

Reflections On Being A Packard Dealer In Washington, DC

Ray Anselmo
February 2, 2003

Background

The following is a presentation made by Ray Anselmo at the February 2, 2003 Packards Virginia Jump Start Meet held at the Belle Haven Country Club, Alexandria, Virginia. He was invited to speak by Russell Keune who he had assisted in his research of Packard dealerships in the Washington metropolitan area.

Ray Anselmo was the last living Packard dealer in the metropolitan area at the time of this presentation. He died in 2011 at the age of 89.

Introduction by Russell V. Keune

There are many surviving Packard automobiles dating from the 1930's and 1940's. In the 27-year history of Packards Virginia, our members have been stewards to some 102 cars dating from these two decades.

Within the Washington metropolitan area, there are only nine surviving buildings, out of a known 45, that housed Packard dealerships in the 59-year history of the company. Today there are a number of Washington area auto dealerships that have their historical origins with the Packard Motor Car Company.

There may be an unknown number of individuals who worked as mechanics, salesmen, and/or parts managers at local Packard dealerships.

However, there is only one known individual in the Washington metropolitan area that actually owned and operated a Packard dealership. We are honored today to have that individual, Raymond J. Anselmo, with us today.

Originally founded in 1939 by his father, Royal Motor Company operated at 15 Kennedy Street, Northwest until 1950. The building still stands, somewhat altered about 15 miles due north of where we are gathered today.

Some of us had the privilege of first meeting Mr. Anselmo at the 1995 Packards Virginia picnic hosted by Bruce McCarthy.

He is a member of Packard Automobile Classics and served as a judge this past July 4th at our National Meet's Concours d'Elegance at Oatlands Plantation. A native Washingtonian, his entire career was devoted to the automobile business.

He was enormously helpful to me in my research on Packard automobile dealerships in the Washington area. Not only did he help me identify their locations and owners but also provided interesting insights as to what it was like to own and operate a Packard dealership.

Royal Motor Company operated as a Packard dealership for just over a decade in the 59-year history of the Packard Motor Car Company. It was founded during an economic depression, survived World War II and continued through the immediate post-war period.

Mr. Anselmo accepted our invitation to speak to us today with the theme “Reflections on Being a Packard Dealer in Washington, DC”

Presentation by Ray Anselmo

“Good afternoon my name is Ray Anselmo. Thank you, Mr. Keune for asking me to speak today. I have been asked to describe what it was like to be a Packard Dealer in the 1940's and 1950s.

I will share some thoughts and experiences about Packard and Royal Motors.

I am going to do this in three parts:

First: How and why my father became a Packard dealer;

Second: Our experiences as a Packard dealer;

And third: The people of Packard, both the factory and dealers and how they benefited from Packard.

My father, Anthony Anselmo, had developed and operated a service station at Kennedy Street and New Hampshire Avenue in Northwest Washington, leasing it to Texaco under a long-term lease starting in 1938. He had been a Packard owner and later developed a friendship with Graham Loving, the top salesman at Packard Washington. My father brought family members and friends to Mr. Loving to buy their Packards. In late 1938 my father was considering entering the automobile business and talked to Mr. Loving who was also thinking of going on his own. There was some discussion of a joint venture or partnership that never materialized because Mr. Loving wanted something larger downtown. My father was a bit more cautious for several reasons. He had a fixed income established from his lease with Texaco, 1938 was another depression year and it was also a difficult sales year for Packard.

Now to set the stage for what was going on at Packard in 1938. The Senior-8, also known as the Standard-8 and later the Super-8, was always the most popular car in the luxury car market. It led Packard to dominate that market for years. In 1938 there were fewer

chauffeurs and also more women were driving and the big Super-8 did not appeal to them. The Cadillac 1938 60 Special was very appealing to many in the luxury market especially women. Many old loyal Packard owners were trading their Senior Packards in for the 120 now called "The Packard 8". It was lower and not as bulky as the Super-8. The Packard factory took note of this and installed the Super-8 engine in the smaller body of the Packard 8 for 1939. 1938 was also a bad quality year for Packard that by 1939 had been corrected but contributed another reason for caution besides the economy.

In a meeting with the distributor at Packard Washington, the distributor said Packard had to get its volume up in the lower price 6 cylinder market and was going to produce a car in late 1939 for under \$1,000. They were looking for suburban dealers to handle this increased market. With this information, my father built a building on a lot he owned at 15 Kennedy Street, Northwest for Royal Motors, a Packard dealership.

The building was completed in mid-1939 and only a few 1939 Packards were available, maybe 2 or 3. The Packard factory as you know was extensively rebuilt to combine the two factories - the Senior car factory and the Junior car factory.

I went to the factory with my father in September 1939, to tour the factory, the test track, see the new 1940's on display and to hear the executives speak about the great future and plans for Packard. The under \$1,000 6 cylinder was the 2-door and business coupe. The popular 4-door was about \$1,050 plus radio and heater.

1940 was a good year for Packard. The "120" name was brought back for the Packard 8 and the 6 was 110 and the Super-8 was 160 and the Custom Super 180. At this time all cars were using the same basic body and there were no quality problems.

The factory was quick to respond to dealer requests for improvements. At the proving grounds many dealers strongly objected to the "fleur-de-lis" on the trunk. The factory quickly changed the emblem to the Packard Coat of Arms on a facsimile of the Packard radiator similar to the one used on the 1937 trunk emblem. The factory also sent the new trunk emblem to all dealers who received a car with the "fleur-de-lis" to replace the "fleur-de-lis" if the dealer or owner so desired.

Another objection dealers had been the Packard script across the red hexagon in the center of the hubcap. That too was changed but it took several months. I can only assume the factory must have had a large supply of hubcaps to use up. The light wood grain stain on the dash and window trim was also objectionable. The dark wood grain used on the 1939's was preferred. In early spring the dark wood grain was used along with improved upholstery particularly on the 110 and some chrome trim added to the door panels of the 110 and 120. The hood vents on the 110 and 120 had Packard in script at the front with a red background. The red would wash off. This likewise was changed to 110 with a green background (I believe to a blue background on the 120's). Replacements were offered free to anyone who complained that the red washed off on the earlier models. As I said earlier, the factory was very cooperative.

Royal Motors was a small dealership selling 35 to 45 cars per year in what was basically a six-month business. Very few cars were sold in the winter. Spring, summer and early fall was our selling season. In our neighborhood the Packard 6 was our best seller. The 1941 Packard 6 was not well accepted. The interior was very much upgraded and the quality was superb but GM and Chrysler had lower and wider cars as well as lower prices. The 120 was well accepted by longtime Packard owners. We took many Super-8's and 120's in trade but very few other makes. The convertible was well accepted in both the 110 and 120. Packard got the message. Neither the dealer nor the factory could survive on just the old-line Packard owners and the public wanted lower, wider and more modern cars.

Packard moved fast and brought out the Clipper in the spring of 1941. It was an instant success. As I mentioned earlier, the purpose of the small suburban dealer was to give Packard some volume sales in the under \$1,000 6 cylinder market. Now we had a car with accessories like radio, heater, overdrive, electromatic clutch, and white wall tires priced in the high \$1,600's and in demand!

Packard Sales Managers always pushed dealers to go after Buick owners by both mail and telephone, which I don't think was successful. However, when the Clipper came out in 1941 several Buick owners traded in their almost new 1941 Buicks on the 1941 Clipper. As we all know, if you give the public what they want, they will buy it! This certainly has not been confined to Packard in the automobile business. GM seems to be finding this out today.

The 1942 models introduced in the fall of 1941 were Clippers except for convertibles and seven passengers that were the 1941 with minor grill changes. We now had a 122" wheelbase Clipper 6, Deluxe 8 and Clipper Super 8 on a 127" wheelbase. The cars were likewise a success but it was short lived when production ceased in January 1942. Royal Motors survived WW II with service, parts and used car sales. When production was resumed with the 1946 model there were no seven passenger cars or convertibles. The top of the line was the Custom Super 127" wheelbase Clipper. Later, a seven passenger Clipper was added. I believe it was a 1947.

Packard, aware of the demand for new cars as well as the acceptance of its new style, stated that they would build a minimum of 150,000 cars per year and signed up many new dealers to accomplish this. As we all know, Packard had serious material shortages and only a token of the cars were delivered compared to their promises. Royal Motors was told to plan to handle as many as 150 cars per year "or else". We were allocated 20 + of the 1946s and 30 + of the 1947s. The Clipper was not only in demand but also worth a premium and a good quality car.

While the 1947 Clipper was still in production, Packard announced the 1948 Packard 22nd Series Super-8 convertible on a 122" wheelbase with 145-horse power engine. While the cars sold, they did not bring a premium and there was no waiting list as still existed with the Clipper. It was priced above the Cadillac DeVille convertible, which was much larger and had automatic transmission available.

Graham Loving, our dealer elected spokesman went to the factory to complain about the 1948 convertible pricing. We all knew the day would come when Cadillac would be available without a premium (a good trade below market value) and a waiting list. Who then would pay more for a smaller car without automatic transmission? Mr. Loving came back very disappointed. Having been associated with Packard for nearly 20 years, he said he had never heard such double talk and the company would not answer when or if automatic transmission would be available.

The 22nd Series was introduced in the fall of 1947. The name Clipper was dropped and the 127" wheelbase with the 160 engine was limited to the Custom Super. Additionally the 6 cylinder was discontinued. The 22nd Series was still only available by allocation from the factory, (that is, they told you how many you could have). The cars did originally sell but there was no waiting list like GM, Ford or Chrysler still had. By spring 1948 all quotas were off. The factory needed more orders. Now GM and Chrysler were also building more cars. Their waiting list was short if they had one at all. Now we had a car priced above the competition with a style that did not generate any enthusiasm and did not have automatic transmission. No one warmed up to the electromatic clutch. What we did have was a good quality car. The discounting began and customers began shopping one dealer to another for another \$25 discount.

With the loss in value of used 1948 Packards, caused naturally by discounting new cars, banks and finance companies became stricter on approving loans on Packards than they were for the so called Big Three. In some cases financial institutions wanted the personal guarantee of the dealer on the loan. In addition, some institutions required personal guarantees on all Packards regardless of credit. My father was not about to sign these agreements so our sales were limited to those with acceptable credit to banks and other non-recourse lenders.

Now we had cars available but financing became difficult because of the Packards poor resale value. As a dealer I had trouble qualifying and I will explain that later. We located a small privately owned finance company in New Jersey. The company offered 36-month finance plans on new cars and loaned on the ability of the purchaser to pay and was not concerned over the resale value of the vehicle and did not insist upon a full 1/3rd down. The standard practice at this time was 1/3rd down and a 24-month maximum. In return the finance company offered a good commission should more than offset any repossession loss. This arrangement did require personal guarantee of the owners. This was not appealing to my father especially with the current product from Packard.

Dealers were looking for other franchises and some like Mr. Loving, in downtown D.C. sold out. The finance company suggested that I could guarantee the loan if the dealership was in my name but they would have to hold the finance commission for an agreed period of time to cover possible repossessions. We incorporated only the business as suggested and acceptable to the finance company. Eastern Acceptance Corporation financed our inventory as well as our retail sales of new and used cars. Packard agreed to put the franchise in my name and I then was the dealer and leased the building at 15 Kennedy Street from my father. This was mid-1948 and Packard sales really hit the skids. There

was such a large inventory on hand at new model time that Packard could not afford to bring out a new model. The Manufacturer Certificates of Origin, which as you know is a new car title, were returned to the factory and 1949 Certificates of Origin were issued for all 1948s that were unsold. This procedure is now illegal. 1948 ended with the new corporation barely in the black, but we were able to pay the rent, a salary to me and to my father who remained active, and most of all drove a new Packard. The 36-month financing as well as the financing of the used car sales was a big help. In 1949 we became more aggressive with our 36-month financing when we received a report that all our 1948 36-month financed sales were current. We ended 1949 with 150 new Packard sales. Besides the 36-month financing, the 23rd Series Super on a 127" wheelbase with the Custom grill brought back more old-line Packard owners. However, they too had to be deeply discounted to sell. The 1950 model was introduced as the same car with automatic transmission, now available on the entire line.

At a dealer factory meeting, one dealer inquired "How does the factory expect all the new dealers they signed to survive without a volume car as promised in the lower end of the medium priced market"? The factory executive said, "we'll let the law of the jungle take care of that", a different attitude from 1940 and 1941.

More Packard dealers started selling out or switching to other makes. In early 1950, a small Chrysler Plymouth dealer in Washington with a 125 car per year allocation was for sale. The day I heard this I contacted my finance company, which agreed instantly to finance the purchase because they preferred loans on Chryslers and Plymouths to the Packards. I signed the sales contract, subject naturally to Chrysler's approval. In a meeting with Chrysler, they were amazed at how anyone could sell 150 of the upside down bathtubs in a year. The agreement was approved promptly. "125 Chryslers and Plymouths should not be any problem for you" the Chrysler Regional Manager said. I terminated the Packard franchise and kept the Kennedy Street location as a used car lot. The Chrysler Plymouth sales were located on Georgia Avenue in the former dealer's building.

I owe an awful lot to Packard and my father for starting the Packard dealership. The Packard experience enabled a 28-year old with only limited experience as a dealer, to secure one of the big three dealerships in the nations capital and to secure 100% financing of the purchase price for the dealership.

The Packard experience also helped in selling Chrysler Plymouths. In 1953-54 Chrysler had a similar problem like Packard. They had unacceptable style, underpowered 6 cylinder engines and a transmission not fully automatic. Chrysler sales fell 25% and all allocations were off. I could now order all the Chrysler Plymouths I wanted. Remembering the Packard days, I immediately went to the 36-month financing with less than 1/3 down and personal guarantee of the loan. By 1955 we were selling over 1,000 new cars per year and grew to 1,700. Chrysler was stunned. How could one new dealer go up 10 fold in sales while old-line dealers were down 25%? I told Chrysler " It was the Packard experience." I owe an awful lot to Packard. There is no doubt in my mind that I would not have three homes, three cars and my current living standard if it weren't for my start with Packard.

Some dealers failed but most by far gained from their Packard experiences.

Graham Loving purchased a Chevrolet dealership with his son at East-West Highway and Colesville Road in Silver Spring. After a few years he sold the business but kept the real estate. When Metro went in he sold the property and retired to Palm Beach where the last I heard his son still lives. Pretty good for a car salesman

McNey purchased Hicks Packard in Northeast D.C. and then added Mercedes, later moving the business to Bethesda. He later sold it to Euro Motors for a sizeable profit, as he also owned the land. American Service Center Mercedes in Northern Virginia is owned by the third generation of the family that started as a Studebaker/Packard Dealer. I could name a half dozen more. The same is true all over the country.

Many former Packard executives were also quite successful with their Packard experiences and connections.

Packard's Executive William Packer became a large Pontiac Dealer – Packer Pontiac in Michigan. Lyman Slack became a large Chevrolet dealer on the West Coast and President of our Dealer's Association. Roy Abernethy, who started on the grease rack at a Packard distributorship, became President at American Motors. Claire Briggs became Vice-President of Chrysler in charge of the Chrysler Plymouth Division and brought many Packard executives with him. James Nance went to Lincoln Mercury and likewise brought many Packard executives to join him at Ford.

Obviously most dealers and Packard officials succeeded very well after Packard's demise. The only losers were the stockholders. Things haven't changed much for the stockholders. It seems that history keeps repeating itself as we continue to read about former executives doing well and stockholders carrying the brunt of corporate losses.

I want to relay another story about a banking experience, as I mentioned earlier. When I arranged with Eastern Acceptance to handle our financing, they would only make inventory loans for cars less than three years old, but would still finance older cars for retail buyers. There were several nice 1939 and 1940 used cars coming up for auction that I wanted to buy. The used car sales had been very good. I went to my bank in Takoma Park and applied for a \$2,000 personal loan, giving financial statements and the reason for my loan request. The loan was denied because I did not have a guaranteed income and operating a Packard dealership was not considered a secure source of income!

A few months after becoming a Chrysler Dealer, I received a call from the same man who denied my loan and he asked if I had time to come to his office. I said yes and made an appointment for the next day. I was sure that now that I was a Chrysler Dealer he wanted to offer me a loan. I was prepared to tell him exactly what he could do with his money! This was not his purpose. He asked me if I knew anything about the whereabouts of a used car manager that worked for me at the Packard dealership. I told him that all I knew was that he was from California, worked for me for a short period of time, talked of returning to California, but I really didn't know where he was. "Why do you ask?" I said. He said he

made him a personal loan and it was long overdue. After I caught my breath, I asked, " On what basis did you approve the loan"? He said he verified with my bookkeeper that he had a salary plus commission, which qualified as a guaranteed income. I reminded him that he had turned me down for a \$2,000 loan about 2 years ago. He said, "that is true, you didn't have a guaranteed income". I couldn't believe what I was hearing and you probably can't either. Well they never found the fellow or collected on the loan.

Another historical footnote...in the Fall of 1941 when the '192 Packards were announced a Navy Lieutenant Commander and his wife ordered a 1942 Clipper Deluxe 8 2-door for delivery in the Spring of 1942. He said he was going to Hawaii for a 6-month assignment and then return to Washington. He traded in his car as a deposit because his wife was headed to live with her parents so she wouldn't be alone for 6 months and the extra car was no longer needed. On or about December 15, I received a letter from the Navy Officer dated the end of October with many lines blacked out. It stated, "Please cancel my order for my new Packard. There is no chance I will be returning in the spring. War is very near. I had no idea until I got out here. In accordance with the terms of my contract, please settle with my wife on the proceeds from the trade-in." I wish I still had that letter...was he the only one at Pearl Harbor who knew war was coming?

There is one final Packard story I would like to mention. A number of years ago a young lady asked me to escort a friend of hers, another young lady, to a tea dance. I agreed and picked her up in a black Packard convertible. She was very quiet and a little shy but we did have a nice evening. A few weeks later, I did call her up for a movie date, which she also accepted. To this day, I am not sure if she really wanted a date with me, or another ride in my Packard convertible. After almost 60 years I still don't know! Marie, would you please stand?

I enjoyed the opportunity to reminisce. I hope you found it interesting. If you have any questions I would be glad to answer them.”