

NEWSLETTER NUMBER FOUR EVERGREEN LOTUS Car Club NOVEMBER 1984

EVERGREEN LOTUS 3010 132nd Ave. SE Snohomish WA 98290

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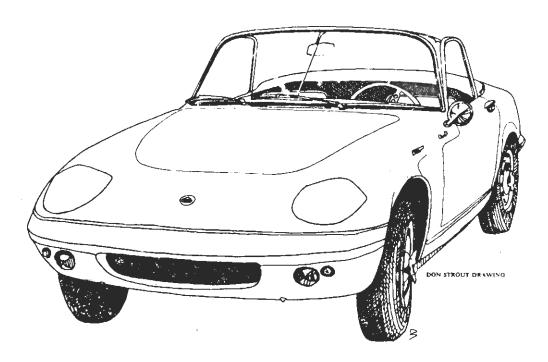
UPDATED MEMBERSHIP LIST- new members since August issue

REPRINTS FROM ROAD & TRACK September '84

1) Profile on new Lotus Chairmen David Wickins

2) "Movers & Shakers" - a recent history of Group Lotus

PLUS- anything else I can scrounge up



LOTUS ELAN

"This is certainly not a car that can be bought and forgotten."

We will be hosting the November meeting at our house on Sunday, the 18th. Our meetings have been changed, at least for the next few months, from the 2nd Wed. to the 3rd Sunday of the month, both to take advantage of some afternoon light (when meeting on weeknights in the winter it's too dark to see the cars) and to avoid a conflict with the Boeing Car Club, which meets on that Wed. night, which means that some Lotus-owning members of that club can't make it to our meetings.

In conjunction with this Sunday's meeting, Bill Reynolds will be presenting Tech Session #2 on fiberglass repair. Those of you who made it to the first one, know that the info presented is well-worthwhile, and can provide you will a much-needed skill in working on your own car. We are doing quite a bit of preparation work, so as to have car bodies and parts ready to go for the presentation without wasting any time. We will probably start the glass work at about 11:00, so please try and make it out here by then if you can. We will probably have a short business meeting at about 1:00. Feel free to come out anytime after 9:00 or so, and spend the day-we will provide some drinks, etc. but as it's rather hard to plan ahead when you don't know how many people are coming, it might be a good idea if you bring along a picnic lunch.

DECEMBER MEETING Andy Shipp 3928 Othello St. SW Seattle 932-5191

Andy will be hosting the December meeting, on Sunday the 16th. As you may note, this is the second anniversary of Colin Chapman's death, and an appropriate time for us to meet, and plan some future events for Evergreen Lotus in 1985, and carry on the Lotus name.

Speaking of 1985 Events- the only one I know of for sure, but one you will be hearing much more about in the months to come, is of course the All-British Field Meet in Portland on Labor Day Weekend, which in '85 will be on August 31st and September 1st. The honored Marque this year is to be Lotus, and we are making it a high priority as a club to have as many of our cars as possible there in attendance. I have committed myself to having at least one of my cars running and there, and would like to see us work together as a club, helping each other to get our cars on the road (not just for this one event, of course) - with the winter months and other-than-Lotus weather upon us, let's work together to get those cars first of all oradworthy, and then fixed up a bit cosmetically to give a good showing for Evergreen Lotus at all the Spring and Summer auto events. We have just under ten months now, as I write this, till the ABFM, but that time can go by very quickly if you are a procrastinator like me, so don't put it off too long!

We so far have about a dozen T-shirts wanted from Gran Prints, whose flyer I printed in the last issue. As soon as we have an order of 25 (the minimum we need to get the 20% club discount) we'll send an order in, so if you're interested let me know at the meeting— I'll have the ones that I have (Elan, Elite, and Lotus logo) here for you to look at.

And, a final reminder- some of you still haven't paid your club dues- dues for Evergreen Lotus are \$10.00 (payable to Evergreen Lotus) which mainly goes to paying for printing and mailing this newsletter.

My announcement last issue, of my self-appointment to the position of Chairman of Evergreen Lotus, was met with a resounding silence- not one person has commented for or against it, so...in the absence of any stated opposition, we will continue as-is.

This past month has been a good one, in terms of increasing our membership- we've gained a half-dozen new members, with prospects for several more I'm waiting to hear back from, so we are up to about 35 members now, which isn't too bad for the short time our group has been going. I've included a supplementary roster of the new members in this issue, and hope to see them at one of our forthcoming meetings- welcome to the group. If you know of any other Lotus owners, or anyone interested in the Marque and possibly buying a Lotus, please invite them to one or more of our meetings or activities, as guests and prospective members are always welcome.

Lotus has been much in the news of late- I've reprinted two articles from the September issue of Road & Track in this issue-one a profile of the new Chairman of Group Lotus, David Wickins, and the other an article on the falling and rising fortunes of Group Lotus over the past several years, from the time immediately preceding Chapman's death in December 1982, to the present under the leadership of Wickins and the ongoing developments with marketing the present line of cars in the US, and plans for the future, with the new V8 supercar, and the M100 (which Club Lotus in England continues to say will be called the Elan).

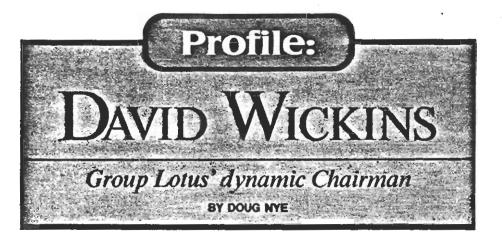
The October 22nd issue of Autoweek featured the new V8 car on the cover, and in a most interesting article- estimating the debut of a production car as 1988 or 1989, and the price at c\$50,000 in 1984 dollars, so start saving now!

The October R&T, under the Miscellaneous Ramblings column ran a commentary on the changes to the Lotus badge, which I've also reprinted here. If after reading this you want to take him up on his suggestion (to send him your comments re the badge change on a postcard, and he'll forward them to Wickins), the address is: The Editor, Road & Track, 1499 Monrovia Ave. Newport Beach CA 92663

On the racing front, JPS-Lotus came in third in the constructors championship, and driver Elio de Angelis came in third in the drivers championship in Formula I, in the season just ended; and Dave Vegher in his Lotus Elan won GT3 at the SCCA Nationals, after winning in the now-eliminated D-Prod. last year (and incidentally his car is for sale-\$16,750 for a now three-time National Champ)

Lastly, I have made two more additions to my fleet, and I still haven't bought a car that runs- on September 30th I bought two more Elites, both of which are wrecked, and minus engines, but someday...one I'm planning to restore as a vintage racer, and the other will be Lezlee's car- if I can't locate a Climax engine for the latter, I may put a rotary engine in it, that I have out of a '72 RX2; the purists among you may cringe at this thought, but it would make for a hot car, and hopefully a more reliable and cheaper to maintain one as well, and has already been done (Club Lotus ran a picture of one in England with the conversion).

Well, on with this issue. I would appreciate your feedback on this issue, and welcome your contributions for future newsletters.



HEN COLIN CHAPMAN died in 1982, it looked as though it was the end for his creation, Group Lotus. It was beset on all sides. There was the scandal of the missing DeLorean millions, production was way down, share values were on the floor. But rescue came, masterminded by today's Group Chairman David Wickins.

David Wickins is very much in the dynamic, buccaneering Chapman mold as a go-ahead businessman, but he cheerfully admits he's no engineer or motor racing fanatic. He describes himself instead as "David Wickins FCA, Failed Chartered Accountant," but that depends on how you judge failure. His business empire, the British Car Auctions Group, is a \$900 million undertaking; actually \$2.4 billion if its UK and U.S. operations are lumped together. Wickins built it all from an impromptu 1-car auction held outdoors in a field.

Wickins is 64, looks and acts a decade younger and displays the same impatient energy instantly recognizable to anyone who knew Colin Chapman. He has a reputation for tough but fair dealing and a passion for efficiency and speed.

Wickins is an entertaining speaker and, as a wartime naval officer, his speech can be salty. His enthusiasms include quality performance cars, thoroughbred horses and good, profitable business management.

He started work at 16 as an audit clerk with Johannesburg Consolidated in London, the famous South African gold and diamond mining group founded by Woolf "Barney" Barnato (see R&T, May 1984). He was studying to qualify as an accountant and in 1938 was sent to southern Africa. There he continued his training in the Rand goldfields, Northern Rhodesia's copper belt and a number of other interests, including sawmills. Then World War II started and Wickins joined the navy.

He saw both ends of the naval spectrum, serving on old battleships before transferring in 1943 to what we Brits call MTBs: you Yanks, PT boats. He left the navy in 1945, went to work for a London trading house. Ocean Trust, and al-



though he would never complete his formal accountancy training, he "had learned enough to add up.

"Just after the war nobody knew the value of anything. I wanted to sell my 9-hp Riley Lynx Tourer and the only way to find its price was to auction it, so we put up a marquee in a rented field at Frimley (around 35 miles southwest of London) and did just that. It fetched £420, twice what I expected."

He and his brother John were fascinated and began running more auctions as a spare-time job. They rented the Frimley field from a farmer for £1 a week. Their first full-scale auction raised a staggering £8250. The story goes that motorists who stopped to watch the 14 cars go under the hammer put up their own when they realized what high prices were being fetched.

Today BCA claims to be the world's largest auction house, overshadowing the likes of Sotheby-Parke Bernett and Christie's. Today BCA has 14 auction sites in Britain, including the 30-acre headquarters at Frimley.

The secret of BCA's success is its use of "Opium," Other People's Money. BCA auctions 400,000 cars a year in the UK, ranging from fleet Fords to vintage Rolls-Royces and classic Ferraris. Its

weekly cash turnover can be \$18 million in the UK and \$30 million in the U.S. Money from a sale is mailed to the vendor three days after the auction, and it can rest for approximately five days in a short-term deposit account, earning massive interest. Wickins rapidly developed a perceptive ability to invest it.

BCA interests grew to include caravan camps, fruit-machine marketing, home computers, property and myriad other businesses, but the company burned its fingers in an early foray into engineering. Wickins remarks philosophically, "We weren't cut out to be manufacturers." With Group Lotus he explains his attitude has not changed: "A large part of Lotus' income is derived from selling services in research and development—that's its great potential." Chapman's dearest ambition was to create a Porsche-like R&D capability for Lotus, and Wickins is fostering that aim.

Wickins' move into the U.S. auction market began in 1981. The word soon got around that "the British are coming" and today Anglo-American Auto Auctions owns 11 sites.

Meanwhile. Wickins had a long, though tenuous, relationship with Chapman and Lotus. "I first met him when he was still driving around in an Austin A30 van. We had a mutual girlfriend and I used to see him there occasionally. Our paths would cross. We'd always say, 'How's business, you old rogue,' and pass on.

"Then in December 1982, Henry Ford II read a paper at the Anglo-American Chamber of Commerce in London. Colin and I were there. It was common knowledge Lotus had its problems and I asked how close he was to resolving them. He grinned and said, 'I might be giving you a ring in the New Year,' and we left it like that. I believe it was only two days later when he died."

For all its high-profile charisma and fame, Group Lotus is tiny. It has only 511 employees and its 1982 output was only 600 cars, a mere hour's work for some of the giants. The flagship Turbo was not being imported into the United States, and a weakening pound inflated other Lotus prices in the U.S. by an intolerable 49 percent. American Express was demanding repayment of its loan, and at home suppliers were refusing further credit.

Lotus' bankers sought extra backing and Colin had evidently mentioned Wickins' name to them. "I was approached in February 1983. Lotus was so short of money it looked desperate. The trouble with running out of money is that it goes out of a company like water from a bath. The less there is, the faster it runs away. I visited Hethel and came away deeply impressed with the quality and loyalty of the people there.

om top to bottom." A visit to the Lotus import center in New Jersey finally convinced him "there was nothing basically wrong with Lotus"; and when the Turbo Esprit at last won federal certification, he was certain the sky would be the limit if Lotus was "properly managed."

BCA put in \$2 million: Toyota, for whom Lotus was doing high-tech R&D work, donated \$1 million to protect its program; and a further \$4 million was raised. At one stage Lotus hadn't the cash to pay wages, so Wickins responded with a half-million loan. Today the Group is in the black with money on deposit—where Wickens loves to see it!

Chapman's immediate successor as chairman. Fred Bushell, gave way to Wickins in January 1984. Wickins'. blunt energy has gone down well at Hethel. In this he's little different from Chapman, but Wickins' ability to read a balance sheet and his tight control of finances is as different as chalk from cheese. Colin hated anyone else's using the company aircraft: Wickins rents them out whenever they are available. No stone is being left unturned in directing Lotus toward success, and that includes development of a new and improved model line as well as continued development of the R&D market.

Wickins, the enthusiast, ran a Cooper 500 in sprints and hillclimbs in the early Fifties "when it was a fun thing to do. I fancied myself a bit as a driver." He has owned many interesting cars, including a special Jaguar XK120 Coupe with D-Type engine and disc brakes, and when Mike Hawthorn, a neighbor and friend, had two special XK140s built, one was for himself, the other for the BCA man. Today Wickins has a Bentley Mulsanne Turbo, an Audi Quattro Coupe and a specially lengthened Turbo Esprit. He bought that car from Lotus (insisting, incidentally, that other Lotus executives now must also buy their cars). Like all his cars, the Esprit is painted British Racing Green, and he drives them himself whenever he gets the chance.

He is a snappy dresser, flamboyant to some, but down to earth and objective. "I have no magic touch," he reflects, "but the institutions know from my record that I make businesses grow. So many chairmen are weak characters with no ideas of their own. That's no good. Get rid of them."

He receives no income nor expenses as chairman of Group Lotus, insisting, "I am paid by only one company that I am involved with, and that is British Car Auctions." His bullish attitude toward all his business interests is summed up in a quote about BCA: "Our sales numbered 400,000 and the total annual UK market is 2.2 million. There's a lot of room for expansion."

~}

And he's going for it.

NEW MEMBERS- please welcome these new members, as additions to our roster from last issue.

Norm Britting 7611 Wahl Road E. Sumner WA 98390 h 863-9441 w 453-0510 early Elite (ex- Stirling Moss car)

Janis Eckstein 2332 N. 50th Seattle WA 98103 h 547-3833 w '67 Elan

Jim Kirbach 6537 128th NE Kirkland WA 98033 h 822-5645 w

Europa TC

Jim Orgill 155 NE 100th suite 403 Seattle WA 98125 h w Furopa S.2

Raj Savara 6419 E 144th Puyallup WA 98373 h 537-4920

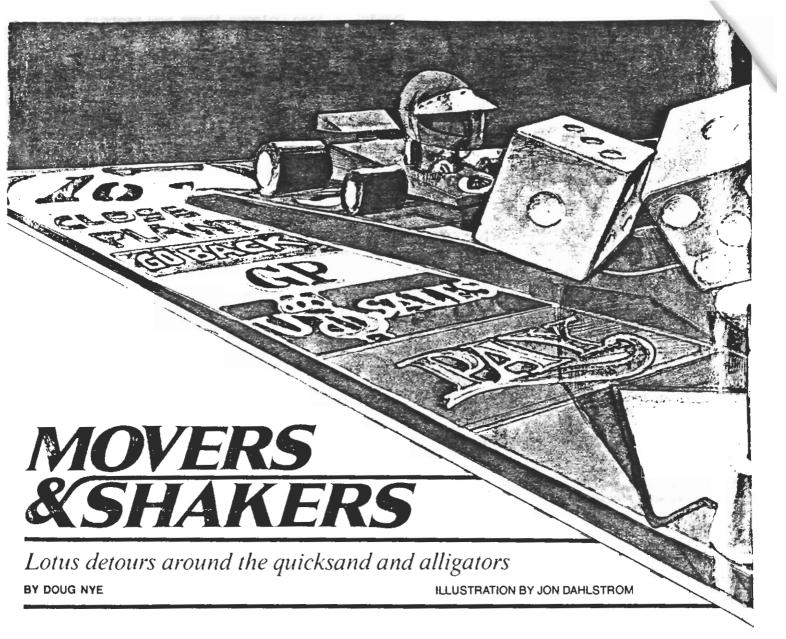
w 591-3381 '78 Esprit Jim Schmidt

1315 Pinkerton Everett WA 98203 h 355-9189 w

Europa S.1

James Scherer 151 Route 206 Bldg. 43, Apt. 8 Flanders NJ 07836 Europa S.1

Lynn Whiting S. 4810 Felts Rd. Spokane WA h (509)928-3345 w (509)928-4191 '78 Esprit



THROUGH THE SUMMER of 1978, Team Lotus' black-and-gold John Player Specials were tightening their stranglehold on the Formula 1 World Championships. Mario Andretti and Ronnie Peterson swept all before them with a string of 1-2 victories to confirm Lotus' place at the pinnacle of racing car engineering.

It was Lotus' unique high-tech engineering-cum-charisma that appealed so much to John Z. DeLorean in his quest for a company to take his gullwing car from prototype to production.

Team Lotus is a separate entity from Group Lotus, and while the Team rode on the crest of its highest wave since the great, distant days of Jimmy Clark and Graham Hill. Group Lotus with its production car business was having its problems. It is a publicly quoted company, while the Team was very much Colin Chapman's private stable. At one time the Group's production of models such as the Elan and Europa exceeded 4000 a year. Since then it had moved up market with the far more expensive front-engine

models and the mid-engine Esprit, and volume had slumped.

Overall. Lotus had endured good times and bad throughout its history, and apart from the Formula 1 success 1978 was pretty bad. Group financing had always been fairly precarious, and for years capital had been assembled from a mishmash of small inputs. Fred Bushell. Colin's loyal finance director, had come up with much more stable long-term support from the American Express concern, but at the time DeLorean rode into town, Lotus stock was so low that the whole Group was valued at around £3 million, which was less than Porsche had just quoted DeLorean to develop his car.

Colin himself was keen for his Group's proven high-tech capabilities to form the basis for a kind of British Porsche, supplying rapid-reaction research and development for the larger, less flexible giants of the world's motoring industry. Bushell was perhaps even more anxious to see lucrative research and development contracts bring in cash

to balance the books. Some were already under way. Now they had some serious reservations, but the prospect of redesigning DeLorean's dream car into a practical proposition could bring just the financial injection Lotus needed.

As is now familiar history, the DeLorean project proved to be a doubled-edged sword. In the short term it brought those funds; in the long term it involved the Lotus name in scandal. The immense effort demanded to design the DeLorean virtually from scratch in the staggeringly short time of 22 months damaged Lotus' development of its own future model line.

Colin wanted DeLorean payments to be made in the most "tax-effective" manner, while Lotus had to protect itself from the potentially devastating effects of a U.S. product liability suit involving one of the cars that Lotus had redesigned, but whose production would be far beyond their control. It wouldn't take much of a liability claim by U.S. standards—which are grotesquely disproportionate to those in the rest of the



fame that many have an exaggerated idea of the Group's true size. It's tiny.

Consequently it was arranged for DeLorean payments to be made via a Geneva-based company named GPD Services Inc. the initials apparently standing for General Product Developments, not Grand Prix Drivers as has been quoted: this is a confusion with another company. GPD had been set up in Switzerland by Colin's longtime friends Jaroslav Jerry Juhan and his wife Marie-Denise, who had distributed Lotus cars in Europe.

Not all of the British state funds supplied to DeLorean and paid by his company to GPD subsequently surfaced in

of the missing millions is still subject to intense scrutiny by the fiscal authorities.

But what did reach Lotus paid well for a massive 100-percent effort on DeLorean's behalf. The work tailed off through 1981 when, as Managing Director Mike Kimberley describes, "We had designed a practical car in effect from a clean sheet of paper in a matter of months where most manufacturers would have taken five, six, seven years. It's only fair to emphasize that we didn't do the final production engineering. that's to the credit of DeLorean's own people, but the design was the result of

R&D contracts grew from that DeLorean involvement. But in the meantime Lotus' own markets had collapsed as the world fell into recession.

Kimberley: "In 1980 the important U.S. market collapsed. We went from around 1100 cars produced in 1979 straight down to just 365 in 1980. The DeLorean revenue helped keep us afloat, but effort expended on their project diverted attention from federalizing our own Turbo Esprit and developing the rest of the model line and so on. On top of this we had problems with our U.S. distribution and between 1980 and 1982 we didn't sell a single car there." →

MOVERS &SHAKERS

Lotus' U.S. marketing in the late Seventies had involved a single importer and five distributors and there were internal problems, which meant they didn't get their act together to provide adequate customer service. Lotus settled the squabbling by setting up its own operation based in Costa Mesa, California, then along came Rolls-Royce Motors Inc suggesting a link between two of the British industry's most charismatic names. This link seemed to have immense potential, with Rolls marketing Lotus cars alongside its own, but just as the new cooperation got under way along came the fuel crisis, deep recession and the market collapse. It couldn't have happened at a worse time.

Lotus struggled on, though its R&D wing was steadily growing. Then came the DeLorean Motor Company's collapse. John DeLorean's sensational arrest and the foundation of a serious British government investigation into the question on everybody's lips: What had become of the missing money?

As if this was not enough to shake business confidence with the specter of Group Lotus potentially being held responsible for some of the missing funds. Colin Chapman suddenly died in mid-December 1982.

It's difficult to convey the shattering impact this had not only upon his people at Hethel and Ketteringham Hall, but also upon the whole British motor racing and high-quality-engineering world. I know many of his people still half expect to see The Old Man come bouncing through the door today, waving his arms around and shouting at someone. Driving in the lanes around Hethel always used to be "at your own risk."

Kimberley: "Colin's death was a hell of a tragedy. He was still very young, incredibly full of life, and he was very farsighted. Over the six years or so before his death he had gradually distanced himself from Lotus' day-to-day operations, concentrating instead on policy. company image, making a profit and planning future projects. I think this resulted from impatience with the detail work that now goes into producing a car. Legislation in particular inhibited his innovative spirit; for example, he couldn't design the nose of a car the way he wanted it because American law says that the top of the bumper must be so many inches above the ground.

During his last months Colin's creation was beset on all sides. American Express, alarmed at the Group's dwindling assets, withdrew its financial back-

ing. Lotus was deep in the red, some of the mud being thrown in the DeLorean aftermath was tending to stick and above all the U.S. market was dead as a dodo. Lotus was on the floor, but after the initial shock of Colin's death had abated, the entire Lotus workforce was determined that the only way out was up.

"We were all grimly determined to make it work," Mike states flatly.

It could not be achieved without further pain. "Within weeks, in February 1983, the company had pulled its belt right in. We slimmed down to only 383 employees, but during the whole of 1983 we produced more cars than the year before, around 640, and could, in fact, have made more."

The limiting factor was tight eash control by the bankers, who would not capitalize increased production until what proved to be a highly successful major refinancing operation took place in September/October last year.

"On the last day of May 1983 the very first. Turbo Esprit was shipped to the U.S. and a total of 170 cars for the U.S. market then had to be siphoned off from the UK and rest-of-the-world volume to which the bank restricted us. We had amicably resolved our distributor problems in America, but cars for that market at that time had to be part of our existing run, rather than in addition to it. That was very frustrating."

August 1 marks the start of the new annual registrations in the UK, so it's naturally the high point of the car sales year. Most manufacturers have their distributors stocked to the rafters for that month, but Lotus couldn't do that. "On August 1, 1983, there was just one Turbo Esprit in stock in the whole of the UK, and by August 8 there wasn't a Turbo or a Series III Esprit to be had."

The Guinness-Mahon bankers were seeking to refinance Group Lotus, and as described in our Profile this month. David Wickins' name had been put to them by Colin shortly before his death. Lotus was in dire straits when Wickins appeared on the scene and became impressed by the skills, loyalty and potential he saw. He organized an immediate loan to tide Lotus over, and in the September/October refinancing operation his British Car Auctions Group took a 25-percent interest, the Hawley Group 14.5-percent and Toyota of Japan a vital 16.5-percent. Chapman/Bushell interests accounted for much of the remainder.

Kimberley recalls, "David put in around £1.2 million, Toyota 1.1 and then we had a very successful one-for-one rights issue. We emerged in the best position financially that I've ever experienced at Lotus, and I've been with the company since 1969. This was immensely pleasing for us all. Now we

could go ahead as we'd always wanted."

Toyota is, of course, a vital element in future plans. "We always knew that greater reliability and improved quality were vital for us, so we had studied the possibilities of working with a major manufacturer whose economies of scale would enable it to sell us quality components at the right price. In 1980 we had looked all around the world and approached Toyota. We found a link could be mutually advantageous. We could produce the new sports car we wanted using their reliable off-the-shelf components, and we could provide them with rapid-reacting, highly flexible R&D capability, a lot of advanced knowledge in many specialized areas, plus image. Toyota is a strong company with a reliability record second to none; it is committed to advanced technology and highinvestment, which I'm sorry to say we found lacking in British manufacturers. Western companies were looking for savings in recession, not looking to spend more on research. The Toyota link helped us both."

The higher-volume, lower-price sports car that Mike mentions is the forthcoming X-100 nee M90, which originated as a twinkle in his and Colin's eyes around 1980 but wasn't set down in earnest until a couple of years ago, a fact that grieves Kimberley intensely, "I hate cars taking so long to develop. I like new projects to be whizzed through with flatout effort from all concerned, always conducive to achieving proper reliability, of course."

While the Esprit model line has been updated amidst all the problems, and the Eclat remodeled as the Excel with its first use of a Toyota transmission, the X-100 is now emerging as a north-south engine 2+2 with more space than a TR7 in a slightly more compact overall package. The engine will be the Toyota Corolla GT's 1.6-liter twincam 16-valve driving through Toyota's proven 5speed manual gearbox. Suspension/chassis design is entirely Lotus, the body a composite using Lotus' patented VARI-vacuum-assisted resin injection-molding process. The aim is to achieve a price under £10,000 to put back on the market a sporting Lotus within reach of most enthusiasts, in the old successful Elan style, similar to the days when Ford provided powertrain components and proven reliability. Mike admits: "It's close to the Elan, but where that was a tight package this has much more room. It's going to be exceptionally agile and comfortable and will be produced in open and coupe versions. Prototypes are running now and we are determined it will be proven and

After years during which component suppliers cracked the whip over Lotus.

reliable when it's released."

it's now in the other hand. When Lotus was on the deck some suppliers demanded payment in advance, others slashed credit and most bemoaned the bother of supplying Lotus at all because its volume was so small. Lotus actually made more of its cars in-house than many larger manufacturers, as high as 68 percent Lotus says, but many parts had to come from abroad simply because British component suppliers showed no interest in Lotus' small volume. "European suppliers had a different attitude; they'd supply anything, regardless of volume, so long as you were prepared to pay their price. We've always bought our connecting rods and carburetors on this basis from Italy, camshafts from Spain and bright-work from a German company in Eire, but we like to buy British wherever possible because communications and lines of supply are so much tighter. You have potential problems when supplies are on the water.

"But now with Toyota at our elbow and money in the bank, we have the muscle to specify just what we expect from suppliers: we demand best quality and they either supply exactly what we want or we go elsewhere. We all know our future depends on reliability and quality, and we've drummed this into our labor force. Lotuses today are also very durable, and quite a few major manufacturers are following our lead in composites. All steel components are hot-dipped in zinc with a 23-micron covering, so there's not a piece of our cars that can corrode."

It's easy to talk of shrugging off that old reputation for unreliability that Lotus bears, but now, in a position secure enough to dictate to its suppliers. Lotus does seem to have turned the corner.

"We're just doing exactly what Jaguar and BL have done lately. Suppliers sup-



ply what we demand, not what they feel inclined to let us have, and it makes an immense difference to the end product as Jaguar has proved."

Meanwhile, after devastation of its U.S. market through recession and the 42-percent price inflation there several years ago caused by the pound's strength

against the dollar, Lotus has recovered. With sales so depressed everywhere through 1980-1982 Lotus hadn't the fat to subsidize U.S. sales as larger manufacturers had done. The loose ends of the ill-fated link with Rolls-Royce Motors Inc were not tied until the end of 1982, which then left the way clear in the U.S. "... for us to go back to a private import and distribution operation, set up on December 31, 1982, called Lotus Performance Cars, based in Norwood, New Jersey." It's run by John A. Spiech (pronounced Speck), who had made great advances earlier for Ferrari's North American sales. He expects great things of Lotus and vice versa. "We aim to establish a nationwide network of 38 dealers, and this time we are going to get

it and our cars right."

Back home at Hethel the factory is gearing up for increasing production of the current line and anticipating investment in the greater mechanization necessary for efficient and economic production of the X-100. "That represents a very considerable investment for a company of our size, something in the £5-6 million range, and that's why 1 couldn't say go and press the button earlier. Initially we plan to make around 2000 units a year, building toward 5000 a year at peak. And that's not to detract from Excel, Esprit and Turbo Esprit production: those cars are vital to our image and success and we should be running around 1200-1500 of them alongside the new model." Kimberley also admits there could be another flagship supercar up at the top of the range, but it's a long way off.

Turbo Esprit technology has brought a further number of lucrative R&D contracts to the Group, and the FI-originated computer-controlled active suspension technology has been eagerly taken onboard by a number of other major R&D customers. Out behind the Hethel plant the R&D engine test-cell block is currently being expanded to accommodate an increasing demand from "the majors" for quick turn-around development, emission testing and so on. Like Porsche, confidentiality is vital to this side of Lotus' business, but the projects Lotus is willing to discuss include MG's Metro Turbo. Citroën's 4wheel-drive rally car, the World Rally Championship-winning Sunbeam-Lotus of 1981 and, of course, Toyota's European Supra or XX high performance suspension pack. Meanwhile, the Lotus V-8

engine has been sitting around on ice since 1982 when a choice had to be made between either continuing its development for an ever-receding 4.0-liter flagship model, or more humbly (and less expensively) updating the Eclat into the Excel, and developing the Esprit line. It's no secret that this extraordinarily compact and pretty 4-cam, 4valve/cylinder V-8 easily exceeded its design requirements in emission levels, horsepower and fuel consumption—and 360-370 bhp on demand on 91-octane lead-free gasoline can't be bad, can it?

For Lotus, now massively refinanced (by its standards), only one major irritation remained through this past spring. In an effort to force information into the open concerning the missing DeLorean monies, HM Inland Revenue slapped a punitive £85 million tax bill on the company! It came as a nasty shock to the new backers headed by David Wickins and brought brickbats for Fred Bushell. who knew of the taxman's intentions but forgot to tell his board. Bushell was subsequently replaced by Wickins as chairman in February 1984, but has since joined Wickens in fighting the demand. In May after exhaustive scrutiny of Group's records and multiple audits. Group emerged pure as the driven snow, with no further case to answer-though investigation continued into some of Colin Chapman's other interests.

This exoneration must have been an immense relief to Mike Kimberley and his people though they had never doubted their case for one moment: "Lotus has been very unfairly treated. We knew nothing of the missing money until we read about it in the newspapers. I don't know what did go on, but as long as I have enough breath I shall keep on saying that Lotus did a fine job and was paid for it. Our books have been examined umpteen times and everyone has given us a clean bill of health. It's been unfair that our business should have been inhibited and that these investigations have cost us time and money. The investigation was necessary, of course, but it shouldn't have affected our progress in the way it did.

"We are probably the only company to have made a profit working with DeLorean. We charged for every bit of work, and we got paid for it. Perhaps it's because we are still in business after dealing with DeLorean that we became the butt of public derision, but we achieved a great engineering feat."

In the clear, proud and forward-looking. Lotus has lived to bloom again even though it may seem rather surprising to some curmudgeons. Now the company has to prove it can achieve the quality and reliability it talks about. If it can deliver, then Colin Chapman's dearest ambition will have been realized.

The Lotus listing from the Classic Motorbooks 1985 catalog, showing several new titles. A reminder, that as a club we get a 30% discount, so if you see anything you'd like to get let me know and we'll put together a club order.



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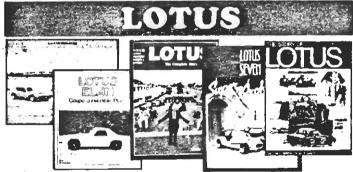
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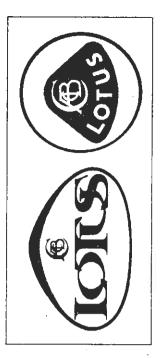
Is Nothing Sacred?

Pointed star, I say, Imagine a Mercedes-Benz without its 3pointed star, a Ferrari without its prancing horse, a Lotus
without its founder's ACBC initials on the familiar yellow-andgreen round hadge. Can't happen? Well, in the case of Lotus it
has ... and it hasn't. On orders of the company's new chairman.
David Wickins, the familiar Lotus hadge has gone the way of
steam-powered typewriters. The new emblem has Lotus in a
hard-to-read typeface inside a stylized, flattened oval. The
bright yellow that appeared on the early Lotus single-seaters is
gone and the distinctive green has been replaced by a darker
British Racing Green with the lettering in gold. Worse yet, and
the reason for my indignation, is that the emblem was to have
been stripped of the Anthony Colin Bruce Chapman initials.

However, the budge changes resulted in such controversy and hard feelings that Wickins has had to rethink his position. For instance, when the local Lotus work force at Hethel was asked about the badge change, all but 10 employees signed a petition calling for the old badge to stay. The Lotus racing team, which was so much a part of Chapman's early career, refused to change badges and U.S. Lotus people I've talked to said they'd rather fight than switch.

The official Lotus statement explaining the change said: "It is being introduced during the company's 30th year to represent the Lotus of the future. Whatever happens, two factors will remain constant: the Lotus spirit of challenge and innovation in the world of automobile engineering and Lotus' continuing drive for perfection."

Obviously, Mr Wickins never realized how much of the Chapman legacy was tied to that badge. And, in a move to quell the



rumblings within the Lotus organization, a compromise has been reached. The initials will be kept on the badges for the cars, but promotional material, dealer signs, jackets, notepaper, etc will have the plain-vanilla non-initial version.

What say you? Heresy or a heroic break with tradition? Send me your thoughts on a postcard and I'll forward them to the good Mr Wickins.