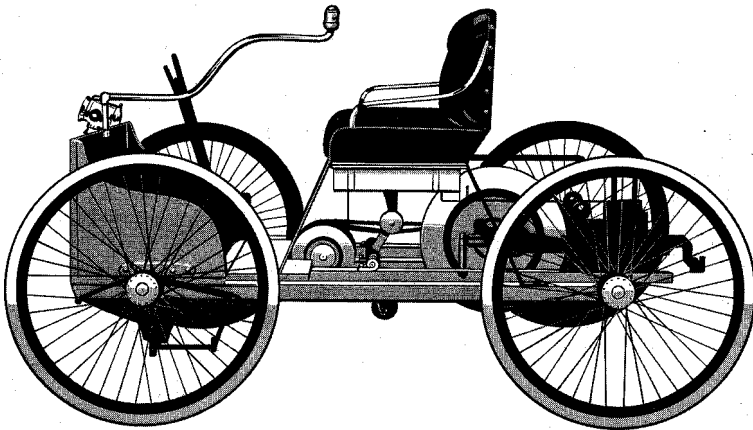




An American Legend





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ASK THE QUESTION, "Who invented the automobile?" and a high percentage of the answers will be, "Henry Ford." This popular misconception is a tribute to the man who made the automobile possible for millions.

Although it is generally conceded that the automobile was actually conceived and born in Europe, a number of American and European experimenters worked on the idea at approximately the same time in the late 1800s. Full credit can be given Henry Ford, however, for building the automobile millions could afford. His guiding philosophy was: "I will build a motor car for the great multitude . . . it will be so low in price that no man . . . will be unable to own one."

Thanks to Henry Ford's vision and zeal, the Ford Motor Company was born.

Three giants—steel, oil and transportation—set the stage for Henry Ford and the beginning of Ford Motor Company. In 1864, a year after Ford's birth, the open-hearth process was developed and the modern

Three Fords who molded Ford Motor Company: Henry, Edsel, Henry



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Dearborn, Michigan
Printed in U. S. A.

of steel began. The following year, the oil industry laid in the valley of the Allegheny River the first short stretch of the vast network of pipe lines that would eventually fuel a parade of 75 million automobiles. In 1869, the American continent was spanned with iron rails.

The Ford Motor Company was launched in a small converted wagon factory in Detroit on June 16, 1903. Its assets consisted of tools, appliances, machinery, plans, specifications, blueprints, patents, a few models and \$28,000 in cash supplied by 12 investors.

Along with Henry Ford, the first stockholders of the infant corporation were a coal dealer, the coal dealer's bookkeeper, a banker who trusted the coal dealer, two brothers who owned the machine shop that made the engines, a carpenter, two lawyers, a clerk, the owner of a notions store and a man who made windmills and air rifles.

The first car offered for sale was described as "the most perfect machine on the market" and "so simple that a boy of 15 can run it." The first sale was made to Dr. E. Pfennig, of Chicago, who bought the car a month after the company's incorporation, much to the delight of the worried stockholders who were nervously eyeing a bank balance that had dwindled to \$223.

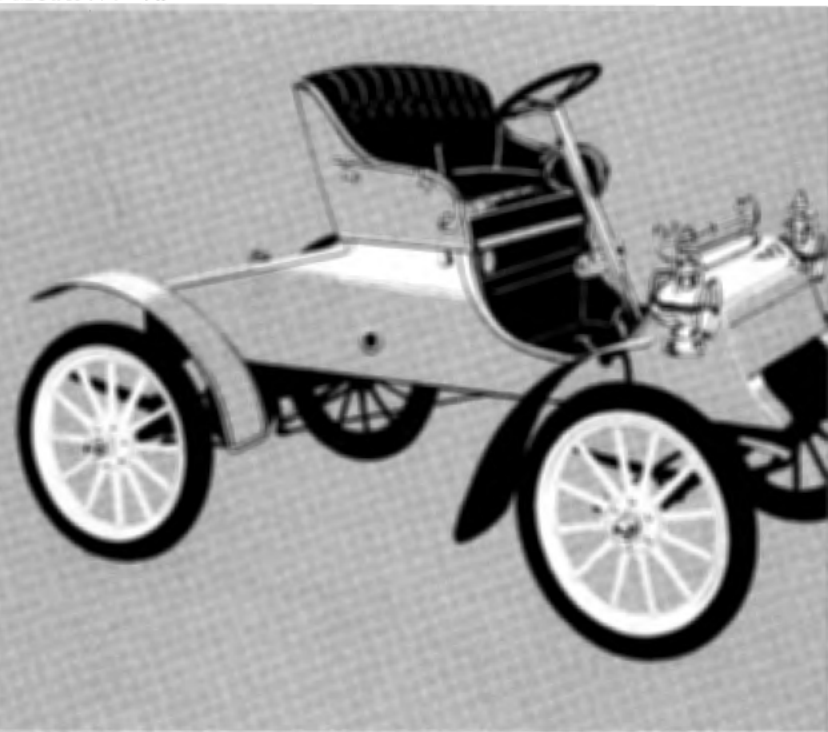
For the next five years, young Henry Ford, first as chief engineer and later as president, directed an all-out development and production program which shifted in 1905 from the rented quarters on Detroit's Mack Avenue to a much larger building at Piquette and Beaubien streets. A total of 1,700 cars—the early Model A's—came sputtering out of the old wagon factory during the first 15 months of operation.

Between 1903 and 1908, Henry Ford and his engineers feverishly went through 19 letters of the alphabet—from Model A to Model S. Some of these cars were experimental models which never reached the public. Some had two cylinders, some had four, and one had six; some had a chain drive and some a shaft drive; and in two the engine was placed beneath the driver's seat. Perhaps the most successful of the production cars was the Model N—a small, light, four-cylinder machine which went on the market at \$500. A \$2,500 six-cylinder limousine, the Model K, sold poorly.

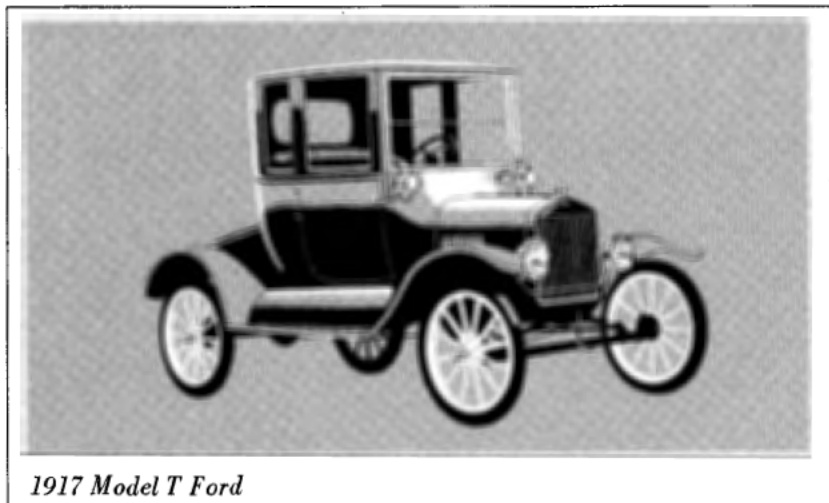
The Model K's failure, along with Mr. Ford's insistence that the Company's future lay in the production of inexpensive cars for a broad market, caused increasing friction between Mr. Ford and Alexander Malcomson, the Detroit coal dealer who had been instrumental in raising the original \$28,000. As a result, Malcomson left the company and Mr.



1896 Quadricycle



1903 Model A Ford



1917 Model T Ford

Ford acquired enough of his stock to increase his holdings to 58½ per cent. He became president in 1906, succeeding John S. Gray, a Detroit banker, on his death.

But disagreements among stockholders did not threaten the young company's future nearly as seriously as did a man named George Selden. Selden had a patent on "road locomotives" powered by internal combustion engines. To protect his patent he formed a powerful syndicate to license selected manufacturers and to extract royalties for every "horseless carriage" built or sold in America.

Hardly had the doors been opened at the Mack Avenue factory when Selden's syndicate filed suit against the Ford Motor Company, which bravely had gone into business without a Selden license.

Other, stronger, automobile companies had paid royalties rather than risk battle with the Selden syndicate. But Henry Ford was convinced that George B. Selden's patent on all road vehicles powered by internal combustion engines was invalid and should be resisted. So he and his partners fought the suit.

Eight years later, in 1911, after costly and incredibly complicated court proceedings, Ford Motor Company won the battle which freed it, as well as the entire booming automobile industry, from this threat to further development.

Meanwhile, despite harassments from Selden's syndicate, the little company flourished. Up to this time, the automobile had been a rich man's

toy. But it was Henry Ford's dream to build a rugged, simple car at price low enough for anyone to afford. That dream car was the Model T, the most famous automobile ever built. Although it ultimately sold for low as \$260, without extras, nearly everybody liked the extras and the average price was about \$400.

The Model T chugged into history on October 1, 1908. Henry Ford called it the "universal car." It became the symbol of low-cost, reliable transportation that could get through when other cars stuck in the mud roads. The Model T won the approval of millions of Americans, who affectionately dubbed it "Lizzie." The first year's production of Model T reached 10,660, breaking all records for the industry.

By the end of 1913, Ford Motor Company was producing half all the automobiles in the United States. In order to keep ahead of the demand, Ford initiated mass production in the factory. Mr. Ford reasoned that with each workman remaining in one assigned place, with one specific task to do, the automobile would take shape more quickly as it moved from section to section, and countless man-hours would be saved.

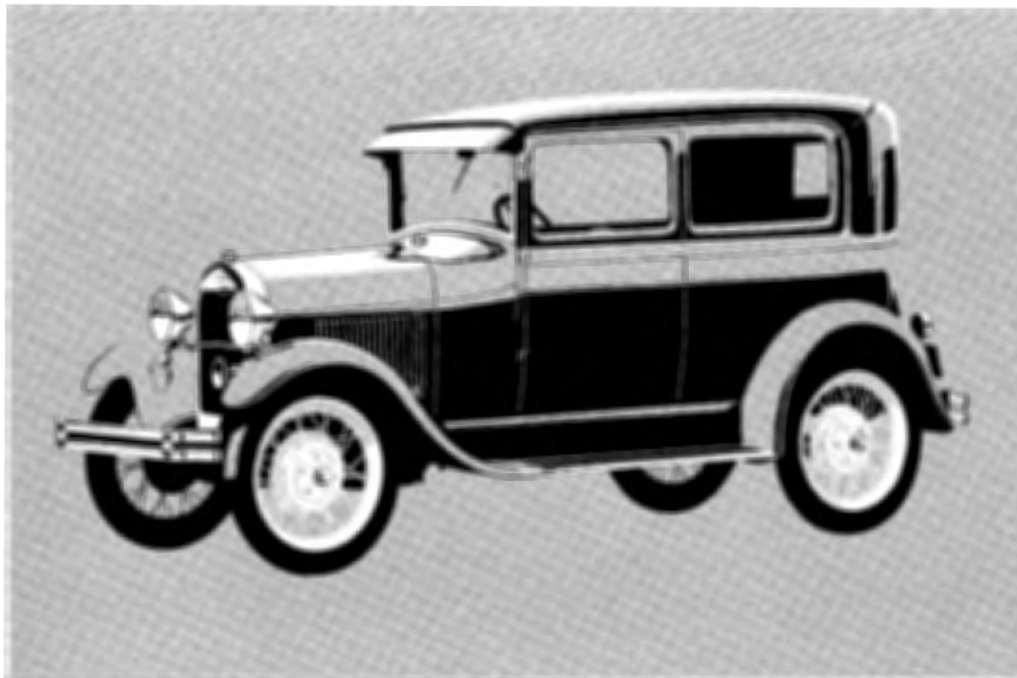
To test this theory, a chassis was dragged by rope and windlass along the floor of the Highland Park, Michigan, plant in the summer of 1913. Modern mass production was born! Eventually, Model T's were rolling off the assembly lines at the rate of one every 10 seconds of each working day.

Henry Ford startled the world on January 5, 1914, by announcing that Ford Motor Company's minimum wage would be \$5 a day—more than double the existing minimum rate. Mr. Ford felt that since it was not possible to build inexpensive cars in volume, more of them could be sold if employees could afford to buy them. Ford considered the payment of \$5 for an eight-hour day the finest cost-cutting move he ever made. "I can find methods of manufacturing that will make high wages," he said. "If you cut wages, you just cut the number of your customers."

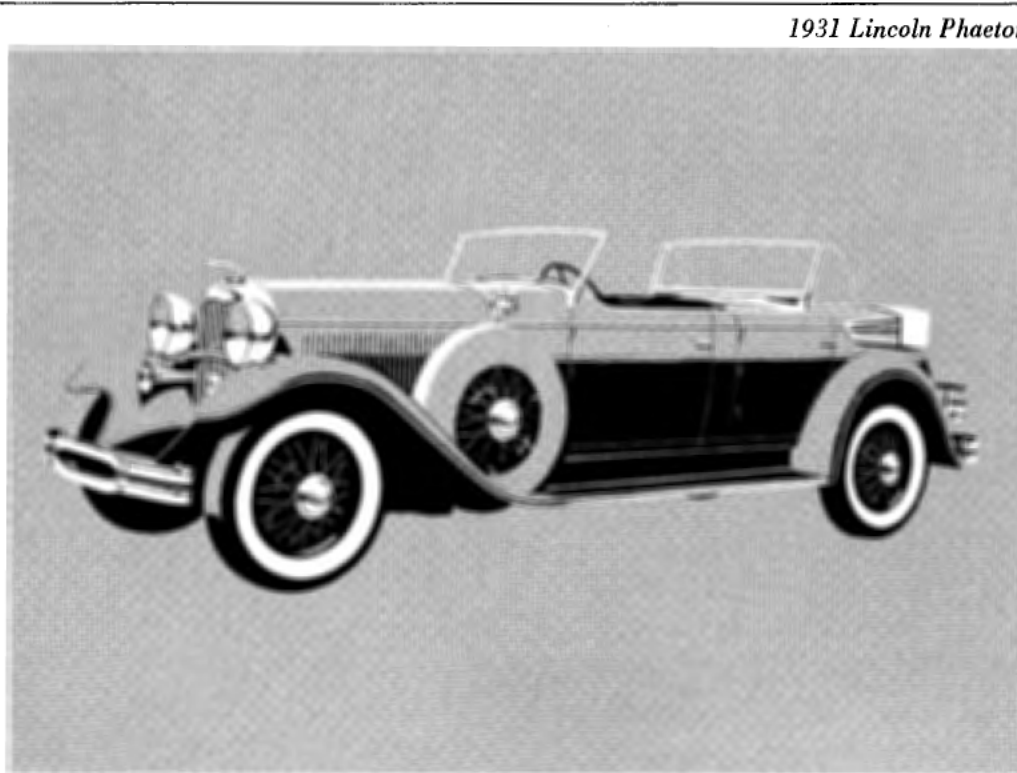
The Model T started a rural revolution. The \$5 a day and the philosophy behind it started a social revolution. The moving assembly line started an industrial revolution.

In the 19 years the Model T was in production, 15,007,033 cars were sold and the Ford Motor Company became firmly established as a giant industrial complex that spanned the globe. During these years of feverish expansion, the Company:

- Moved to a larger plant in Highland Park, Michigan (1910).
- Established the industry's first branch assembly plant, in Kansas City, Missouri (1911).



1928 Model A Ford



1931 Lincoln Phaeton

- Established new plants in Philadelphia, Minneapolis, Long Island City and Buffalo to keep up with demands for cars (1913).
- Began producing trucks and tractors (1917).
- Began construction of the giant Rouge complex in Dearborn, Michigan (1917).
- Mass-produced the "Eagle" boats, famous World War I submarine chasers (1918).
- Became wholly owned by Henry Ford and his son, Edsel, who succeeded his father as president (1919).
- Bought the Lincoln Motor Company (1922).
- Built the first of 196 Ford Tri-Motor airplanes used by American first commercial airlines (1925).

By 1927, time had run out on the Model T. Improved but basic unchanged for so many years, it was losing ground to the more stylish and more powerful machines being offered by Ford's competitors. On May 1, 1927, Ford plants across the country closed for six months to retool for the Model A.

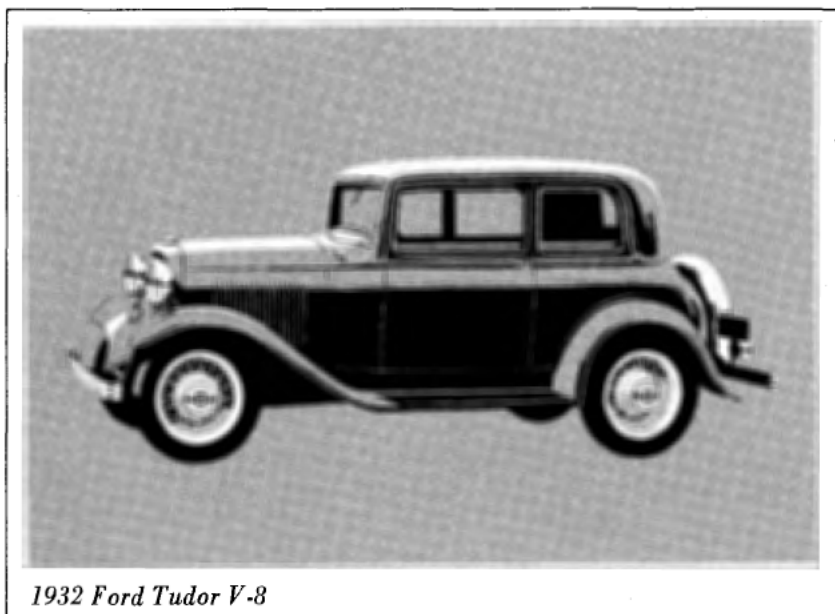
The Model A was a vastly improved car in every respect. More than 4,500,000 of them, in several body styles and a wide variety of colors, rolled onto the nation's highways between late 1927 and 1931.

But the Model A was finally pushed aside by a consumer demand for even more luxury and power. Ford Motor Company was ready with plenty of both in its next entry—its first V-8—which was introduced to the public on April 1, 1932. Ford was the first company in history to cast a cylinder block in one piece successfully. Experts told Mr. Ford it couldn't be done. It was many years before Ford's competitors learned how to mass-produce a reliable V-8. In the meantime, the Ford car and its powerful engine became the darling of performance-minded Americans.

The Mercury was Ford's entry into the growing medium-priced field. Production started on the Mercury in 1938—six years after the introduction of the V-8.

Civilian car production came to a sudden halt in 1942 when it became necessary for the Company to throw all of its resources into the war effort. Initiated by Edsel Ford, the giant wartime program produced 8,600 four-engine B-24 "Liberator" bombers, 57,000 aircraft engines and more than a quarter of a million tanks, tank destroyers and other pieces of war machinery in less than three years.

Edsel Ford died in 1943, just as his program was reaching its maximum efficiency. A saddened, older Henry Ford resumed the presidency until



1932 Ford Tudor V-8

end of World War II when he resigned for the second time. His oldest grandson, Henry Ford II, who is now chairman of the board, became president on September 24, 1945.

Even as Henry Ford II drove the industry's first postwar car off the assembly line, he was making plans to reorganize and decentralize the Company. Losing money at the rate of several million dollars a month, the Ford Motor Company was in critically poor condition to resume its prewar position as a major force in the fiercely competitive auto industry. Much the same as his grandfather faced the problems of the company's beginning, young Henry Ford II tackled the job of building an automobile company all over again.

Having finally relinquished the company's operation to his grandson, Mr. Ford lived quietly with his wife, Clara, at their estate, "Fair Lane," in Dearborn until his death on April 7, 1947, at the age of 83.

Soon after his death, his two younger grandsons, Benson and William Clay, assumed greater responsibilities with the Company. Both men now serve as vice presidents.

Henry Ford II's postwar reorganization plan rapidly restored the Company's health and launched it on an expansion program which has

added 28 manufacturing plants, 14 assembly plants, 22 parts depots, huge proving grounds and 24 engineering, research and office buildings in the United States. Besides substantially increasing Ford's vehicle production facilities, this program has established Company diversification into financing (Ford Motor Credit Company), insurance (The American Road Insurance Company), automotive replacement parts (Autolite-Ford Parts Division) and electronics, computers, space technology and home appliances (Philco-Ford Corporation).

Ford Motor Company was only a year old when it inaugurated foreign expansion program in 1904 with the opening of a modest plant in Walkerville, Ontario, named Ford Motor Company of Canada, Ltd.

From this small beginning has grown an overseas organization of manufacturing plants, 31 assembly plants and 36 parts depots employ approximately 152,000 persons who build and sell Ford products in 100 countries and territories around the world. Ford produces millions of cars, trucks and tractors annually; it is a leader in automobile sales outside North America.

Ford Motor Company became a publicly owned corporation in January, 1956. Currently, the Company has more than 400,000 stockholders.

To an earlier generation of Americans, Henry Ford, the Model T and the tri-motored "Tin Goose" were Ford Motor Company.

To a later generation, the B-24 Liberator bomber and the "go anywhere" vehicles of World War II were Ford Motor Company.

Today, Ford is one of the largest industrial corporations in the world with a line of total-performance cars and trucks supplying the transportation needs of people everywhere. The Company's worldwide operations employ more than 365,000 persons, with an annual worldwide payroll of nearly three billion dollars. Ford's phenomenal growth since the Company was founded, its plans for continued expansion domestically and overseas and the Company's wide diversification, add up to tremendous employment opportunities.

Ford is a lot more than cars. It's a control center for astronauts circling the earth . . . an electronic machine that reads 36,000 zip codes an hour . . . the Mariner IV antenna sending back the first pictures from Mars . . . a laser beam that creates 10 million volts out of thin air . . . Philco refrigerators . . . medical research . . . guided missiles.

In slightly more than 60 years, Ford Motor Company has grown from one man, a small garage and a quadricycle to a vital American force making an important contribution to international economic stability.

*Published by the
Educational Affairs Department
Ford Motor Company
Dearborn, Michigan
mc/1166-10M*