a special-event vehicle."

Still, Lawlor drives it sparingly. "You don't want to challenge our potholes in winter or spring," he said.

Craig Fitzgerald, a staff editor at Hemmings Motor News, the bible of the collector-car industry, estimated the car's value at between \$100,000 and \$125,000.

"It's got two things going against it and one thing going for it," Fitzgerald said. "First, Lincolns never have been big-money cars. Nor have limos. They tend to be hard to drive and take up a lot of storage space. But it has the presidential cachet."

To Lawlor, LBJ's car is priceless.

"How do you put a price on something that was part of history?" he said. "Nobody else wanted it when I bought it. And nobody helped me make the credit cards payments when I was paying for it."



A FORD INSPIRED VACATION

Kurt Wetterling

I took delivery of a new 2009 Ford 150 right before the July 4th holiday. My company provides me a new vehicle every 2 1/2 years, so that in and of itself wasn't all that unusual. However, the timing of this new truck inspired my wife and I to take a road trip, something we haven't done since the kids have grown up. What better way to take in a little scenery

than to get behind the wheel of a brand new Ford and put a couple of thousand miles on it right off the bat? We discussed a few different destinations, but quickly decided on going to Colorado to visit our oldest daughter in Denver, and then seeing some of the sights in and around Denver and Colorado Springs. It just so happens that Kendra (who works for Ford in Denver) had just taken delivery of her new company provided vehicle as well, a 2010 Lincoln MKZ. She had been driving an '09 F-150 Crew Cab since last fall. And while she claimed to have enjoyed the truck, I think it is actually her husband who will miss it most. She seems to have adjusted very quickly to the new mid-sized Lincoln as her means of daily transportation. My wife and I spent quite a bit of last weekend in the back seat of the new MKZ and we both give it a thumbs up. I confess I enjoyed the front seat more if only due to the fact that it was 96 degrees in Denver and the MKZ had air conditioned front seats.

I won't bore you with all the details of what was really a great trip for Robin and I. But I will sum it up to say there is no more beautiful are of the country than Colorado, and no better way to see it than from the inside of whichever brand new Ford you prefer. I couldn't help but think of all the Lincoln Club friends I left behind in Texas as we were coming down the mountain from the old mining town of Cripple Creek (elevation just shy of 10,000 feet) and saw a beautifully restored 1956 Cadillac being driven up the mountain in the opposite lane of traffic. As I was admiring his courage (I wouldn't do it in my '72 Lincoln!), I saw several more classic old cars behind him. In all there were nearly a hundred old cars as part of a rally all the way up the mountain. The newest I saw was a '72 Buick LeSabre convertible. But there were a whole lot of Ford Model A's, Thunderbirds, Mustangs, even a '49 Jaguar convertible. I couldn't help but wonder how many, if any, didn't make it all the way to the top.

The 'Summer of New Fords' for the Wetterling brood was completed by my dad (you know him as Mort) taking delivery of his new '09 F-150 a week before I did. His first new Ford truck, in fact his first new Ford of any kind since he bought a new Mustang coupe in the fall of 1967. He seems to have discovered truck nirvana. You can't say the Wetterlings aren't doing their part to help revive the big blue oval.



SUMMER BBQ DRAWS IN THREE LOCAL LUXURY CLUBS



What has been a summer ritual for a long time was expanded this year to include the North Texas Cadillac and Packard clubs. More cars. More people. In fact 55 to be exact. Six of our own Lincoln Club members brought their Lincolns to show off. And Wallace & Socorro Wade of Wallace Wade Specialty Tires in Dallas were on hand for a presentation on specialty tires for classic cars. A non-club member even showed up with his great Continental Mark II. There probably isn't a better way to recruit new members.

It just goes to show that even temperatures in excess of 100 degrees can't keep the faithful from enjoying their classic cars, club friends, and great summer cuisine.

Thanks to Doug and Carol for again hosting this event, as well as Lana Hill and the other North Texas LCOOC board members who participated in putting this event together.



FORMER PRESIDENT OF FORD DIES AT 93

By CHRISSIE THOMPSON, AUTOMOTIVE NEWS

Robert S. McNamara, a former Ford Motor Co. president who later served as defense secretary during the Vietnam War, died in his sleep Monday at his home. He was 93.

McNamara--Berkeley- and Harvard-educated--joined Ford in 1946 as one of a group of 10 Whiz Kids. Henry Ford II hired those men, who had served together in the U.S. Army Air Force during World War II, to revive his grandfather's company, which had lost \$85 million in eight months.

In 1955, he became general manager of the Ford Division, where he most famously introduced the four-seat Thunderbird. In 1957, when McNamara was promoted to vice president and group executive for cars and trucks, Ford outsold Chevrolet for the first time in 22 years.

In November 1960, McNamara began his one-month stint as Ford Motor's president. He was the first person outside the Ford family to hold that title since 1906. He resigned in December to serve as President John F. Kennedy's secretary of defense. He held the position until 1968, also having served under President Lyndon Johnson.

As a Ford executive, McNamara believed that statistical analysis and market research were more important than product. That motivated decisions such as introducing the four-seat Thunderbird, which McNamara said he didn't regret in a 2003 interview with *Automotive News*.

"The four-seat Thunderbird performed much better than the two-seat," he said. "And it made a profit for the company."

The two-seat Thunderbird was a money loser; its sales had dropped to 21,000 by the 1957 model year. In its first year as a four-passenger car, Thunderbird sales exceeded those from all its years as a two-seater. By 1960, Ford sold almost 100,000 four-seaters each year.

In the 2003 interview, McNamara said he also wanted to be remembered for introducing safety features in 1956 models, turning the industry's focus toward saving lives.

AND A LITTLE MORE ON THAT . . .

Of course his importance in the history of Lincoln is that while President of Ford he nearly killed the Lincoln brand completely. Being much more of a numbers guy than a car guy, he never saw the value in the Lincoln brand at Ford and saw it only as a money losing venture. Seeing what the product planners had in mind for the 1961 lineup of Lincolns, he was convinced that they would be no more successful in the market or profitable for the company and ordered the plug to be pulled. (He was in the process of killing the Edsel brand at the same time.) However, when he saw the mock ups for the projected '61 Thunderbird, he offered Lincoln one last chance. He told the designers to make the proposed Thunderbird into a Lincoln by adding two more doors and starting over on the Thunderbird. That decision created the most acclaimed and commercially successful generation of Lincolns up to that point and laid the foundation for the continued success of the brand.

While not really being a 'car guy', in a short period of time at the helm, he was responsible for the Ford Falcon, the 4-seat Thunderbird (and the beginning of the class of cars that would become the 'personal luxury cars') as well as the gorgeous and successful 1961 Lincoln Continentals. Quite a set of accomplishments.

In most circles, and with the back drop of history, McNamara will be remembered much more for his role in the Vietnam War as Secretary of Defense for Kennedy and Johnson. But his impact on Ford and a lot of the cars we love will last forever.



NORTH TEXAS REGION

Lincoln & Continental

Owners Club

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(Membership is January 1 through December 31)

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529 Dunn Court,
Grapevine, TX 76051



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NO TX LCOC

BOARD OF MANAGERS:

| | |
|---------------------|-------------|
| Lana Hill | 2011 |
| Joe Hill | 2011 |
| Carol Mattix | 2011 |

| | |
|----------------------|-------------|
| Wayne Orr | 2010 |
| Doug Mattix | 2010 |
| James Simmons | 2010 |

| | |
|--------------------|-------------|
| Charlie Van | 2009 |
| Rann Allen | 2009 |
| John McNabb | 2009 |

***CHECK OUT THE WEBSITE AT
www.lcoc.org***



***CALLING ALL MEMBERS . . .
Volunteers are needed for help in putting together the Fall Continental Classic in Fredricksburg. These events always draw a lot of members, but very few seem interested in helping out. That creates burnout pretty quickly for those who do. Call Lana @ (817) 481-6850 and let her know how you would be willing to help. It's time to step up!***