

Automotive News®

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late news

Japan importer reports loss

TOKYO — Yanase & Co. Ltd., Japan's largest auto importer, reported that it has lost money for the second straight year as it goes through a painful restructuring.

Yanase, which imports and distributes vehicles from Mercedes, GM North America and Opel, said it had a net loss of 6.27 billion yen, or \$63 million, in the fiscal year through September. Revenue dropped 9.7 percent from a year earlier to \$3.8 billion.

The importer slipped into the red for the first time in 61 years. *see LATE NEWS, 2*

Chrysler races minivan fixes

Crash-test woes stall prototypes

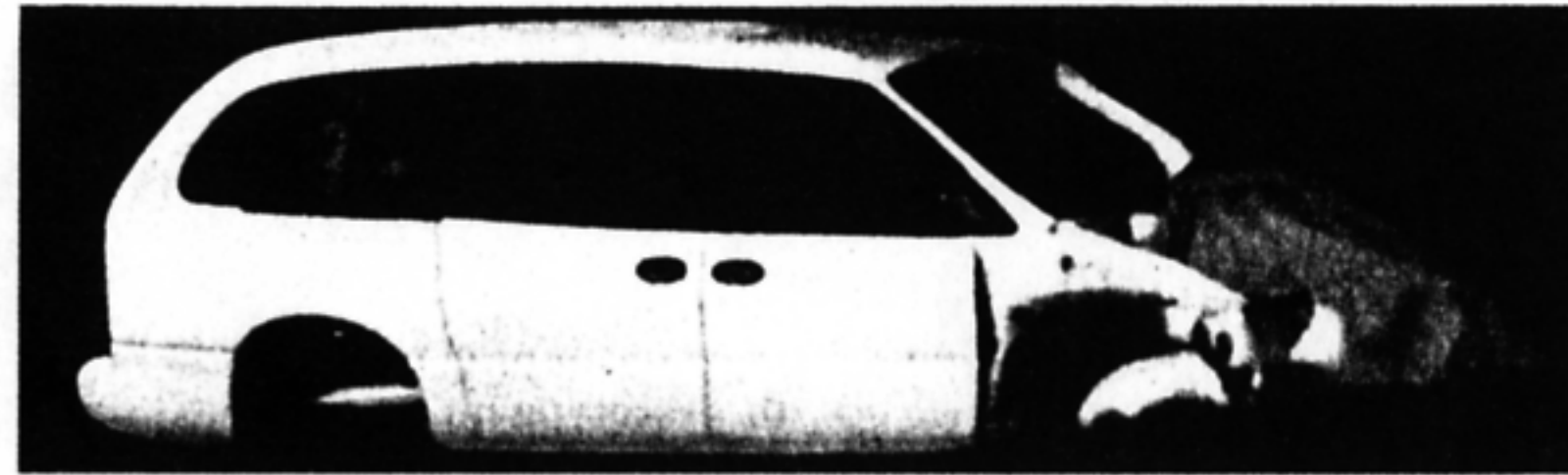
JOSEPH BOHN

Truck Editor

Chrysler Corp. is racing to put together a production-viable prototype of its new 1996-model minivans, after crash tests in mid-October and in early November showed the new minivans did not meet Federal Motor Vehicle Safety Standard 208.

FMVSS 208, a major standard, requires that an unbelted test dummy withstand a 30 mph front impact without serious injury.

Any substantial production delays could prove costly as Chrysler prepares its 1996 minivans to compete with the Ford Windstar in defense of Chrysler's minivan sales crown.



KPG PHOTOGRAPHY

This computer-enhanced shot of a body shell gives a good indication of the overall styling of Chrysler's 1996 minivan.

With only nine weeks til the planned Feb. 13 production launch at St. Louis, Chrysler is on a tight schedule to comply with the standard using new componentry. In late November, the company moved back Job 1 dates by 1½ months at its two other minivan plants.

Since Nov. 4 Chrysler has put together engineering prototypes that passed FMVSS 208 in three

crash tests. Another test was slated for Chrysler's Chelsea, Mich., proving grounds last Friday. But the modified vehicles require new componentry, some of which must be tested and tooled.

Chris Theodore, general manager of Minivan Platform Engineering, says development of the new minivan, code-named NS, is running ahead of some of Chrysler's previous new-model

programs. But a hot topic among minivan engineers at a Dec. 6 Minivan Platform meeting was whether engineers will need to work Christmas Day.

Theodore says he doubts the engineers will work Christmas Day. But he says he has told his engineering team not to plan any extended vacations over the holidays for the next year.

12 AREAS EFFECTED

According to an internal status report, as of Dec. 1, Chrysler engineers recommended changes to design and components in 12 major frontal areas of the NS to enable it to pass FMVSS 208.

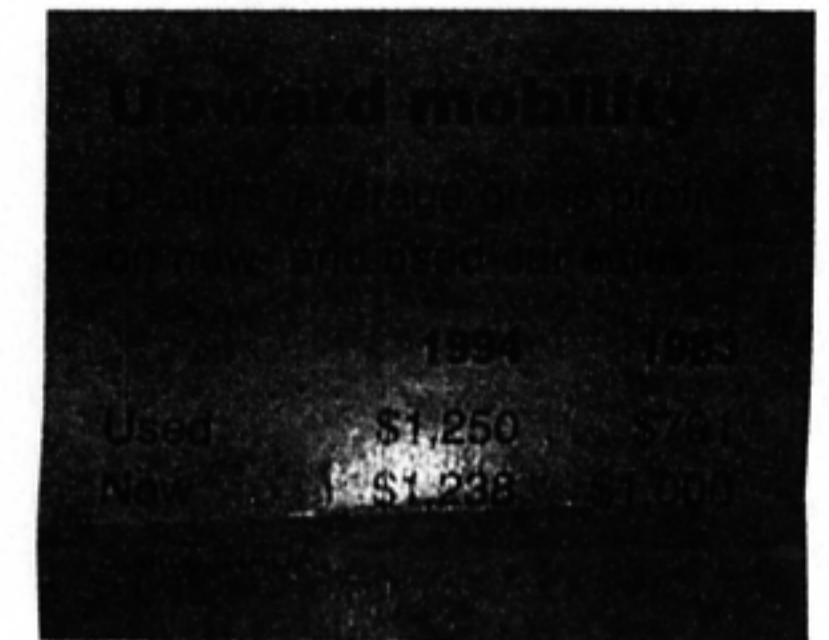
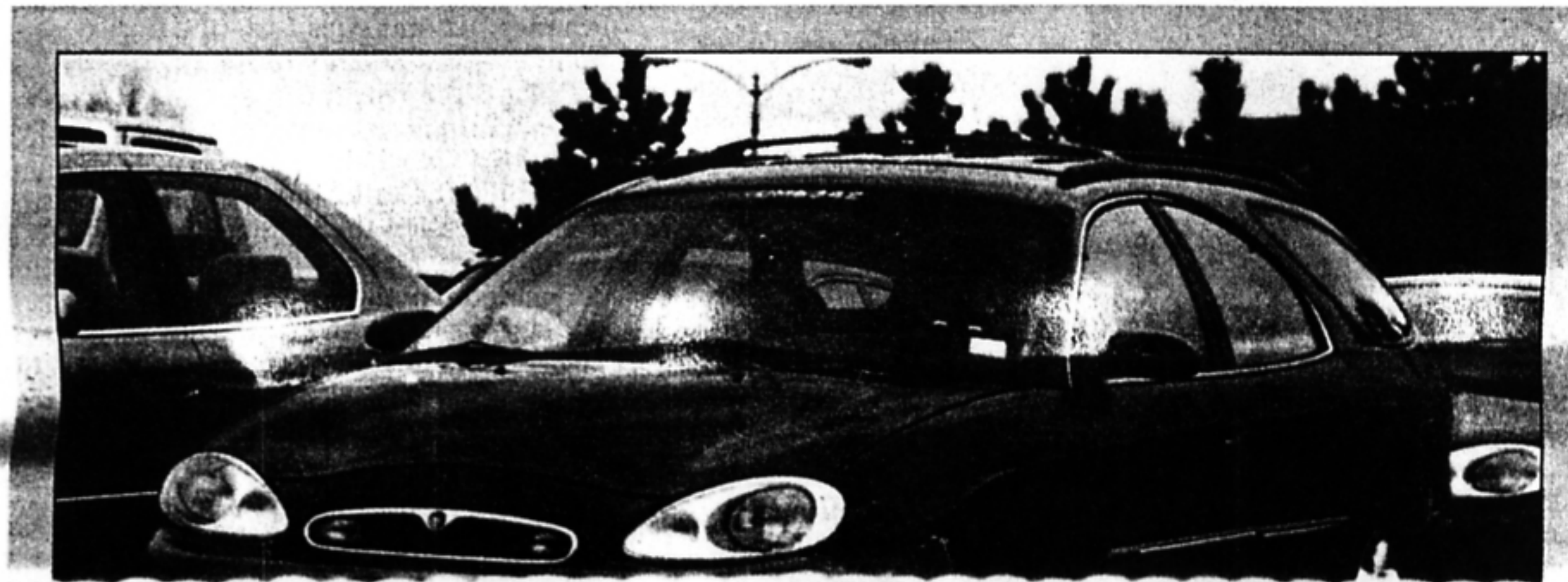
But Theodore says, "Everything we are doing is known and timed out and will be verified before production."

He won't say if the production *see MINIVAN, 33*

Ford cuts Mark VIII price tag in Calif.

\$4,475 jump start may go national

MARY CONNELLY



Dealers reap more profits

ers sell roughly 1.2 million program vehicles annually.

According to NADA, the rise in used-vehicle profits results from dealers retailing more late-model used cars and selling at wholesale more older, less-profitable vehi-

A Midwest dealer said the profit in November on low-mileage, used vehicles was \$1,418, compared to \$987 in gross profit for the same models new.

The \$400 difference is due to the growing consumer demand for used cars because the

are high is that new-car prices are published, so buyers know how much they can beat up a dealer," said Jacobs. "But used-car prices aren't published, so dealers have a better chance of making higher grosses."

supply of late-model used cars is coming. Two- and three-year leases on more than a million vehicles will expire this year; up to 700,000 of these vehicles will be available for dealers to sell. **AN**

MINIVAN

Testing woes delay Chrysler

Continued from PAGE 1

startup at St. Louis will be set back for a second time. St. Louis had originally been slated to start regular dealer production in January, but earlier this year the date was moved back to Feb. 13.

"We don't confirm dates," says Theodore. But according to Chrysler's internal report, the company will delay startup of NS production at Windsor until next July and at the Graz, Austria, plant until September in order to give the St. Louis launch team more time to get the NS rolling.

TESTING HISTORY

Chrysler has done 17 prototype crash tests for various federal safety standards, according to an internal report. But in a crucial eight-month period between January and mid October this year, it did not do any NS prototype crash testing for FMVSS 208. The failure of its two planned production prototypes caught engineers by surprise and set off the scramble to make the minivans comply.

The company first crash-tested two very early versions of the NS last December and January, but they were not intended as production models. Both passed FMVSS 208 requirements. In a Jan. 21, 1994 test of an NS equipped with a 2.4-liter four-cylinder engine and three-speed automatic transmission, the test dummy hit the airbag with a force of 41 G's, well within the government's limit of 60 G's and Chrysler's standard of 48 G's for impact deceleration without injury.

But, on Oct. 14, in its first crash test of a production-planned prototype — four months before Job 1 — the test dummy hit the

steering wheel with a force of 69 G's, enough to crush its chest.

To double-check, Chrysler ran another crash test at Chelsea Nov. 4. This time, the dummy fared even worse, smashing the wheel with a force of 75 G's, according to an internal report.

Since then, the company has sharply stepped up its FMVSS 208 testing. It conducted three crashes from prototypes put together by its engineers that passed FMVSS 208. A fourth was planned last Friday.

Chrysler has made considerable progress in the last four weeks.

In tests Nov. 21 and Nov. 29, for example, dummies in the modified NS models crashed into a wall at Chelsea with a force of 44.6 G's and 47.8 G's, respectively.

Even so, Chrysler's crash testing for FMVSS 208 so far has been limited to long wheelbase models, equipped with a V-6 engine and four-speed automatic transmission. It still has to prove the crashworthiness of short-wheelbase NS models, equipped with the four-cylinder and three-speed automatic and models equipped with Mitsubishi's 3.0-liter in meeting FMVSS 208.

The long-wheelbase models are slated to be built first. They present the biggest problem because they are the heaviest. Having the flexibility to build a variety of short- and long-wheelbase models at all plants is a key part of the NS production strategy.

SAFETY CHANGES

Engineers have recommended changes to the front body, chassis, engine mounts, steering column, wheels, front seats and front bumper of the NS models to bring them into compliance with FMVSS 208. Some of the component changes require new tooling.

In Chrysler's production prototype crash tests, the steering column tilted up, causing the test dummy to slide under the airbag, hit the steering wheel and break its chest. The company has re-engineered the tilt mechanism in the steering column to restrict its movement. It also changed the front seat tracks and is switching to a more secure, dual-tethered airbag for better deployment.

Originally, Chrysler planned a less expensive, untethered "E-fold" airbag that could be folded up by a machine. But now, supplier Morton International Inc.'s Automotive Safety Products Group in Ogden, Utah, will have to hand fold the dual-tethered bags before shipping them.

Chrysler also is adding double knee blockers, with a higher gauge strength, after tests showed the original knee blockers crumbling and the dummy's knees sliding underneath them.

Chrysler also will use a higher gauge steel in front bumpers than originally planned and cut holes in front bumper rails to reducing bending stiffness. It is adding multiple holes and slots to its lower radiator crossmember and longitudinal rails, and bevelling the left rail tip to provide more crush clearance for the transmission end cover.

Engineers are moving the driver closer to the restraint system and putting the driver in a more upright posture by inclining front seats to a full upright position. They also eliminated some down travel from the power seat adjusters. There are new engine mounts and other planned changes.

Chrysler will delay Job 1 for regular dealer output at Windsor by seven weeks to July 5, 1995, allowing its launch support team to get St. Louis up to full line speed, according to a memo. **AN**

Minivan production plans as of Dec. 1

Start date for	St. Louis	Windsor	Austria
LWB prevolume production	Jan. 30	—	—
LWB dealer production	Feb. 13	—	—
SWB prevolume production	March 1	—	—
SWB dealer production	March 27	—	—
SWB/LWB dealer production	—	July 5	—
SWB/LWB dealer production	—	—	Sept. 25

Notes: LWB=long wheelbase models; SWB=short wheelbase models.
Source: Chrysler Minivan Status Review report

Minivan crown vulnerable

Changeovers and production delays in Chrysler Corp.'s new 1996 model minivans could well cost it minivan sales leadership next year.

Chrysler will headily take the minivan sales crown this year, as it has ever since it pioneered the segment in 1983. Production began Nov. 1, 1983.

In 11 months of calendar 1994, Chrysler retailed 488,378 minivans in the United States, giving it a 149,903 lead over Ford Motor Co.'s combined minivan sales.

But, recently, Ford Motor has closed the gap. The automaker offers the Aerostar, Windstar and Mercury Villager.

Chrysler Corp.'s models include the Chrysler Town & Country; Dodge Caravan, Caravan C/V and

Grand Caravan; and Plymouth Voyager and Grand Voyager.

In November, combined Ford Motor Co. minivan sales totaled 30,207 units, within 3,169 units of Chrysler's 33,376.

Before the most recent delays, Thomas Pappert, Chrysler vice president of sales and marketing, already estimated Chrysler would lose about 60,000 minivan sales due to changeover. The delay at Windsor could cut an additional 4,741 units from Chrysler's total.

It now seems like model changeover downtime will cost Chrysler close to 65,000 minivans next year, an average of more than 5,000 a month, which puts Chrysler's minivan sales crown within striking range of Ford.

— Joseph Bohn

Extra '95 minivans boost bottom line

Chrysler needs to bring the 1996 minivans to market to compete with the Ford Windstar, but the automaker is trying to build carryover inventory.

On Dec. 1, there was a 93-day supply.

Although Chrysler will lose more production, internal calculations show that Chrysler will earn

an extra \$5.5 million profit from the changes.

The company expects to earn \$6,200 to \$6,600 a unit from extra 1995 models built in Ontario during the first and second quarters and \$5,500 to \$5,800 per unit from 1996 models produced there in the second half.

— Joseph Bohn



Money

FRIDAY, DECEMBER 15, 1995

Business Travel

By Rhonda Richard

'Round the Wor' resumes Pan Am's o the-World service to the first flight leaves les for Hong Kong, India; London; and N

Weather watch: ice are expected tod parts of the Northeast

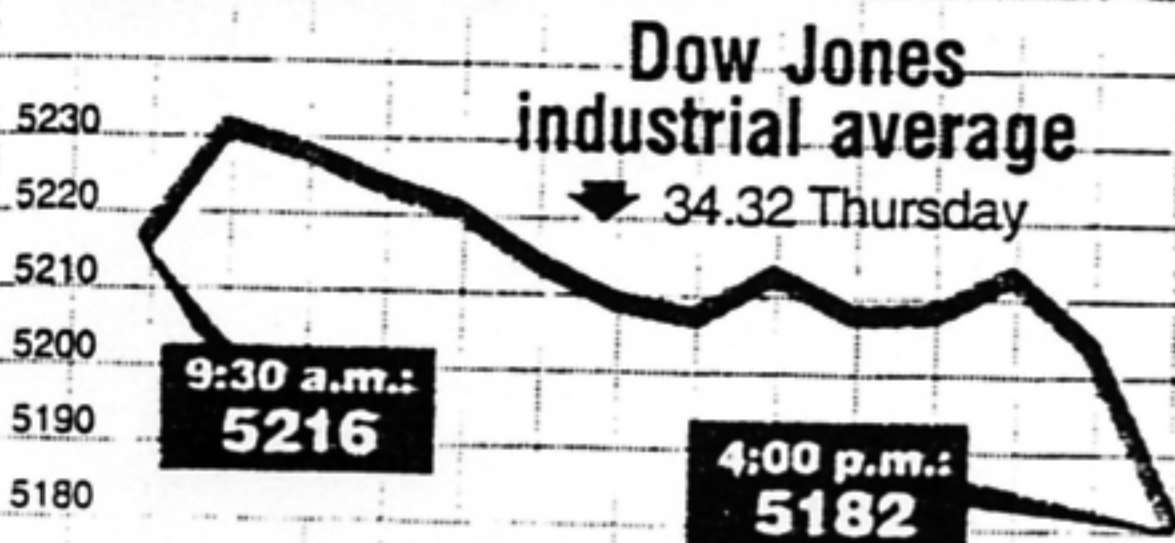
Holiday rates: H rates ranging from \$ a night on some roo

MONEYLINE

A QUICK READ ON THE TOP MONEY NEWS OF THE DAY

MARKETS

THURSDAY



Nasdaq composite	1038.19	↓ 18.35
S&P 500	616.92	↓ 4.77
T-bond, 30-year yield	6.08%	▲ 0.01
T-bill, 3-mo. discount rate	5.26%	— unch.
Gold, oz., Comex	\$386.00	↓ \$0.40
Lt. sweet crude oil, N.Y. Merc.	\$19.11	▲ \$0.11

Market Scoreboard, 3B

CHIP TRADE: Foreign companies' share of the Japanese market for computer chips hit an all-time high of 26.2% the third quarter, the Clinton administration said Thursday. The White House said that is proof a controversial 1986 U.S.-Japan semiconductor trade agreement is working and should be renewed. The old record: 23.7% in fourth-quarter 1994. Japan says the pact is unnecessary and amounts to managed trade.

CRASH TESTS: Chrysler's Dodge Grand Caravan received the lowest score for driver protection among six 1996 minivans tested in 35-mph frontal crashes by the National Highway Traffic Safety Administration. The safety agency rates crash protection from one to five stars, with five the best head-and-chest protection. In results released Thursday, the Chrysler minivan scored three stars for driver protection and four for passenger. Top minivans: Ford Windstar, with five stars for drivers and passengers in an earlier test. The Ford Taurus sedan and Dodge Neon each received four stars both for driver- and-passenger protection. Lowest: the Toyota Tacoma pickup, at two stars for drivers and three for passengers. Vehicles are required to pass 30-mph crash tests. NHTSA conducts the higher-speed tests to help consumers compare vehicles.

'News

Microsoft and Gen and an interactive will begin operation for a 50% stake in and MSNBC Onlin

NBC News

Continues broadca national and interna over regular TV cha

MSNBC Cable

24-hour basic cable will provide in-depth and news shows. It NBC's America's Te cable systems.

Microsoft Network Onlin

For a subscription f users will be able to personal data about and get customized information, plus ful video and sound fro They'll be able to fa and rewind the vide

What you could to get MSNBC

Estimated monthly c

Basic cable

Microsoft Network

Cable modem rental

Total

1 - Standard plan, 3 hrs. connect addt. hour.

2 - Cable modem needed for full-

Source: NCTA, USA TODAY rese

Investors shell out f