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EAGLE SX-4 The baby Eagle leaves the nest

## CHRYSLER'S NEW K-CAR

Did Uncle Sam get his money's worth?



Plymouth Reliant SE

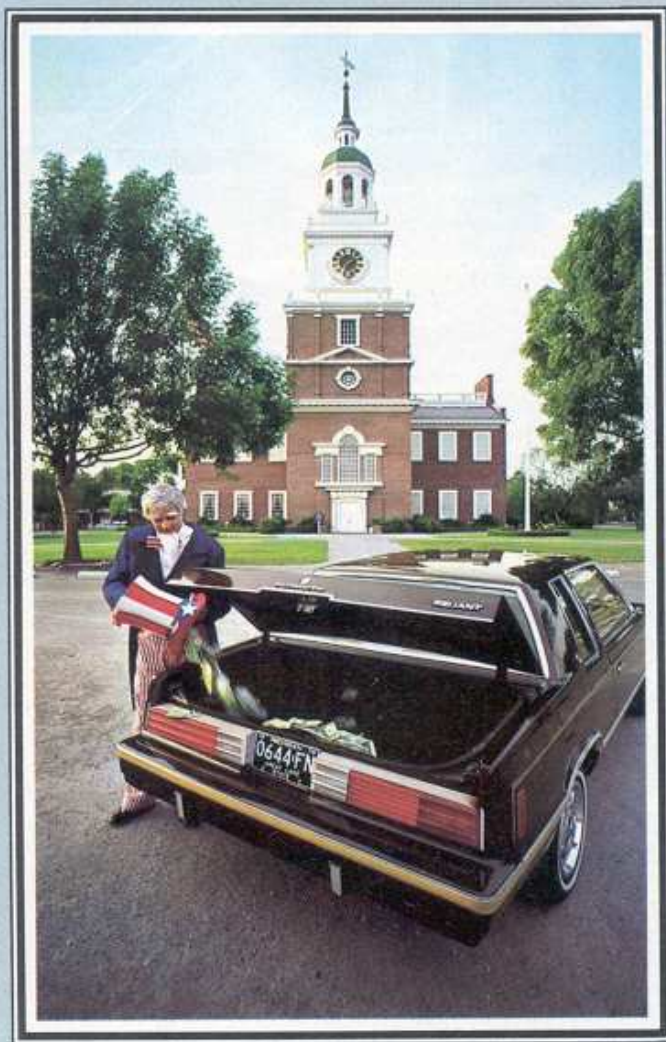
### MINI PICKUP COMPARO

Chevy Datsun Ford Mazda Plymouth Toyota VW

SPY REPORT Pontiac's little two-seater comes to life!



# Plymouth Reliant SE



• Will Chrysler survive? The whole country's been wondering, from Stasz's Bar and Grill in Hamtramck to the hallowed halls of Congress. Over the last six months, speculation has run rampant across the nation's newspaper headlines, with precious few affirmative answers. Lee A. Iacocca, Chrysler's chairman of the board and also *the* man who pulled off the most complex financial closing in history, insists the founding giant must not be allowed to go down. Uncle Sam, through the federal loan-guarantee board, has reluctantly and half-heartedly agreed.

*Have you taken your  
Chrysler Dealer to lunch?  
Did you send him a sympathy card?  
Will he get a dozen roses from you,  
As a token of your regard?*

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American car consumers don't seem to care one way or another. The lucky few with cash or credit for a new automobile are buying Japanese at unprecedented rates. The rest are having enough trouble just keeping the rent

paid and gas in the old bus for the daily work commute. If there's one thing that could possibly shake buyers out of the doldrums and put Chrysler back into the black, it's brand, spanking new hardware. After all the rhetoric, the begging, pleading, and doomsday prognostications, any company lives or dies on the products it sells. In Chrysler's case, unsold New Yorkers, Cordobas, Ramchargers, and Aspens have been bleeding the very lifeblood from the corporation every day. Now, not a moment too soon, there's a chance for a vital transfusion, the K-car.

PHOTOGRAPHY BY GEORGE LEPP

## PLYMOUTH RELIANT



"K" is engineering lingo for the car that will become the Plymouth Reliant and the Dodge Aries the instant it touches down on showroom floors in three body styles—notchback two- and four-door sedans and a five-door wagon. Not only is the K-car the most "pre-viewed" automobile in history—accurate photographs were dispensed months ago to the press, and every congressman was offered a prototype to test-drive—it also bears the weightiest responsibility of any product since the dawn of free enterprise. This car is the today and tomorrow of Chrysler, the very essence of the seventeenth largest corporation in the country.

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*Califano and Blumenthal,  
Add one more name, I insist,  
And take your Chrysler Dealer to lunch,  
He's on the Endangered List.*

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Planners had little idea one design would be so crucial when they first set pen to paper four years ago. The Omni/Horizon line was almost ready for introduction at that time. Americans had just

resumed their big-car buying habits after Energy Crisis I, encouraged by plentiful—albeit more expensive—fuel supplies. The K would replace the Aspen/Volaré, and, for the first time ever, Chrysler planners knew exactly what they wanted. The "blueprint" letter that set development in motion was seven pages long, whereas single-sheet descriptions had typically launched new Chrysler products in the past.

What they wanted was a downsized Aspen/Volaré with every bit of fresh technology Chrysler could afford. This wish jelled into a plan that has become the *only* accepted way to build a new sedan: a transverse front-wheel-drive powertrain; space-efficient, people-oriented bodywork; and maximum mpg through state-of-the-art emissions controls, small-displacement four-cylinder engines, lightweight engineering, and wind-tunnel aerodynamic tuning.

Four years is a long gestation period, and as the world turned topsy outside Chrysler's engineering center, product planners were tempted to bend the K-car blueprint here and there. The success of Malibus, Fairmonts, and, later, X-cars suggested that perhaps a 99.6-

inch wheelbase was too small; one faction was anxious for a stretch while there was still time. Likewise, V-6 engines became all the rage, and several planners wondered if the K-car's four-cylinder-only design might miss the ever oscillating market target.

The Ford gang, as it turned out, kept the K-car true to original concept. Harold K. Sperlich, Chrysler's new executive vice-president of engineering and product development in 1977, squeezed off one of those fabled hip shots in the face of conflicting market research. What he did was freeze the K-car *small*, as you see it here. It's history now, but the ayatollah proved Mr. Sperlich both right and prescient. By the time Iacocca came on board in 1979 (followed by another platoon of FoMoCo talent), the K was pretty much locked in place, needing only Washington-guaranteed cash to finance its way through development and into the marketplace.

World events as much as anything else made the K-car exactly what consumers and the Chrysler Corporation alike need right now. Preliminary fuel-economy ratings run from 23 to 26 mpg. The four-cylinder is *the* engine of

## Tic Tac Dough

• From 1978 to 1979, the Chrysler Corporation dropped from tenth place to seventeenth in Fortune magazine's ranking of the 500 largest U.S. industrial corporations. According to Fortune, Chrysler's deficit of \$1.1 billion last year "was not only the biggest of the year, it was more than twice as big as any previously recorded in American business history, and greater than the sales of 235 of this year's 500. Looked at another way, only thirteen companies on the list made as much as Chrysler lost."

Will Chrysler survive? We asked Ed Lapham, financial editor of Automotive News, to assess its chances. —Ed.

This fall, American car buyers, the same ones who will ultimately decide the fate of Lee Iacocca's New Chrysler Corporation, are going to scrutinize the Dodge Aries and Plymouth Reliant very carefully, because they believe their tax dollars financed them.

These taxpayers believe that Uncle Sam, dressed to look like Jimmy Carter doing an imitation of Wink Martindale hosting a big-bucks version of "Tic Tac Dough," let Iacocca and his Gang of Ford help themselves at the U.S. Treasury. You know, just like a South Bronx housewife who gets to peel dollar bills off a plastic-and-chrome bush because she knows that dum-de-dum, de-dum-de-dum-de-dum is the opening phrase of Mozart's *Eine Kleine Nachtmusik*.

Actually, the loan guarantee wasn't Iacocca's winnings. It simply let him and his beleaguered company stay in the game a little longer. The loan-guarantee act said the U.S. government would guarantee up to \$1.5 billion in loans, which Chrysler had to arrange itself. The automaker also had to raise an additional \$2 billion, on its own, through a variety of prescribed means. What that meant was that Chrysler would be allowed to borrow an additional \$1.5 billion, to add to its \$4.4 billion in debt, if it could perform a few simple tasks that more closely resembled the twelve labors of Hercules than a game-show stunt.

First, Chrysler had to get more than \$450 million in wage and salary concessions from its employees, including \$400 million from the tenacious and usually unsympathetic bargainers in the UAW. After a little internal struggling, the union demurred, providing of course that UAW president Doug Fraser be allowed to sit on the Chrysler board of directors. Everybody agreed, and Fraser was elected to the board at the annual meeting in May. The next task was to arrange \$650 million in concessions from Chrysler's 400 banks. At the end of last year, Chrysler already owed more money than it was worth; liquidation would have almost paid off the creditors but would have left virtually nothing for the shareholders.

In these strange economic times of high

inflation and interest rates, it is difficult for a person with a slightly stained credit rating to arrange financing with one bank. Chrysler had to deal with 400 banks, many very nervous about the millions they had already shipped to Chrysler HQ. The banks balked and delayed the entire process. Meanwhile, Chrysler increased its loss projections as its new-car sales hit record lows.

In the end, the banks did come around, more or less, and offered to defer some of the interest payments on the previous loans, which they said was equivalent to new loans. The loan-guarantee board, created to ensure that Chrysler would get the Augean stables spotless and then keep them clean with a wise and prudent operating plan, approved the banks' so-called concessions.

Chrysler also was to negotiate \$400 million in concessions and assistance from its "family"—that is, the suppliers, dealers, and others with a vested interest in the automaker's survival. Chrysler made a special debt offering of \$400 million for its family, but the family went for less than half that amount. The 20,000 suppliers, however, did cooperate with Chrysler by not raising prices for nearly a year, allowing certain payments to be delayed, and not dragging Chrysler into bankruptcy court.

There were a few other minor requirements as well. For example, Chrysler will create an employee-stock-ownership plan (ESOP) under which the hourly employee on the line who sacrificed wages can own a piece of the company he theoretically helped save.

While all of these tasks were strenuous for Chrysler's financial people, it was the groveling, the abuse from congressmen, and the complete lack of any kind of bargaining position that were the most difficult. Iacocca, never mind he hadn't created any of the mess, was perfectly willing to roll up his sleeves and shovel. His biggest challenge, however, was holding back a typically vitriolic Iacocca tirade when certain government officials inspected every part of his auto company and made public sport of the ailing automaker.

Even if the K-car is an overwhelming success for Chrysler, the company is still likely to lose more in 1980 than the \$1.1 billion it lost in 1979, which means that in two years it will have lost enough to finance a small war in the Middle East.

Clearly, it will be years before Chrysler is able to turn itself around completely, even if the best of all things happen. Bankruptcy remains a possibility. And while it was taxpayers, not Uncle Sam, who bought the first \$500 million batch of federally guaranteed notes in less than an hour, it is the generous old game-show host who will have to ante up if Chrysler should default on any of the newest loans.

You haven't actually financed those shiny new Reliants and Aries at your local dealership. But you may. —Ed Lapham

tone paint jobs, and not even a hatchback to confuse the issue.

These are strictly mainstream, middle-of-the-market machines, so don't look for a Reliant RS or an Aries Rising just yet. Supposedly such iterations are on the drawing board—along with two-seaters, mini-trucks, and larger sedans using K-car components—but for now, the three basic body styles have been charged with the responsibility for 43 percent of Chrysler's 1981 business.

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*Have you chucked your Dealer under the chin,  
Have you told him, for him you'll pray?  
Did you make him a batch of chicken soup?  
Did you tell him to Have a Nice Day?*

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No small feat. The K-car does have a long bill of attributes that should help it blaze like a laser beam through Detroit's darkest hour. This is another of those genuinely small cars packed with an astonishingly roomy interior. SAE measurements (used by the EPA to categorize cars) spot the K-car just slightly smaller than an X-car in front, but a bit larger in both back-seat and trunk roominess. Outside, the K rides on a five-inch-shorter wheelbase than the X-car, is six inches shorter overall, and is just a touch wider. Inside, Chrysler supplies seatbelts for five or six people (depending on whether the front seats are buckets or a bench), and the EPA has anointed this a "midsize" car (but just barely). After our preview rides at Chrysler's Chelsea proving grounds, we can add that a Reliant or Aries will carry four quite comfortably, with room for one or two more in a pinch. The trunk is a useful fifteen cubic feet because the spare tire lies flat and the fuel tank is tucked forward, under the rear seat.

The big-inside/little-outside trick was pulled off the usual way. Up front, there's a new 2.2-liter engine specifically designed for sidewinder duty. For Chrysler's first new powerplant in twenty years, the design seems a bit archaic: long of stroke, lacking a crossflow cylinder head, and stuck with a so-called "bath-tub, double-quench" combustion chamber. The good stuff does include an aluminum cylinder head (cast by Fiat), a belt-driven overhead camshaft, jewel-like hydraulic valve-lash adjusters, and a sophisticated feedback carburetor wired to a three-way catalytic-converter emissions-control system. Weigh the good and the bad as you like, but every



## Can We Do It?

• It's one thing for Chrysler to build good cars. It's another thing to sell them to a public deeply skeptical of the corporation's ability to survive. After all, no one wants to part with his hard-earned greenbacks only to find, six months later, that his friendly Dodge dealership has turned its showroom into a roller disco.

Even chief honcho Lee A. Iacocca admits Chrysler is still teetering on the brink. If it doesn't move every one of its new front-drive units, he'll tell you, the company is sunk—loan guarantees or no. J.H. Pyle, vice-president, U.S. automotive sales, says its been rough being "the subject of the longest-running joke Johnny Carson ever had." Harold K. Sperlich, executive vice-president, engineering and product development, allows that "we've got to turn our image around, from losers to underdogs." But exactly how does Chrysler plan to transmogrify from Charlie Brown Motors into the Underdog Car Company? How will it win back the public's confidence?

"We're trying to position ourselves as having tremendous confidence in our products—which, frankly, we do," says Bud Liebler, director of merchandising. "We started our advertising campaign about 'The New Chrysler Corporation' last December. And we've carried it through with Mr. Iacocca saying, 'We're not asking you to buy, we're asking you to compare.' Then we came out with the Chrysler Satisfaction Guarantees pro-

gram, which offers a 30-day money-back guarantee if you don't like your Chrysler product. And we instituted the \$50 test-drive offer. There's nothing stronger you can say about your products than those two programs.

"With the new K-bodies, we'll continue with hard, direct product advertising to get people to come in and compare. We think it's the right car for the times," Liebler is into the company spiel with both feet now. "We want the car to speak for itself," he continues. "We just want to get people into the dealerships to look at the cars, to drive the cars, to feel the cars, to compare the cars. We think they will sell themselves."

There's even talk that Frank Sinatra, Ol' Blue Eyes himself, may champion Chrysler by acting as its spokesman—free, no less—if some details can be worked out. Meanwhile, admits Liebler, "we're all just holding our breath, saying 'Come on, October, come on, October.'"

Chrysler is also running an internal public-relations campaign to bolster spirits and foster better assembly quality. The theme is "We can do it," and since last January that slogan has been plastered on bumper stickers and tacked to the walls of offices and assembly plants alike. "We're gearing up for phase two now," says Liebler, "the 'We are doing it' campaign. Phase three will be the 'We did it' campaign." It's either that or roller discos.

—Rich Coppes

aspect of the design is at least justifiable. The long stroke produces the necessary displacement within a short overall engine length, a very important consideration in transverse layouts. The non-crossflow design locates both intake and exhaust systems to the back, where they package neatly over the transaxle (à la VW Rabbit). The early engines we tested were spunky for the job: reasonably smooth, competitive if not all-conquering in acceleration, and surprisingly thrifty with fuel if early EPA predictions are accurate. (See the performance printout and specifications that follow. We've held off bar graphs until we have production K-cars to compare with the competition.)

A Mitsubishi-made 2.6 Silent Shaft four-cylinder is the optional engine. It's available only with Chrysler's three-speed automatic transmission at the moment, so the combination is only a mite speedier than the four-speed 2.2 powertrain. The bigger engine is smoother and quieter, and both four- and five-speed boxes are under development for it. Right now, the little engine's four-speed shift linkage is what we'd call non-controversial: more direct-acting than an X-car's, not quite as positive as the new Ford Escort's.

The real surprise here is not under the hood, but rather under the fenders. The suspension hardware is similar to the Omni/Horizon's (some pieces are interchangeable), but the tuning came off like no Chrysler in the history of mankind. This one works. The damping is—dare we say—right up to European levels of firmness and rock-and-roll control. Understeer is well in check, and we measured a respectable 0.71 skidpad g on very skinny Goodyear Arriva tires. The steering actually feels attached to the wheels all the way through Chrysler's notorious power assist. Actually, we heartily recommend the power rack-and-pinion in the K-car, because it not only feels firm and road-related, but also speeds up the steering ratio by a significant 20 percent.

Our preview tests revealed two more interesting tidbits. The brakes do their share in stopping, but the tires don't. Seventy-to-zero braking distances were lengthy, at 227 feet, even though the system was quite sensitive to modulation and had excellent front-to-rear balance. Secondly, our coast-down procedure showed the K-car to be an easy roller, with a low 14.0-horsepower re-

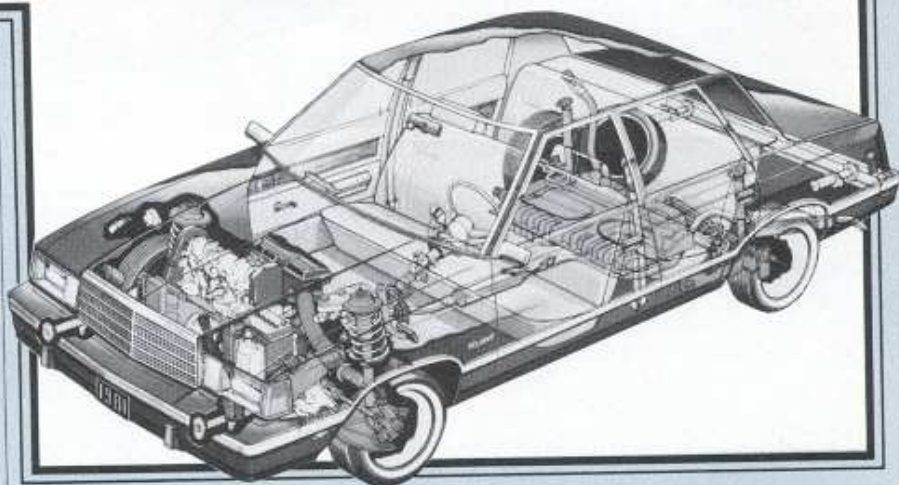
## PLYMOUTH RELIANT



The new engine is a model of packaging efficiency at the expense of power output.

quirement at a steady 50 mph (compared with 13.5 hp in a Buick Skylark). Drag coefficients for the three body styles are mediocre: they vary from a low of 0.45 for the five-door wagon to a high of 0.51 for the two-door sedan.

Inside, you'll find much less confusion than in your average pre-K-car Dodge or Plymouth. The options make sense. You need pick from only two trim levels, cloth or vinyl upholstery, and bucket or bench front seats. Buy the Custom Dodge or Plymouth and you get some wood-grain, buy the SE trim for either and you get more, but not much. (A magnificent, all-black instrument-panel overlay was killed at the last minute.) There really is no stripper, per se. The ventilation is excellent, with or without air conditioning. Full carpeting is standard; all seat trim is livable. The SE interior is plush without decadence. Instrumentation is painfully basic, with a fuel gauge and an 85-mph speedometer backed up by the usual array of sorry-about-that-it's-already-busted lights, no matter how you litter the order sheet with check marks. The most glaring oversight: no backrest adjuster is offered on any K-car seat.



To sum it up, we're surprised and happy to say we're surprised and happy about the K-car. Chrysler's crisis team—veterans tired of the old way of doing things, lots of Ford recruits, and a do-or-die top management—has clearly put together a car that's bound to kick hell, here and there. This is the first made-in-America little car with a sense of purpose strict enough to appeal to devout import buyers. And all those households across the heartland that have been postponing their inevitable move

to efficient transportation now have one fewer excuse for waiting. So if there is a Chrysler Corporation left to build K-cars, there should be plenty of buyers ready to take the dare in Mark Russell's finale.

—Don Sherman

*It's time for deep compassion now,  
For showing how loving you are...  
Until he asks you to purchase a Chrysler...  
That's going a bit too far.*

### K-CAR PERFORMANCE PRINTOUT

powertrain	horsepower/torque	acceleration, sec		top speed, mph	EPA estimated fuel economy, mpg
		0-60 mph	¼-mile		
2.2-liter, 4-speed	84 bhp @ 4800 rpm	11.5	18.3 @	96	26
	111 lbs-ft @ 2800 rpm		74 mph		
2.2-liter, automatic	84 bhp @ 4800 rpm	14.4	20.2 @	88	24
	111 lbs-ft @ 2800 rpm		70 mph		
2.6-liter, automatic	92 bhp @ 4500 rpm	11.2	18.1 @	94	23
	131 lbs-ft @ 2800 rpm		75 mph		

Continued

# Quotations from Chairman Lee



GERO HOSCHKE

In an off-the-cuff talk to auto writers on the occasion of the introduction of the 1981 Chrysler products, featuring the K-cars, the Reliant and Aries, Lee Iacocca said, among other things:

They don't bring a billion and a half to you in a paper bag and say it's a gift or a grant. You go out and borrow the money, you pay the full rate plus a percentage point for handling charges, and then you must pay it back.

I had nothing to do with [the K-car] because I haven't been here long enough. But many people in the Chrysler Corporation three years ago did conceive and put together a brilliant line of cars. I've talked to long-lead press people for 30 years, and maybe the regular press might embellish, and not understand the car business, but the buff magazines, you can't kid them. You either have hardware or you don't have hardware. And I'm happy to be back in the hardware business.

We're in a pretty good position. [UAW president Douglas] Fraser keeps calling me up and saying, "You're in a better position this fall than GM and Ford." I keep calling back and saying, "Say that a couple more times, will you."

We gotta have the right kind of cars and the right quality. But—I don't say this lightly, because I've been in the sales business a long time—I think our million [1981 front-drive cars] are sold out, with any uptick in the economy.

It's too bad Chrysler wasn't building cars like [the Omni] for ten years.

A guy investing in an Omni/Horizon or—I predict—in a K-car will probably run it a year and get more than he paid for it. And that, of course, proves a point. We sure as hell must be short of fuel-efficient cars in this country. And we are.

It's a good car. It's a sweet car. In all my years of building small cars, this is as good as any I've been associated with. And I can say that openly to you because I really had nothing to do with it. It was too late to change it.

As the nation goes, so goes Chrysler.

We had a high-level meeting with the most influential senators. Tip O'Neill had a luncheon for me and invited the heads of all the top committees of the House, and then we had the White House summit. Your leaders are in more of a quan-

dary than I am. And I'm in a quandary.

Government got [the country] into this jam in the first place. If for ten years they hadn't spent 30 percent more than they took in . . . If you did that as a head of a household, they'd say you're crazy. You'd go bankrupt. You can't do that on a continuing basis, but we do it as a country and accept it as gospel. Well, there's a big howling protest this fall. I don't want to make any predictions, but it's going to amaze that Congress. Not just the administration. . . . Reagan isn't going to melt to a fare-thee-well and may end up president, because of what I'm saying—not because I'm saying it, but because there's substance to what I'm saying.

The auto business is the new whipping boy. I finally said to the White House, How could we have all gotten so stupid on the same day? The 22nd-biggest country in the world is General Motors, and it isn't able to break even. The U.S. market, which the Japs are having for lunch, started at ten million [cars for 1980] and is running at five million domestic. I'm willing to accept my share of the responsibility. I have no alibis.

I suggested that we've had so much regulation in this country, how about declaring an economic crisis for 24 months and freezing all regulations in place. Everybody say "freeze." Everything. The air won't get dirty. More people won't get killed because side beams or bumpers aren't meeting the new requirement. ●



PLYMOUTH RELIANT SE

**Vehicle type:** front-engine, front-wheel-drive, 5-passenger, 2-door sedan

**Price as tested:** \$6000 (estimated)

#### ENGINE

Type: 4-in-line, water-cooled, cast-iron block and aluminum head, 5 main bearings

Bore x stroke . . . . . 3.44 x 3.62 in, 88 x 92mm  
Displacement . . . . . 135 cu in, 2210cc  
Compression ratio . . . . . 8.5:1  
Carburetion . . . . . 1x2-bbl  
Valve gear . . . . . belt-driven overhead cam, hydraulic lifters  
Power (SAE net) . . . . . 84 bhp @ 4800 rpm  
Torque (SAE net) . . . . . 111 lbs-ft @ 2800 rpm

#### DRIVETRAIN

Transmission . . . . . 4-speed  
Final-drive ratio . . . . . 2.69:1

Gear	Ratio	Mph/1000 rpm	Max. test speed
I	3.29	7.6	38 mph (5000 rpm)
II	1.99	13.2	66 mph (5000 rpm)
III	1.21	20.6	96 mph (4650 rpm)
IV	0.88	28.3	96 mph (3400 rpm)

#### DIMENSIONS AND CAPACITIES

Wheelbase . . . . .	99.6 in
Track, F/R . . . . .	57.6/57.0 in
Length . . . . .	176.0 in
Width . . . . .	68.6 in
Height . . . . .	52.4 in
Ground clearance . . . . .	4.5 in
Curb weight . . . . .	2440 lbs
Weight distribution, F/R . . . . .	65.0/35.0%
Fuel capacity . . . . .	13.0 gal
Oil capacity . . . . .	4.8 qt

#### SUSPENSION

F: . . . . . ind, MacPherson strut, coil springs, anti-sway bar  
R: . . . . . rigid axle integral with two trailing arms and an anti-sway bar, Panhard rod, coil springs

#### STEERING

Type . . . . . rack-and-pinion, power-assisted  
Turns lock-to-lock . . . . . 3.2  
Turning circle curb-to-curb . . . . . 34.3 ft

#### BRAKES

F: . . . . . 9.3 x 0.9-in vented disc  
R: . . . . . 7.9 x 1.2-in cast-iron drum  
Power assist . . . . . vacuum

#### WHEELS AND TIRES

Wheel size . . . . .	5.5 x 14 in
Wheel type . . . . .	stamped steel
Tire make and size . . . . .	Goodyear Avia, P185/65R-14
Test inflation pressures, F/R . . . . .	35/35 psi

#### SAE INTERIOR VOLUME

Front seat . . . . .	51 cu ft
Rear seat . . . . .	44 cu ft
Trunk space . . . . .	15 cu ft

#### INTERIOR SOUND LEVEL

Idle . . . . .	60 dBA
Full-throttle acceleration . . . . .	82 dBA
70-mph cruising . . . . .	75 dBA
70-mph coasting . . . . .	74 dBA

#### PERFORMANCE

	Seconds
Zero to	
30 mph . . . . .	3.7
40 mph . . . . .	5.8
50 mph . . . . .	8.2
60 mph . . . . .	11.5
70 mph . . . . .	16.2
80 mph . . . . .	24.1
90 mph . . . . .	36.0
Standing 1/4-mile . . . . .	18.3 sec @ 74 mph
Top speed . . . . .	96 mph
Braking, 70-0 mph . . . . .	22.7 ft
Road horsepower @ 50 mph . . . . .	14.0 hp
Roadholding, 282-ft dia skidpad . . . . .	0.71 g
EPA estimated fuel economy . . . . .	26 mpg