

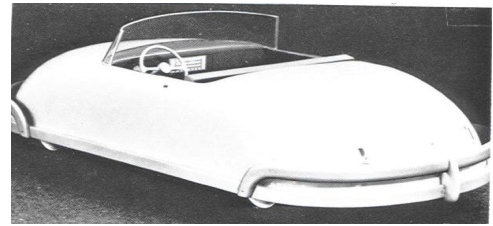
# *“Kaiser Flyer # 3”*

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## *The “Small-Car” gas problem*

*Late in 1948 the President of the United States, Harry Truman, warned the Detroit auto-makers that gasoline prices would be raising dramatically within a few short years. None of the “Big Three,” General Motors, Ford or Chrysler, took any heed to this warning, however, two of the “Independents,” Kaiser and Nash, listened very carefully. Both Kaiser and Nash felt that they may be able to get a jump in the economy car market and beat the big three automakers in that market since they intended to react in a very short time frame. They knew that the big three took 3 to 5 years to develop a new car, but they could develop theirs much faster.*

*Henry J. Kaiser had always wanted to develop a new “Peoples Car” for America, one that could become the “Volkswagen” for the American automobile market. Kaiser had actually announced his intention to build his “Peoples Car” in 1942 and now he had his excuse to rejuvenate his pet project. Kaiser immediately started work on his small car in earnest. (Note: Volkswagen only sold 2 cars in the US in 1949!)*



*1942 Kaiser Prototype - Fiberglass Body*

*Nash also immediately started working on their small car that would develop into the “Rambler” and “Metropolitan.” The Rambler became a very profitable line for Nash and was later built by American Motors when Nash and Hudson merged.*

*Studebaker did not have the resources to design an all-new small car and felt that it’s little “Champion” would fill their need. Although it was basically a good car with a fairly new exterior design, the mechanicals were considered as pre-war left-overs and it failed to gain wide acceptance by the American car buyers.*

*The Kaiser “Small Car” was a different story. Although the Kaiser small car would be all new, Kaiser made two critical mistakes in developing and marketing his small car.*

*“The Design Mistake” - Kaiser had two completely different design proposals, one from Howard “Dutch” Darrin, who had designed the beautiful 1951 full-size Kaiser line, and another design from a “Detroit-minded” firm, AMP (American Metals Products) Corporation. Brooks Stevens also submitted a design but it was rejected early in the process. Stevens later took his design to Nash who used several of Stevens’ ideas in their successful Rambler model.*



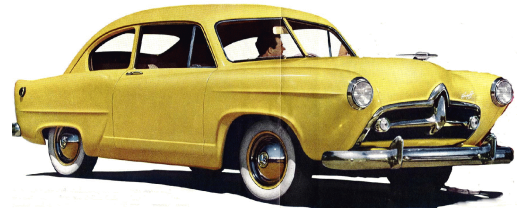
*Steven’s design - used by Nash*

*The original Darrin design was based upon the silhouette of the 1951 full-size Kaiser and was truly a beautiful thing. Its lines flowed together artfully and in the smaller car the original Darrin design looked even better! But Kaiser needed funding to get his small car on the market.*

*Fred Mathie of AMP had Haber Stump Harris design a small car for AMP and had been working on it since 1946. Fred Mathie convinced Henry Kaiser that the AMP design was almost ready for production. Even more important, several members of the Reconstruction Finance Corporation were aware of Mathie's small car and were supportive of AMP. With this in mind, Henry Kaiser went to Washington and submitted Harris' design with his request for \$44 million loan. It was approved - but Kaiser was now committed to the basic AMP design. A tragic error.*

*Upon closer inspection by the Kaiser-Frazer engineers they determined that the Harris AMP design was totally impractical. It had a tubular frame and no running gear as yet. Most of the Kaiser people strongly resented the AMP car and were very vocal in their opposition. Ed Hunt, Bob Robillard, John Widman, Ralph Isbrandt and W. A. McDonald were all in this group. In fact, McDonald and Widman resigned over this controversy. Widman resigned immediately after Kaiser made the decision to use the AMP design as the basis for the new small Kaiser. McDonald hoped that the Kaiser stylists, including Darrin, could somehow turn the AMP "ugly thing" into a marketable car. When he saw the first prototype he remarked, "how am I going to peddle this?" and promptly resigned.*

*Darrin did his best with the AMP design and the final production "Henry-J" really was a "cute" car, however the original Darrin design was a real beauty. Kaiser had made a poor decision.*

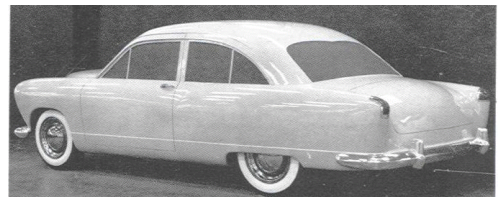


*The final production Henry-J design*

*(Read "Kaiser Flyer #6" to learn more about the Henry-J)*

***"The Engine Mistake"*** - Kaiser's second mistake was his decision to build the small car now and use all of Kaiser's financial resources for this one project. Most of the true "automotive" professionals at Kaiser advised Henry Kaiser to wait on the small car and use Kaiser's current financial resources to put its V-8 engine into production, expand its current Full-size line, and invest in other engineering advancements. (Refer to "Kaiser Flyer #1" for more on this subject) Kaiser would not bend and this decision was the final straw for Frazer, he left. As a result of his "small car project" Kaiser would lose many of his experienced automotive experts. Those left would steer Kaiser's automobile company in a direction that would later seal it's fate.

*Can you imagine a small 1951 Kaiser with a V-8 engine! It would have been the first "Pony" car and beat the Ford Mustang to market by 13 years. If Henry Kaiser had only listened to his real automotive experts his car line might have survived and his "peoples car" could have been a real success when the time was right.*



*Could this have been the Kaiser "Pony Car"?*

*We all know the rest. The Japanese took Truman's advice and geared up to introduce their small cars into the US within a few years. If Kaiser had kept his small car idea but executed it differently and at the right time, wow!*