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DR. GERALD FAVERMAN, Chairman of the Board

A LETTER OF POLITICAL AND SOCIAL COMMENTARY

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TO: FISCAL AWARENESS SERVICE Subscribers
FROM: Gerald A. Faverman and William R. Rustem
SUBJECT: RICHARD CHRYSLER, CANDIDATE FOR GOVERNOR

Dick Chrysler's fast-start media campaign blew apart the early wisdom that William Lucas or Daniel Murphy would win the GOP gubernatorial primary.

At the end of May, with more than sixty days until the primary, Chrysler had forged an early lead over his three rivals (Engler, Lucas, and Murphy) for the nomination. His success is attributable to an effective and costly television campaign. His campaign's dual objectives are to achieve name recognition and merchandise the notion that state government needs more Iacocca-style business acumen. Chrysler has personally financed his media barrage, a phenomenon unusual in Michigan, but not uncommon in other states. New York drugstore magnate Lew Lehrman easily won the 1982 GOP gubernatorial nomination and very nearly beat Democrat Mario Cuomo on the strength of a personally financed campaign. Jack Eckerd of Eckerd Drugs in Florida came close to winning the Florida governor's chair through a personally financed campaign in 1978. In our interview with Mr. Chrysler, he vowed to "spend whatever it takes" to win the Republican nomination for governor of the State of Michigan.

Early front-runner Bill Lucas has been troubled by a host of irritations, ranging from the campaign funding controversy to the delinquency of a college loan for his wife; Chrysler's other rivals, Dan Murphy and Colleen Engler, continue to fight to gain momentum and attention. Chrysler is a former drag racer, and his approach to the campaign is like race-car driver Bobby Rahal's--get out in front early and force your rivals to play catch-up. The recent Detroit Free Press disclosures have damaged Chrysler's front-runner position--how badly is still unclear.

Who is this man, and what drives him to seek this important office? Dick Chrysler is a confident person who derives great personal pleasure from his business successes. He is of moderate height, and his graying temples project an image of maturity. Although soft spoken, he relishes the political battle in which he finds himself and he can respond to challenge with toughness.

Chrysler, born in St. Paul, Minnesota, on April 29, 1942, moved to Brighton, Michigan, at the age of six. He has remained in the Brighton area for the last thirty-eight years. Chrysler is married to the former Katie Tate, his third wife. His son Rick, 22, daughter Christie, 8, and 17-year-old Phil (Katie's son from her first marriage, whom Chrysler intends to adopt) live with the Chryslers in their Brighton home.

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Cars & Concepts, Chrysler's highly successful automotive customizing enterprise, is an extension of his early auto-racing interests. The work of Cars & Concepts now ranges from customizing cabs of tractor trailers to installing sunroofs and convertible tops for major auto manufacturers. Its 1985 sales topped \$100 million. His love of cars both on the track and in the shop actually predates his ability to drive. Indeed, his first dragster license was signed by Don Garlitz, the most famous drag-racing competitor of all time. A self-described "shade-tree mechanic," Chrysler owned 1948, 1950, and 1951 Fords before he obtained his first driver's license. For a car lover, could there be a better home than Michigan?

As a young man, Chrysler's intense interest in automobiles first led him to a job as a pattern-maker at the Chevrolet Willow Run Plant, and then to a job at the Hurst Performance Company, an automotive manufacturing firm now famous for its services to the racing industry. His Horatio Alger story began at Hurst, where he swept floors for \$1.50 per hour. Within four years, he had ascended to vice president of the company's special vehicle division, and was in charge of the production of special performance components for some 40,000 automobiles per year.

At the age of thirty-four, he demonstrated his willingness to take risks and seek advancement over security. Chrysler had come to a major professional crossroads. He felt ill-treated at Hurst; he had made a major contribution to the corporation, and he was stung by his employer's rejection of his need for recognition. Chrysler was the lowest-paid vice president on the payroll. A major personal issue was that, despite his lofty title, the company failed to provide him with a desk; he performed his work at a conference table. After his division had become highly profitable, Chrysler went to the president of the company and requested a desk. The denial stunned Dick Chrysler and he immediately took leave to reassess his future. During the week of stocktaking, he wrote what he calls his "fifteen-year plan to develop a new life and a new company." The result was Cars & Concepts, his own highly successful company. Chrysler believes that the skill he has demonstrated in the world of business can easily be transferred to the governor's office.

Currently, Chrysler is the beneficiary of a well-designed and bright, but superficial, television campaign. He now is subject to the hard-eyed scrutiny of the working press. Recent questions about his personal and business life are but the first indications of the life under a microscope that candidates for, and holders of, political office must expect. How well he handles the scrutiny will be one criterion for survival on August 5.

Chrysler claims his privately commissioned polling data indicates that his name recognition has increased to 88 percent as the result of his advertising campaign. Further, he claims that in head-to-head competition with the other Republican candidates, he garners 41 percent of the Republican primary voters interviewed. The true test will be how well he fares against the field when his competitors start to market their campaigns, ideas, and images more fully.

While not experienced in politics, Chrysler is an avowed student of the game. His aggressive but unsuccessful bid for the Republican party chairmanship in 1983 taught him some important lessons about political organization. The slick Blueprint for Action he produced as part of the

campaign for that post was well done and became important in organizing ideas and thoughts for the resurgence of the Republican party in the state. He is also the principal author of the Michigan Republican Precinct Delegate Manual of 1984, a handbook of data and tactics for the state party.

Chrysler believes that, as the result of considerable planning, organizing, and fund-raising, the Michigan Republican party is now strong enough to challenge incumbent Governor James Blanchard in November. The uncertainty about which way Macomb County will vote (although at one time a Democrat stronghold, it is becoming increasingly conservative and Republican) and the strength of Ronald Reagan make his point of view worthy of consideration.

Chrysler's hunger for recognition, as well as his wealth, energy, and fund-raising skill are assets in his quest for Michigan's gubernatorial chair. His liability is lack of experience. He has never served as a governmental administrator, and he is unfamiliar with a host of complicated political issues.

The remaining days of the primary campaign could be very long for Dick Chrysler, as his mastery of issues and his resiliency under fire are tested. Front-runners pay a price for their position. As Lucas suffered during the early part of the primary contest, so Chrysler is suffering now. His campaign is learning that it is one thing to be a candidate, and quite another to be a serious contender.

If Chrysler is to become his party's nominee, he must deal forthrightly with the issue that he himself identified as the principal one for the 1986 campaign--the question of trust. The manner in which he responds to questions about his business ethics, personal style, and self-financing, will determine in large measure whether he is the candidate that the electorate will trust and nominate.

From our vantage point, the race for the Republican nomination for governor remains to be won.

This commentary is a publication of the FISCAL AWARENESS SERVICE. We hope you have found it interesting.