

June 17, 1969

PERKINS

Mr. R. A. Perkins  
Director - Marketing  
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Dear Bob:

Walt McPherson arrived at Highland Park last Tuesday and we were able on Wednesday to schedule our first meeting with R. M. (Buck) Rodger and his group on CAL's proposal for a saloon car racing program. At the meeting, Buck had his manager of the high performance section Pete Hutchinson, as well as Matt Zak, Jack Kirby, Walt and I. The meeting lasted most of the morning and from its result I am disappointed to say that I feel we cannot enter into saloon car racing programs until the end of 1970.

From our discussions, it was confirmed that the 340 cu. in. engine has now been developed to provide over 500 horsepower under racing conditions. Unfortunately this is only the first part of the overall program. Corporate Competitions Department maintains that the aerodynamic development of the vehicle, including the brake system and chassis without body, is still to be developed and the cost will be prohibitive to engineer a saloon car chassis to be in a competitive position against Ford. To be precise, the developed 340 cu. in. engine from Keith Black costs in the neighborhood of \$8,000 per engine, which with a spare will cost us \$16,000 as initial investment plus about \$5,000 for a kit of spare parts. However, Chrysler's Competition Department can offer nothing in hardware and chassis development in the trans-am category. Against Ford, who have developed their Trans-Am Mustang, we face a million dollar development program. The situation is that Ford now can supply throughout the world a Trans-Am Mustang at approximately \$20,000 for the complete package. It is a fully developed racing car off the shelf. With the Mustang Trans-Am models, it is a simple

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proposition for Ford to substitute at little expense any body shell on an A-body size wheel base which would include the Australian Falcon. The Competitions Department points out our predicament is to develop a competitive product which still has to undergo chassis and tubulure space shell development to complement the 340 cu. in. engine and transmission now developed. Before the entry of the Trans-Am Mustangs, we could have developed our own unit as planned with the Goeghan brothers. As Buck Rodger explains it to us, we at CAL are five years too late and two years too early to effectively compete against Ford.

As a result of our discussions, it has been recommended that CAL devote its competition efforts towards drag racing and formula car racing similar to the proposal of Ion Cook to compete in the formula five racing program in Australia. The cost would be approximately \$10 - \$12,000 per engine for the formula A single seater which would include a kit of spare parts. Both Ion Cook and Brian Butler have been planning this program and Cook's head mechanic Allen Ould (when he was out at Indianapolis with Brabham) had some lengthy discussions with Pete Hutchinson of Chrysler. From the discussions it appears as though CAL could have a winning effort with the Chrysler-developed formula engines, and further details on our participation can be supplied by Brian Butler who has been reviewing the program with Ion Cook.

Tomorrow I will be speaking again with Pete Hutchinson who has been away all week in another meeting arranged by Buck Rodger. I will report on this meeting when I see you.

Regarding drag racing, they have heard of our efforts in supporting Graham Whithers, Eddy Thomas and others in Australia and they feel that if we can tie this into a Dick Maxwell type of drag clinic meeting to be held at dealerships throughout Australia, a good program can be developed at a very reasonable cost. As a matter of fact, they feel that their drag clinics in the states are giving better dollar value in relation to the expenditures on stocker programs, especially after Chrysler's deplorable records in the stock car field in the past two years.

*Butler, what would this involve?*

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To sum up the situation Bob, Ford has spent millions in the development of an off-the-shelf Trans-Am racer while Chrysler has never had the development budget to match this effort. If we at CAL ever spent the money to develop a car that can compete against the new Trans-Am Mustangs, Ford with their constant development program could probably come up with something a little better if they were seriously threatened. We are all disappointed by this present situation, but Buck Rodger feels that by 1971 Chrysler will have developed an off-the-shelf trans-am racer for international competition comparable with the Ford. This will be from the new E Series wheel base vehicle and the off-the-shelf cost should be more reasonable than trying to develop a product on our own.

Sincerely,



E. S. Clymer  
Assistant to Managing Director

cc: Messrs. R. B. Butler  
D. H. Brown  
W. K. McPherson  
R. M. Rodger