

# The Family Heritage Series

A weekly discussion of Americanist truths and traditions for those "heirs of all the ages" who will have to preserve that most important inheritance of all — freedom. Produced by the Movement To Restore Decency.



Volume II

Lesson Eighty-Seven

## Fifteen Million Model T's

### LESSON IDEA

To show how Henry Ford combined imagination, determination, and perseverance to revolutionize the automobile industry — and to benefit every American who wanted an inexpensive, reliable motor vehicle.

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**I**N 1900 an automobile was in much the same category as a yacht is today. Many Americans wanted one, but only the rich could afford such a luxury. A motor car was a plaything. A prestige item. A status symbol. Each high-priced mechanical wonder was carefully built by hand — a product of individual craftsmanship. The engine was meticulously put together by skilled machinists like John and Horace Dodge; the transmission by other expert craftsmen; and the rear axle differential by still others. Then a versatile mechanic took all the essential parts, together with a frame, and built a car. He labored over his mechanical carriage, tinkered with it, worried over it, and fussed with it until its engine had the healthy hum which would propel its obliging chassis out of the shop and onto the selling lot.

Nine years passed with only a few changes in this basic manufacturing procedure. The hiring of unskilled men as stock-runners, or stock-chasers, to fetch the parts the mechanic needed from the tool crib, was one notable change. The mechanic's time was too valuable, the car-makers decided, to be wasted in walks to and from parts bins. And at the Ford Motor Company, the unorthodox Henry Ford

had split up the mechanic's job among several men, working side by side, each one responsible for a limited set of operations.

Naturally a car put together with such special attention was worth its two-thousand-dollar selling price. Nobody quarreled about that. The difficulty came in finding two thousand dollars, or even one thousand, or even eight hundred and fifty (the price of the most economical Ford), in the days when most Americans were paid two dollars *a day* in wages — that is, just ten dollars a week or five hundred and four dollars a year. Spending four years' salary on a car — when a horse would serve as well, or better — was unthinkable.

Imagine, then, how you might have felt if you had opened your newspaper one evening in 1908 and read the following ad signed by Henry Ford:

*I will build a motor car for the great multitude. It will be large enough for the family but small enough for the individual to run and care for. It will be constructed of the best materials, by the best men to be hired, after the simplest designs that modern engineering can devise. But it will be so low in price that no man making a good salary will be unable to own one — and enjoy with his family the blessing of hours of pleasure in God's great open spaces.*

Was Ford joking? Or was he becoming senile? After all, he was approaching fifty. And everyone

knew he was an uneducated man. Of books and formal education even in his special sphere, he knew next to nothing – and cared less. Other car-makers had been in business longer than Ford, and several had shown more expertise.

The most complimentary thing you could say about Henry Ford, the man who was promising to put one of the country's most fascinating status symbols within everyone's means, was that he was a shrewd, ingenious, persevering Yankee mechanic. He was self-made and self-taught, a product of a midwestern farm and of the Michigan machine shops; and he had succeeded in marketing a well-made car for a modest price.

**T**HE FORD IDEA was unique. While other manufacturers were intent on producing a new model every year so that the more prosperous owners would get rid of their old cars and buy new ones, Henry Ford wanted to build a car that would last for years. He called it a "universal car," and what he meant by the term "universal" was that parts on the first models and corresponding parts on later models would be as much alike as "pins or matches," making repairs always easy and cheap. The family that bought a Ford could expect to keep it for many years simply by replacing worn-out parts with new ones. There never would be a time, if Henry had his way, when a Ford owner would be told that the part he needed was "not made any more" or that "the newer models had changed all that."

Moreover, the "universal car" would never be outdated by a stylish new model. Year after year it would look the same and be painted the same color – black. Not having to change styles would mean an

enormous savings in tools and machines, Henry had decided; and while his competitors spent their profits on new tools and new machines for new models each year, Ford planned to pass on his savings to the customer by lowering the selling price each year. The "universal car" was to be the Model T – the sole product of the Ford Motor Company for nineteen years after the 1908 announcement.

Ford's customers loved the idea; his stockholders hated it; and his salesmen began looking for new jobs. Was this unique plan to steadily reduce the selling price a sound business practice, or was it, as most people believed, a sure way to bankruptcy? [*Encourage a family discussion on profits. Who is entitled to decide what should be done with profits? The stockholders? The owners? The managers? The workers? What effect will the different ideas discussed have on the prosperity of a business?*]

The Ford theory was: If a car costs a dollar less to produce, and the dollar comes off the price, the result is that more people are able to buy. More buyers make a still larger business. A larger business still further reduces the cost, which in turn increases the business again. If, on the other hand, the one dollar saved is added to the manufacturer's profit, the price of the car remains the same and there is no incentive for more people to buy cars. If the dollar saved is added to wages instead of being subtracted from the car's price tag, there will be no change in the volume of business. But sharing the profit with the public yields an immediate advantage: As prices go lower, business increases; more men are employed; wages increase; and profits rise.

**P**UTTING THE FORD theory into practice created many production problems – the most serious of which was a lack of skilled technicians. As the sale of Model T's climbed from eleven thousand per year to eighteen thousand to thirty-four thousand, a frantic search began for mechanics, assemblers, machinists, and other expert craftsmen. The question was: Could enough be found to keep pace with increased production? The answer was *no*. But Ford's solution to the dilemma was as simple, and as unique, as his other innovations. If the present method of production was inadequate, the system had to be changed. Unskilled labor, of which there was always plenty, had to be used instead of skilled

#### FOR SERIOUS STUDENTS

*The Wild Wheel*, Garet Garrett's book about the life and career of Henry Ford, is perhaps the best account of Ford's extraordinary life. In the foreword Garrett, who knew Ford personally, describes the great industrialist as America's last and best practitioner of *laissez faire* capitalism – a "divine mechanic . . . who thought with his hands." *The Wild Wheel*, published in 1952, is available at most public libraries, and we urge you to read it.

