

Charles Stewart Rolls was a pioneering car dealer who needed an upmarket model to boost flagging sales. Henry Royce was a brilliant engineer who made cranes in Manchester. It was a marriage made in heaven.

Royce's technical ability combined well with Rolls' credibility among the English upper classes. Rolls-Royce cars quickly established an unrivalled reputation for quality, innovation and reliability, and that reputation has lasted to this day.

Rolls-Royce didn't just make cars, however. Rolls-Royce Merlin engines powering Spitfire aircraft helped win World War II.

Despite the image many now have of the British as being quaintly old fashioned, in the years following the war British industrial engineering was often both innovative and practical. In the 1950s, Japanese companies like Nissan & Toyota largely copied British cars, not American or European ones.

The late 1950s saw Rolls-Royce in reasonable shape, with a new, modern car model on the way and aircraft engine development going at full speed.

However, in the 1960s, the unexpectedly high costs of developing an innovative engine for the new Lockheed TriStar put Rolls-Royce in serious financial trouble. The British government could have saved the company simply by providing loan

guarantees, but nothing effective was done and Rolls-Royce went bankrupt in 1971. The same government that couldn't provide loan guarantees then found the money to nationalise Rolls-Royce and keep it running.

The new Rolls-Royce aircraft engine was a great success and thus the aircraft engine division – eventually privatised as Rolls-Royce PLC – became a completely independent entity.



That the Rolls-Royce car company survived is something of a miracle. The Rolls-Royce car division was considered a white elephant and under government ownership suffered years of near-zero technological development. The last new

ROLLS-ROYCE

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Official name: Rolls-Royce Motor Cars Limited.

Owned by: BMW.

Formerly owned by: Volkswagen and, before that, Vickers.

Current situation: After a messy beginning, Rolls-Royce has thrived under BMW's ownership. However, after the massive investment required to modernise the factory, Rolls-Royce is only marginally profitable. Although BMW would like to make money from Rolls-Royce, Rolls-Royce is really just a 'trophy' brand which gives prestige to BMW.

Chances of survival: okay.

The luxury car market is notoriously fickle and Rolls-Royce's sales will go up and down with the global economy. However Rolls-Royce is such a prestigious brand that some other carmaker is certain to buy the brand even if Rolls-Royce loses money •

model was produced in the early 1960s and everything from then till nearly the end of the century was a tart-up of the original 1960s model. True. Eventually the government effectively gave the Rolls-Royce car company to Vickers PLC because no one else wanted it.

Slowly and sadly, the Rolls-Royce motor company followed the rest of the British motoring industry into decay and then ruin – effectively abandoned after decades of poor decisions and lack of investment. Finally, in the early 1990s, Vickers PLC – the last British owner – decided to sell up.

BMW, which was already a major supplier of engines to Rolls-Royce, started talking seriously to Vickers. Vickers, however, was playing BMW off against Volkswagen. Volkswagen was tired of making cars for the masses and wanted a share of the more lucrative luxury car market.

A bidding war began, ending, apparently, when Vickers agreed to sell Rolls-Royce to Volkswagen for US\$704 million.



There was one small flaw in Volkswagen's master plan. After the deal was done, it was discovered that the aircraft engine company – Rolls-Royce PLC – owned the rights to both the Rolls-Royce brand and trademark. In other words, Volkswagen could make Rolls-Royces, but they couldn't *call* them Rolls-Royces.

Rolls-Royce PLC had only been licensing the Rolls-Royce brand to the Rolls-Royce car company, a fact that everybody – including Volkswagen's corporate lawyers – overlooked.

As if that wasn't bad enough, Rolls-Royce PLC announced that it was licensing the rights for the Rolls-Royce brand not to Volkswagen, but to Volkswagen's rival – BMW, for \$66.3 million.

After a stunned silence, Volkswagen had no choice but to negotiate a settlement – and what a complex agreement it was:

BMW agreed to let Volkswagen use the Rolls-Royce name – but only until 2003, when ownership would revert back to BMW. BMW in turn agreed to keep supplying BMW parts to Rolls-Royce until 2003. Volkswagen agreed to keep making Rolls-Royce cars until then. Under the agreement Volkswagen retained the Bentley brand and continued Vickers' policy of rebadging Rolls-Royces as Bentleys until 2003.

Now Rolls-Royce and Bentley are entirely different companies that share a couple of models but are rapidly moving in opposite directions.

Despite acquisition by Germans, modern Rolls-Royces still maintain that warm, hospitable feel that few Japanese and no German vehicle of recent times has ever produced •



The Spirit of Ecstasy

In the first decade of the twentieth century it became fashionable for English Rolls-Royce owners to personalise their vehicles with a mascot. The most elegant of these mascots was fitted to the car of Lord Montagu of Beaulieu, who customised the plain front of his Rolls-Royce with a statuette of his lover, Eleanor Velasco Thornton.

Lord Montagu had good taste, but there was no guarantee that his imitators would. This random customisation worried the folks at Rolls-Royce because their car was the vehicle of choice of the English aristocracy – if tasteless cretins cheapened the marque's image with vulgar objects like gold-plated golf balls – or worse – then Rolls-Royce's good name could end up in the toilet.

Ergo, Rolls-Royce approached Charles Robinson Sykes (the same sculptor who had designed Lord Montagu's original bonnet babe) to design an official Rolls-Royce mascot. Sykes agreed, and, using the lovely Eleanor Velasco Thornton once more as his model, he produced a statuette that bore a remarkable resemblance to Lord Montagu's.

Imitation is the sincerest form of flattery and Lord Montagu didn't seem to mind, so the new mascot, formally titled *the Spirit of Ecstasy*, became an

optional extra on every new Rolls-Royce.

Many within Rolls-Royce considered the statuette to be vulgar. However, after winning an international car mascot competition in the 1920s, the Spirit of Ecstasy (often wrongly called: 'the flying lady') quickly became inseparable from Rolls-Royce cars – except by the thieves who detached them thinking they were made of precious metals.

Like the brand she represents, the Spirit of Ecstasy is a survivor.

As the fronts of Rolls-Royces grew more modern, she grew smaller and then knelt to give the driver and passengers a clearer view.

A minor crisis hit in the 1970s when the Spirit of Ecstasy was classified as a sharp-edged piece of metal jutting from the coachwork and so was banned in Switzerland. Swiss owners' vehicles were thus delivered with the mascot in the glovebox.

Rolls-Royce then solved two problems with one solution. On modern versions, if you bang into – or try and steal – a Rolls-Royce bonnet emblem, she will quickly vanish into the radiator surround, patiently awaiting her owner's directive to reappear •



BUYING A USED



ROLLS-ROYCE

The mystique of Rolls-Royce is such that even cold and cynical car companies will fight for the rights to make one.

This mystique has clouded the minds of many a Rolls-Royce car buyer, too. They are indeed lovely cars, but their technology until very recently was on par with a Morris Minor and the recent addition of fancy German electronics has not entirely improved the brand's reliability.

Beware the cheap Rolls-Royce. There's no such thing, and despite what you may have heard, they do break

down like any other car when they get old, and the repair bills will exceed your worst nightmares.

Here's a few tips for those brave enough to buy one:

- Check to see how long the seller has owned the vehicle. If it's less than three months and he's selling from home, he's probably an illegal dealer. Exercise great caution.

- You should always ask for a **Service History**; that is, receipts for maintenance and repairs. If the vehicle does not have these or there are gaps in the records. **RUN AWAY AS FAST AS YOU CAN!**

- If there is a recognised Rolls-Royce garage near you, pay them to check out the vehicle **REGARDLESS OF COST**

A badly serviced or abused Rolls-Royce could easily cost you the purchase price twice over: once for the car, once for the repairs (even hubcaps cost several hundred dollars each) •

