

# **The biggest threat to SUVs: A war-related oil crunch**

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*(originally published in the Detroit Free Press - February 20, 2003)*

What can Iraqi President Saddam Hussein do that consumer activists, the media elite, environmentalists and anti-SUV campaign spokeswoman Arianna Huffington cannot?

Kill sales of sport utility vehicles, or at least run SUVs off our highways for a while. It's happened before, and if we attack Iraq, it likely will happen again - in a matter of weeks.

Picture this. It's July 1979. The Shah of Iran has just left town, and Ayatollah Khomeini and his clerics are in charge. Crowds are rioting in the streets of Tehran. American hostages are escorted to jail - no trial - no hope of release. For the second time in a decade the world's oil supply is iffy and gasoline prices are going through the roof.

I am chief executive officer of the only American company making SUVs - American Motors Jeep vehicles - and suddenly the world stops, at least for us.

Things had been going so well at American Motors until then. We had resurrected a dying brand of off-road oddities a few years earlier after our car business went south.

We'd bought Jeep in 1970, and it was a blessing. Profits you wouldn't believe, buyer loyalty that could n't be beat, and sales growing like crazy. For a car company otherwise headed for the graveyard, it is thrilling. New plants are required to meet demand. Earnings are soaring.

Then the wheels come off. Sales suddenly die. The buying public awakens to the fact that our pride and joy - our four-wheel-drive darlings - are gas-guzzlers. And with the cost of oil soaring and the price of gas predicted to reach \$5 a gallon, people are rethinking what they are driving.

They did. And we died.

I can remember the day it happened. On a summer Saturday afternoon, I am driving my company car to my favorite spot on a lake near my home in Bloomfield Township. My Hobie Cat sailboat awaits me for a couple of hours of jibing and tacking. The best diversion a weary automotive executive could hope for. But something catches my eye, and my world collapses.

What I see is an endless sea of orange "for sale" signs. Not on property or houses, but on Jeep vehicles parked near the road in driveways - probably hoping to draw a buyer who hadn't awakened to the fact that there is a war on, gas availability is threatened and oil prices are skyrocketing.

Well, that following Monday morning, I learn the awful truth. Jeep sales are plummeting. Everyone seems to know about it except me - not an unusual experience for a chief executive, sad to say. My factory salespeople still think they can sell our production. But Jeep dealers are standing around in empty showrooms. Even in the hard-core SUV markets in Nantucket and Aspen.

Suddenly, the SUV bonanza is a bust and with it the hopes to revitalize my company. Overnight, SUVs are condemned to the trash heap or more appropriately the junkyard. All because some top honcho in the Middle East was running for his life.

What if this is happening all over?

Now almost 25 years later, American forces are on the verge of a Middle Eastern invasion. If the experience in Kuwait 10 years ago is any barometer, Hussein will not go quietly. And this time he has enough advance warning to blow up his oil fields and destroy the industrial infrastructure before he leaves. It could be years before his oil flows again.

If it's a short war, damage will be fleeting. If not, oil shipments may dwindle for a long time, especially if the conflict spreads to other Middle East nations already resenting American strength.

So maybe Arianna Huffington and her ilk will get what they want. But it won't be because her appeal hit home with SUV drivers - that's quite unlikely.

It'll more likely come if Saddam Hussein is run out of town, and SUVs go right behind him. We'll know shortly.