



## Prelude

1995 marks the fortieth anniversary of Volkswagen of America, Inc. It celebrates the long love affair between Americans and the distinctively honest automobiles of Volkswagen. But before there could be a Volkswagen of America, there had to be a spark, to set the wheels of industry in motion.

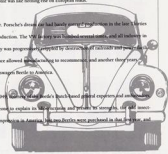
The spark that energized the creation of Volkswagen was a simple one: build a car that regular folks could afford. An honest, simple car, made better than it had to be, yet using technology years ahead of the times.

Volkswagen's chief designer, Dr. Ferdinand Porsche, set out to use aircraft materials like aluminum and magnesium to create a truly advanced automobile, and to design the running gear for greater efficiency. To that end, he combined the engine and transmission into a single unit over the rear wheels, eliminated the need for a radiator by using air cooling, and shaped the body for better aerodynamics.

The resulting car was economical, easy to repair, fun to drive, and small outside despite being surprisingly roomy inside. Its distinctively bug-shaped profile was like nothing else on European roads.

Backed by government financing, Dr. Porsche's dream car had barely started production in the late 1930s when wartime emergency halted production. The VW factory was bombed several times, and all industry in the car's native land of Lower Saxony was progressively crippled by destruction of facilities and power facilities. It was to be six years before peace allowed economic recovery to recommence, and another three years before importers could bring a Volkswagen Beetle to America.

The first Beetle arrived in the US in 1948, but only after Beetle's Dutch-based general exporters and American agents, the Pea Brothers, had, without success, to explain its low efficiency and primitive technology. The odd insect-shaped car didn't make much of an impression in America. The few Beetles were purchased in that first year, and only a few hundred in the next.



But slowly the Beetle's appeal began to catch hold. By 1953, more and more Americans had begun to hear of the odd little Beetle—a car whose clutterless post-punk motor sipped gasoline as it beated everything from snowdrifts to sand dunes. The stage was set for Volkswagen of America's arrival.

## Beginnings

1953 is remembered as a year of Eisenhower-era prosperity: color televisions became widely available for the first time, Terry O'Connell murals appeared on schoolboys around the country, and the Brooklyn Dodgers won their first baseball championship.

But 1953 also marked another event. Demand for the cute little Volkswagen car from Germany had grown to such a point that a tiny Dutch importing operation could no longer handle the needs for cars, parts, and service support. A factory team was

dispatched to establish Volkswagen of America Inc. headquarters at Englewood Cliffs, NJ. Beetle sales increased by 500 percent from the previous year, and VW's huge Wolfsburg factory celebrated the assembly of the one millionth Volkswagen.



The next year brought a new Volkswagen product: a low-slung sports car that shared the Beetle's tough running gear. Handbuilt at a Karmann plant in Osnabrück to a styling plan from Italy's house of Ghia, the car was known simply as the Karmann-Ghia.

1955 also brought almost explosive factory expansion for Volkswagen to accommodate the huge demand for VW Microbuses. A huge facility in Hannover, Germany was opened.

By the end of the Fifties, Beetle enthusiasts would be able to distinguish the very first split-windowed American Beetle from slightly improved models: a larger one-piece back window and larger windshield marked the later cars.

Businesses could also take pride in VW's having received the Elmer Sperry

Award for "Distinguished Engineering Contribution to the Art of Transportation." And, to create new legions of enthusiastic owners, the company initiated its first national ad campaign, using a series of simple, humorous ads destined to become some of the best remembered in history. By the end of 1959, 470 dealers in the US had achieved total sales of 171,001 VWs.

For most, the Sixties began with the election of President John Kennedy, who promised a

"new frontier", and stirred Americans to ask not what their country could do for them, but rather the reverse. At the time, the Beetle Sedan sold for \$2393;

the Convertible for \$2995—assembly bargains by the standards of the day. Horsepower for both models was increased from 34 to 40 horsepower in 1961. And the very next year, the millionth Volkswagen imported to the US arrived in Englewood Cliffs. In Europe, the millionth Volkswagen Bus had been produced. By September 1965, the 12 millionth Volkswagen rolled off the assembly lines. The Volkswagen phenomenon was on its way.

The Sixties were years of expansion in every regard for Volkswagen. 1965



brought the opening of Europe's most modern wind tunnel in Wolfsburg, followed two years later by the opening of the Thix-Lesies proving grounds in northern Germany, with 62 miles of road surface the largest test track of its type in the world.

1966 also welcomed two larger Volkswagen models to America: the Squareback and Fastback models, both with rugged Beetle-type drivetrains coupled to vastly enlarged cargo space.

But small improvements weren't neglected in the Sixties: in 1967 Beetles acquired a conventional 12-volt electrical system, replacing the quirky European 6-volt system that had been previously used. Winter starting improved significantly. A new 1968 model Mercedes offered more glass, more power, and a then-innovative sliding loading door. And the 1968 Beetle acquired more modern one-piece bumpers, bolts in front seat headrests, and three-point front seatbelts. By year's end 1968, a record 390,079 Beetles had been sold in the US.



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The next year, the Apollo XI mission successfully landed two astronauts on the moon, where they left flags, time capsules—and an automobile made of light alloy materials.

For Volkswagen, the Seventies began with something old and something new, all rolled into one car. The new Super Beetle had the look of the lovable bug, but combined with thoroughly revised underpinnings that improved it in many subtle ways: more luggage area,

100-horsepower Street Jetta suspension, a larger fuel tank, and more horsepower. The fresh new design quickly helped VW break the previous 30-year production record of 13,007,833 cars.

It would be the Ford Model T, to become the largest-selling automobile in history (with a distinction that Volkswagen holds today).

But this decade did the entire world automobile industry inched on the horizon. In 1973, OPEC, all nations, imposed an oil embargo of 7.3 million barrels a day, causing a massive gasoline shortage, an instant recession, and the first oil shock.

Volkswagen's fuel-efficient cars were well-positioned to ride out the crisis, so the company was able to avoid the frantic re-engineering that other consumers

were forced to undertake. The 1973 model year also brought the introduction of the VW Thing, a rough-hewn utility vehicle with a no-nonsense military appearance. But for Volkswagen, large-scale change was definitely on the horizon. The first three-engine, water-cooled, front-wheel drive Volkswagen sold in the US arrived for the 1974 model year: a trimly handsome hatchback called the Dasher.



A year later, another pair of front-engine, front-drive models arrived. A worthy successor to the Beetle, the 1975 Rabbit (called the Golf everywhere except the US) combined excellent fuel economy and versatility in a fun-to-drive front-wheel drive hatchback, while the purposeful Scirocco sport coupe shared the Rabbit drivetrain, wrapped in sleek bodywork by the famous

Giorgio Giugiaro of Ital Design. Two years

later, a Rabbit Diesel brought the economy and durability of a compression-ignited engine to American car buyers; diesels would soon become a

feature in VW dealerships.

One final milestone marked the Seventies: a new factory for Volkswagens, in the farmlands of Westmoreland County, Pennsylvania, began building Rabbits. Later years would also find Westmoreland building VW Pickups, Golfs and Jettas.

The Eighties began with a little noticed but auspicious event: IBM introduced its first micro-

personal computer, the IBM "PC", in 1981. Though by no means the first or most powerful personal computing device, it ushered in a two-decade era of transformation that soon provided computing and information-access to virtually everyone from the candy store to the Congress.

Four new Volkswagens appeared for the 1980 model year. They were the Jetta sedan, the Rabbit Convertible, the third generation of the VW Bus called the Vanagon, and a light-duty pickup based on the Rabbit. Two years later, these were followed by a larger, more elegant four-door family sedan, the Quantum. Also new for the 1982 model year was a second generation Scirocco, which took its rounded look and took on the rounded shapes generated by wind tunnel drag.

But Volkswagen's most successful sports car of the Eighties was a two-door version of the Rabbit, equipped with a powerful engine and better suspension: the GTI. From the moment of its introduction, the Westmoreland-built 1983 Rabbit GTI was accepted up faster than the company could build them. Dubbed the "Pocket Rocket" or "Nickel Missile" by enthusiasts, it forever changed expectations of affordable performance cars. A successor version was named "Car of the Year" by Motor Trend magazine in 1985.



By the mid-Eighties, the squarish shapes of the Rabbit and Jetta were beginning to tire, and VW dramatically improved look with revised second-generation versions. The Jetta retained its name, but the Rabbit name was dropped in favor of "Golf" Larger, sleeker, and better equipped, they were just as fuel-efficient as their predecessors. This engineering feat was soon matched by the launch of both Quantum Wagon and Vanagon models with an advanced all-wheel drive system called "Synchro."

As the Eighties moved forward, attention also focused on inexpensive second cars, and Volkswagen sourced new models from its worldwide operations. The result was a new entry-line sedan and wagon, called the Volkswagen Fox. Fox

models arrived in US showrooms in early 1987. Built in Brazil to German standards, they offered surprising passenger and cargo space—and surprising toughness—in a very affordable package.



That same year a high performance 121-horsepower 16-valve engine bolstered the company's performance reputation when it was offered in GTI and Jetta GLI models—a rare case of an inexpensive car with the powerplant heart of a pricy sports model. The 16-valve models would soon become darlings of racers and driving buffs worldwide.

As a final coda to the Eighties, the Berlin Wall, which had divided East and West Berlin since 1961, was torn down in 1989. Freedom supplanted a symbol of oppression without a shot being fired. Fragments of the shattered wall were made into jewelry and paperweights.

The Nineties began as a time of reconsideration; consumer studies showed the excesses of the Eighties were giving way to a renewed emphasis on family and community as opposed to material goods. In line with this trend, a significant new model arrived for the 1990 model year: the large, stylish, and family-oriented Passat Sedan and

Wagon. But performance enthusiasts were not abandoned; the supercharged Corrado, a pure sports car successor to the Scirocco, arrived. And the GTI received a power boost from a 2.0-liter



134-horsepower engine. Finally, a large-scale 1991 safety study of 1985 to 1987 cars by the Insurance Institute for Highway Safety bestowed proof of another Volkswagen

# 1970s 1980s

strength: it ranked the Jetta in its top-ten, with the lowest fatality rate among small four-door cars. The same year, a new breed of turbocharged diesel engine, called ECODiesel, became available in the Jetta.

# 1990s

By the 1993 model year, the Corrado and Passat became the first US models to use an innovative new narrow-angle VR6 engine that combined the compactness of a V-6 engine and the simple design of inline six-cylinder motors. And in 1993 the EuroVan became the great-grandchild of the original VW Microbus. It was the first front-engine, front-wheel drive VW van.



The big news of the early Nineties was the arrival of the new Jetta III and Golf III models—the III symbolized that these cars were the third generation of the original Golf (Rabbit) and Jetta. They

were sleeker, more rounded, roomier and more powerful than their predecessors. Launched in 1993 as 1994 models, they generated huge anticipation and excitement. Along with the launch of these new cars, Volkswagen also took a pioneering step by providing a new 10-year, 100,000-mile powertrain limited warranty—one of the longest in the world. This decade-long commitment covers all 1995 Volkswagen passenger car models. Due in part to the revised model line-up, Volkswagen sales in the US for 1994 were nearly double 1993 levels. The Jetta quickly became the best-selling European nameplate in America.\*

Excitement of a different nature surrounded the Concept One prototype—a new car evoking the spirit of the original Beetle—which debuted at auto shows in 1994, generating overwhelming enthusiasm. Volkswagen soon slated a similar production car by the year 2000.



For 1995, an entirely new third-generation VW convertible debut, called simply the Cabrio, and the English Volkswagen Passat receives styling refinements and more standard equipment—including dual air conditioning

tal restraints. Passat GLX models are powered by Volkswagen's innovative VR6 engine.



though an attractively priced four-cylinder Passat GLS Sedan is also offered. The new GTI and Jetta GLX models are also equipped with the 172-horsepower VR6, an engine distinguished by two of the world's most respected automotive publications. Both *Ward's Auto World* and Great Britain's *Car* magazine rate the VR6 among their "Top-Ten Engines" for 1995.

Volkswagen celebrates the Fortieth Anniversary of its incorporation in America. In response, the company commences a national celebration, and televises a 30-minute history of the company in many markets, called *Our Time: Volkswagen Reborn*.

What does the future hold? In the near term Volkswagen will soon offer models powered by advanced Turbo Direct Injection (TDI) engines that combine high fuel efficiency, reduced emissions, low maintenance and spirited performance. In the longer term, Volkswagen's pioneering Concept One technology will begin to show up in production models between now and the year 2000.



\*Based on 1994 calendar year sales of individual European models in the US.



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