

KILLED BY A LIE

By Tony Baker

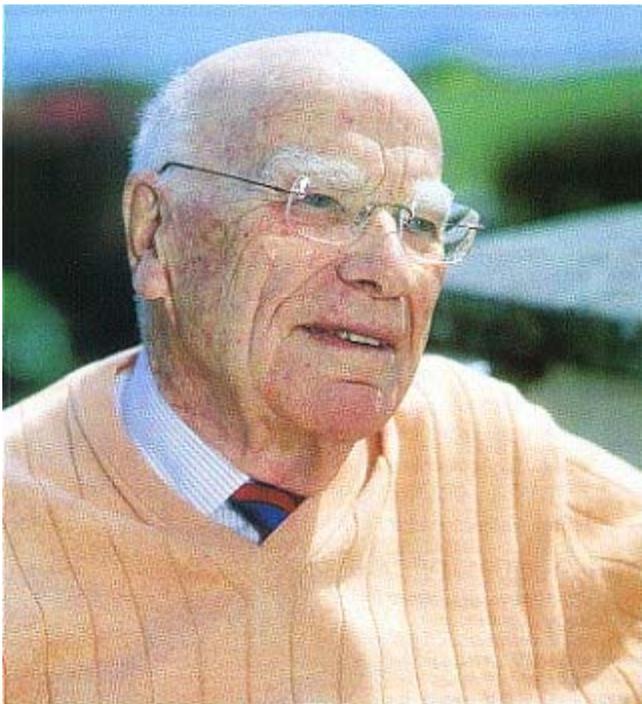
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This article is based on an interview first published in Classic & Sports Car magazine. Portrait of Lord Stokes by Tony Baker, for Classic and Sports Car. It describes how MG was — unfairly it seems — dropped in favor of Triumph as British Leyland's sports car brand.

In any MG demonology Lord Stokes effortlessly comes top of the pile. As boss of British Leyland was he not, after all, the guy who signed, sealed and ultimately delivered the death warrant for Abingdon?

As a motoring writer I've interviewed countless BMC and BL engineers over the years, and I've yet to meet one who has a good word to say about his lordship, so I was particularly pleased to be able to interview Donald Stokes last year, to hear his side of the story. Eighty-seven years old, he was spry, smiling, surprisingly self-effacing, but also impressively brisk and businesslike. In fact, he was quite charming.

It was a fascinating interview, in the course of which he made clear that he inherited a potently poisoned chalice in taking over BMC — the company was in a desperate mess. Worse, the Leyland side of the operation wasn't really much better. The chances of making a success of the merger were always going to be slim. "It was a can of worms," he admitted to me. "The trouble was that we didn't have enough can openers".



A recent picture of Lord Stokes

Inevitably the conversation eventually turned to MG. Stokes conceded that "MGs are gorgeous little cars" but was unmoved by the specialness of Abingdon and its apparent efficiency. "It was a bloody awful factory," he told me. "it was efficient so long as you forgot all the transfer costs [of components arriving at Abingdon from other parts of BL] - and all those figures were fiddled. Anything to do with BMC in particular was fiddled. I don't blame them. They fiddled things to make it seem advantageous for them to carry on with their marques. Triumph did the same."

Nor was Abingdon helped, according to Stokes, by it being the base for BMC's renowned Competitions Department: as is well known, he soon closed down the department. He has no regrets: "We were spending so much money on it that it was absurd. it was a completely bottomless pit".

But what of the decision to build BL's sports car future around Triumph - and, in particular, around the TR7? The issue was straightforward, Stokes said: the company couldn't afford to support two sports car brands.

That might seem hard to swallow, given the prestige both MG and Triumph enjoyed in the 1960s.

However, popular-priced sports cars have generally tended to be fairly marginal financially, with their profitability dependent on their sharing as many components as possible with run-of-the-mill saloons [sedans] produced in large numbers. So Stokes could well have been right — although it's tempting to think that both marques could have been retained had MG concentrated on a small Midget-size model and Triumph on a bigger and beefier TR-sized vehicle.

Cash constraints were a real problem, Stokes said - no surprise, really, given BL's pressing need to launch a whole raft of mainstream models during the first half of the 1970s. "Our ability to produce new cars was limited - we didn't have the money," he told me. "And in any case the US market at the time was in free-fall. MG always had a good name in America, I must admit. But if I remember correctly, we were outselling the MG consistently with the TR".

"You have to look at the hard facts. We hadn't got any emotional feeling about either. To be quite frank, I wasn't worried whether we did one or the other. All I wanted to do was make something that would make money".

Fair enough, but the sting came in what I was told next. "We weren't selling the numbers of MGs and Triumphs we wanted to," Stokes explained. "Then we had this argument about whether to make MGs or Triumphs. We sent a team to America to try finally to come to a conclusion. They recommended that we should do the Triumph, as the Triumph was selling more, and making more money, in America. They produced a report that on balance seemed at the time that we were right to keep the TR and then they told us what sort of TR we should build, and we produced the

TR7”.

This set my alarm bells ringing, and back home I pulled a book from the shelves. It's a fairly dry work called *At the End of the Road - The Rise and Fall of Austin-Healey, MG and Triumph Sports Cars*. The author, American academic Timothy R Whisler, studies in depth how we lost the US sports-car market, and devotes a lot of his analysis to the economics of making sports cars. Amongst his many statistical tables are some that gave US sales figures and figures for exports to the States. Now you might find the idea of ploughing through a load of statistics pretty dull, but it's amazing how often a little bit of number-crunching comes up with a completely different story from the one you've been

told.

And so it proved. My instinct was right. Exports of MGBs to the States in the period 1964-68 were comfortably above those of the TR for every year but 1968, when TR exports - the figures by then including the GT6 - were slightly ahead. Indeed, in 1966 exports of the MGB to the States were more than double TR exports.

Now, exports don't necessarily equal sales: Renault, for example, could quote impressive figures for Dauphine exports to the States in the late 1950s, but the figures are totally meaningless, as huge numbers of the cars rusted away in storage pounds as nobody bought the wretched things. But

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TR7 ANATOMY OF A DISASTER

Whisler's book makes the extent of the TR7 fiasco abundantly clear. 'The TR7 always seemed to be the sports car of the future without ever really having a present,' he scathingly writes. 'Its history reflects that of [BL] as a whole: low sales, poor image, over-capacity, high variable costs, frantic short-term corrective measures, and unfulfilled promises of increased sales and profitability. British Leyland's withdrawal from the [sports car] niche that the British created lies in the determination to make the TR7 the corporate sports car and in the inability of the firm to execute its decision.'

Heady stuff. But it's all there in the figures. Stokes geared up the refitted Triumph works at Speke [near Liverpool] for annual production in 1975-76 of 64,417 TR7s - and 19,820 of a fastback Lynx derivative that never made it to market. Combined US sales of Midget, Spitfire, MGB and TR7 reached a peak for the two marques of 64,052 units in 1977, so the thought of the TR7 alone exceeding this figure - and as a hardtop alone - seems preposterously unrealistic.

In the end, 1976 output of the TR7 was a wretched 32,743 units, hardly much of an improvement on the 29,558 MGBs produced that year - and that was the most BL ever achieved. The following year, production at the strike-racked Speke factory crashed to 22,936 units; with the plant never exceeding 51.2 per cent of its available capacity, money was leaching out of BL's coffers. Maybe that archaic old plant at Abingdon wasn't so bad after all.

In 1978 Speke was closed - and union chief Hugh Scanlon subsequently revealed that BL had been losing £850 [US\$1,570, Cdn\$1,790 at 1978 rates] on each TR7 that trickled through the gates. Even Labour Prime Minister Jim Callaghan questioned the wisdom of the car continuing, but BL boss Michael Edwardes decided it had to be retained, if only to shore up the company's US distribution network. Production accordingly moved to Triumph's main plant at Canley [near Coventry], and then, in the wake of 1979's panic re-structuring of BL, to the Rover plant at Solihull. A modest target of 275 cars a week was met at this last factory, but that was embarrassingly far adrift of the 1,000-1,400 cars per week planned for Speke.

Unsurprisingly, the TR7 never made a profit, and MG sales in the States continued to outstrip Triumph sales, despite a deliberate policy of narrowing the price gap between the TR7 and the MGB so as to favour the Triumph. In 1979 26,025 MGs found American homes, against a pathetic 12,733 Triumphs, but even that figure is only half the story: MGB sales, at 16,860 cars, were almost three times those of the TR7, of which only 4,386 were sold.

Nothing could hide the fact that the TR7 was an enormous sales turkey. Production ended in October 1981: BL's great corporate sports car had outlasted the MGB by just a year. To say that Lord Stokes had backed the wrong horse all those years ago is so much a statement of the blindingly obvious that I hope I am forgiven for making it.

