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**THE FORD MOTOR COMPANY OF CANADA
1903-1929**

"Canadian Content" in a Multinational Setting

by

Peter McCormack Jr.

A Thesis

**Submitted to the Faculty of Graduate Studies and Research
through the Department of History in Partial Fulfillment of the Requirements for the
Degree of Master's of Arts at the
The University of Windsor**

Windsor, Ontario, Canada

1981



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ABSTRACT

THE FORD MOTOR COMPANY OF CANADA, 1903-1929 "Canadian Content" In a Multinational Setting

by
Peter McCormack Jr.

This study will focus on the Ford Motor Company of Canada from its establishment in 1904, to the introduction of the 'Model A' car in 1929. A common impression of the company is that it began as a U.S. branch plant or transplant operation and remained under the direct control of its American parent throughout its existence. Canadian auto enthusiasts and nationalist commentators in their search for 'Canadian' companies or investors concentrated on the 'losers' or 'might-have-beens;' 'or praised' Sam McLaughlin and his relationship with General Motors as being more 'Canadian' than the Ford experience in Canada. This study aims at clarifying the development of the Canadian Ford Company by examining its financial, industrial and marketing strategies under the direction of its Canadian managers, Gordon McGregor and Wallace R. Campbell.

Ford of Canada resulted from the initiative of a local Windsor entrepreneur who established his company through a business agreement with an American industrial genius. Unlike Nash, Studebaker and the Hudson Motor Company, Ford became a Canadian manufacturing firm, managed by Canadians pursuing Canadian profit, production and employment goals. By following the development of the first major Canadian auto industry, this study will highlight the company's progress and suggest that The Ford Motor Company of Canada followed policies adopted in its best interests. These policies responded to Canadian and Imperial conditions and occasionally

contradicted parent company policies in Dearborn, Michigan. This thesis will investigate areas of contradiction and emphasize the Canadian nature of the operation by examining stockholder arrangements, Henry Ford's anti-war statements leading to the 1915 Toronto boycott, the effects of tariff reduction, plant expansion into the British Empire and the leadership of Gordon McGregor and Wallace R. Campbell, the company's first Canadian president.

For my Family

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ABBREVIATIONS

WPL: Windsor Public Library (Main Branch)

FMC or Ford-Canada refers to:
The Ford Motor Company of Canada, Limited

PREFACE

Located in the southernmost section of Ontario, Windsor is an industrial center which was built from the manufacturing of automobiles and sub-components for automotive assemblies. Often overshadowed by Detroit, a larger industrial center to the north, the Canadian "car town" has often been described as an industrial appendage to American automotive operations. Detroit, the home of men such as Henry Ford, Henry Leland and the Dodge brothers, John and Horace, was a center of entrepreneurial genius which guided the automotive course of the United States of America. Detroit would become world renowned as a center of automotive production, research and technology; given its proximity to Windsor, one can begin to understand how Windsorites adopted some of the same ideas concerning automobile production. Canadian automobile entrepreneurs have often gone unnoticed in the wake of Detroit's rapid industrial growth. Two of them, Gordon M. McGregor and Wallace R. Campbell, created the foundation for a strong Canadian automobile operation in Windsor — The Ford Motor Company of Canada, Limited. Their story deserves to be told.

In 1904, the Ford Motor Company of Canada was established by a local wagon manufacturer, Gordon McGregor. A 35% Canadian tariff on automobile imports, a plan of self financing and access to a large Imperial market provided the basis for an agreement with Henry Ford. In exchange for 51% of the shares in the Canadian company, an agreement was signed which gave McGregor access to Ford patents, research and design information. In principle, the U.S. parent company was the majority stockholder, but the Canadian operation was run as an independent company which developed markets on its own initiative.

This study will focus on the development of the Ford Motor Company of Canada from 1903 to the 1929 stock plan and suggests that during the course of its development it was a 'distinctly Canadian managed operation' which in many instances was independent of the U.S. parent company. The Canadian enterprise was not simply another branch plant of the American operation. When the Canadian company began, the U.S. operation itself was a small assembly plant. The concept that Ford-Canada was a branch plant undervalues the role that Gordon McGregor and Wallace Campbell played in developing the largest automobile production operation in the British Empire. Regulated through the strong control of its Canadian managers, the company prospered by creating a strong manufacturing base to supply expanding domestic and international markets. The case of the Ford Motor Company of Canada is unique; it was not a U.S. transplant, but rather a joint venture pioneered by a Canadian.

CHAPTER I

INTRODUCTION

The Evolution of Early Automobile Production in Canada

The early automobiles of the 1890's were motorized buggles with steel tire wheels and an engine mounted in the rear. ¹ An oddity, motorized transportation was a peculiar invention which served as a 'toy' for the rich hobby enthusiast. In Essex County, Ontario, many small town newspapers reported the sighting of a motorized carriage as real news. The July 6, 1900 edition of a local newspaper, the Amherstburg Echo, noted that "A horseless carriage passed through our village last week," ² and a month later, a Kingsville paper announced "An automobile from Detroit struck town Tuesday and created quite a sensation on the streets." ³ Essex County provided a popular area for American motorists and picnic goers, while provincial attractions such as Niagara Falls drew many American tourists. ⁴ The car allowed for improved long distance travel and by 1903 growing public acceptance promoted industrial investigation in a new manufacturing business.

¹ As early as the 1850's steam buses ran in London, England, but these vehicles were discontinued because they caused a public disruption, disturbing horses. Charles Whipp, Speaking of Cars (Petrolia, 1882), 2.

² Windsor Daily Star, 21 August 1954; Ford Motor Company Scrapbook Collection, Windsor Public Library, 59; Neil F. Morrison, Garden Gateway to Canada: One Hundred Years of Windsor and Essex County 1854-1954 (Windsor, 1954), 181-182; and Amherstburg Echo, 6 July 1900.

³ Windsor Daily Star, 21 August 1954.

⁴ Windsor Daily Star, 21 August 1954. The Amherstburg Echo reported that, "... two horseless carriages passed through here last week. One carriage had a happy crowd who were going through to the Falls."

Blacksmiths, Bicycle Shops and Wagons

Hundreds of would-be inventors in wagon works, bicycle and blacksmith shops tinkered with the new idea of motorized transport; however, serious production of cars was very expensive and use of automobiles in Canada was thought to be a passing fad. John and Horace Dodge, later suppliers of engines and transmissions to the Ford Motor Company, were early leaders in Windsor's bicycle industry. In 1890, working out of the Dominion Typograph Company, the Dodge brothers developed new ball bearings to improve bicycle travel. A bicycle boom was in progress and the general manager of the typograph company, Frederick S.A. Evans, reached an agreement with the Dodges to manufacture bicycles.⁵ In August 1899, the Evans and Dodge Bicycle Company was established and production began in ". . . some extra space of the typograph plant on Medbury Block of Ouellette Avenue."⁶ By 1900, rapid progress had boomed sales making 'E and D' the largest manufacturing industry in Windsor.

A transition from bicycle to automobile was made when Evans and other prominent businessmen formed the Hamilton-based National Cycle and Automobile Company Limited. N.C.A. operated for one year and then it was absorbed by C.C.M. In 1900, C.C.M., the Canada Cycle and Motor Company, was established in 1899 to dominate the Canadian bicycle industry.⁷ The bicycle business experienced great

⁵ The bicycle business was very lucrative and U.S. factories employed between 50 and 1500 people. Pneumatic tires, precision machining and model changes helped to perpetuate the industry. Robert A. Smith, A Social History of the Bicycle (New York, 1972); and see Philip Parker Mason, The League of American Wheelmen and the Good Roads Movement 1880-1905, (Ph.D. Dissertation, University of Michigan, 1967).

⁶ Robert E. Ankl and Fred Frederiksen, "The Dodge Brothers in Canada," Vintage Vehicles of Canada, II (Sept/Oct., 1980): 8.

⁷ Denis Dugnet, "Automakers in Canada," Horizon Canada, I (1987): 44-48.

success through its initial years, but by 1903-04 the market declined drastically causing C.C.M.'s president, Tom Russell, to examine the possibility of automobile production. In 1905, the first Russell appeared in Toronto, a \$1300 Model A. Six years later, Russell incorporated his car company and continued to sell cars until 1915 when he sold his interests to Willys-Overland.

The automobile was not a fad and it was the bicycle more than any other invention which inspired its development. This chain driven, light weight means of transportation opened up the roads and improved commerce and transportation. Charles Whipp commented in his book, Speaking of Cars, that bicycles were important ancestors of the automobile:

And it was the agitation of bicycle clubs that led to better roads. But most important was the extraordinary sense of personal freedom that burst upon society with the bicycle boom of the 1890's, creating in the public mind an awareness of the automobile as a practical means of conveyance.⁸

The stage for automobiles was set in the 1890's by bicycles. Thereafter, inventors experimented with the gasoline internal combustion engine and companies sprang up to create automobiles.⁹ Most of the early advances in automotive technology came from Europe and the United States. In 1885-86, the car industry began to develop throughout Europe when Karl Benz and Gottlieb Daimler created gasoline engines in Germany. France also had its entrepreneurs such as Peugeot and Renault and in 1895, England's Herbert Austin drove his first model in Wolsey.

⁸ Charles Whipp, Speaking of Cars, 2.

⁹ Canada's first gasoline powered engine was constructed in 1867 by George Foss, a bicycle shop owner from Sherbrooke, Quebec. Foss was not a mechanic and had difficulty with the compression ratio of his invention. Charles Whipp, Speaking of Cars, 18.

Production of an automobile was a highly speculative venture in the United States. In 1893, the Duryea Brothers of Springfield, Massachusetts built a car but they lacked capital and went bankrupt within five years, a common fate of many small companies. About the same time, Charles B. King of Detroit, Michigan and Elmwood Haynes of Kokomo, Indiana attempted to start car companies, but lacking sufficient capital they could not sustain workable companies.¹⁰ Several Canadian automotive entrepreneurs attempted to build vehicles, but most suffered the same fate as their American counterparts. Early Canadian auto ventures included companies which assembled vehicles such as the Still, the Moss, the Leader, the Queen and the Austin.¹¹ Additional examples of car company development were the Gray-Dort,¹² the Galt, the Dominion, the Russell, the London Six, the Brockville 30, the Clinton, the Winnipeg, the Moosejaw and the Walkerville.¹³

Chatham, Ontario was the site of a relatively successful automobile operation, the Gray-Dort Company. The Gray family manufactured wagons and bobsleds and made the transition into cars with a Ford dealership. Gray went into business with an American, Josiah Dalls Dort, and ran a very successful operation. They employed over 760 people and had distributorships in communities all across Canada. A transplant of Dort's Flint, Michigan operation, the Chatham factory produced over 26,000 vehicles from 1915-1924. The Canadian operation was tied to the American

¹⁰ Anne Jardim, The First Henry Ford: A Study in Personality and Business Leadership (Boston, 1970), 6-7.

¹¹ The Still, one of Canada's earliest electric cars, used wet cell electric batteries. Produced by William Still of Toronto, the car was manufactured for 15 years. Charles Whipp, Speaking of Cars, 24. Dennis Dugnet, "Automobiles in Canada," 44-48.

¹² Tom Traves, "The Automobile Industry to 1899," in Progress Without Planning, ed. Ian Drummond (Toronto, 1987), 212-219.

¹³ Charles Whipp, Speaking of Cars, 10, 42.

parent plant and did not have its own engineering and research facilities. When the American Company encountered financial difficulties and closed, the Canadian plant followed three years later. The automobile market was very competitive in the 1920's and the Chatham company could not secure a stable source of parts and technology. Capital which drove research and design ultimately controlled vehicle price and thereby determined a product's marketability. This was the reality which undermined many early Canadian car ventures.

Prior to 1900, there were few cars in Canada or for that matter, in Detroit, which soon appropriated the title 'automobile capital of the world'.¹⁴ Henry Ford wrote that in 1895-96 ". . . my gasoline buggy was the first and for a long time the only automobile in Detroit. It continued to be something of a nuisance, for it made a racket and it scared horses. Also it blocked traffic."¹⁵ There was no demand for automobiles, they were a fad, a toy for rich young men. Ford commented, ". . . they [automobiles] were accepted in the fashion as more recently the airplane."¹⁶ Prior to 1903, there were only 220 cars on Canadian roads and these automobiles were imported primarily from the United States.¹⁷ One of the earliest sources of cars to Canada was the Olds Car Company of Detroit which secured a foothold in a market where others could hardly establish themselves. Beginning with a steam engine in 1886 and with the support of S.L. Smith, copper millionaire from Detroit, R.E. Olds was able to manufacture gasoline

¹⁴ Canada's first car was built in 1867 by Seth Taylor, a watchmaker from Stanstead, Quebec. It was a two cylinder steam engine vehicle which looked like a wagon. Taylor's machine was a novelty and no one took it seriously. When he had an accident, he never drove it again.

¹⁵ Henry Ford, My Life and Work (Garden City, 1922), 33.

¹⁶ Henry Ford, My Life and Work, 36.

¹⁷ Mira Wilkins and Frank Ernest Hill, American Business Abroad: Ford On Six Continents (Detroit, 1964), 15. Hereafter cited as Wilkins and Hill.

powered vehicles. By the early part of the twentieth century, Olds seemed well on his way to establishing a viable car company when a conflict of interest with his primary backers forced him to leave the company. He wanted to manufacture an inexpensive car, while his backers, Smith and his sons, favoured a larger, more expensive model. Olds left the company in 1903 and sales declined shortly thereafter. Other backers were found and Olds became a successful manufacturer, but not in competition with Ford's Model T. If it were not for this early conflict between Olds and his stockholders, his company may have outpaced Ford as the leading producer of low cost automobiles.

Sam McLaughlin of Oshawa pioneered automobile production in a facility which manufactured horse drawn carriages. Beginning in 1893, Sam and George McLaughlin pursued the idea of automobile assembly. A fire destroyed their first factory, but Sam reorganized. In 1905 he went to the United States with a business proposition for Will Durant, owner of the Buick Motor Company. He wanted to secure a source of motors to build his own cars, but an agreement could not be reached. Determined to construct cars, McLaughlin decided to build his own models. A machine shop was constructed, parts suppliers contacted and an American engineer hired to develop the project. The plan was on schedule and the company was preparing itself for future production when the engineer, Arthur Milbrath, became ill with pleurisy.¹⁸ Faced with a serious problem, McLaughlin called Durant to hire the services of his engineering department. Durant decided to follow up on McLaughlin's call personally and went to Oshawa to negotiate a business venture between the two companies. In December 1907, McLaughlin agreed to purchase engines from Buick

¹⁸ Denis Dugnet, "Automakers in Canada," 44-48; Tom Traves, "The Automobile Industry to 1939," 210-211.

under a fifteen year contract and the McLaughlin Motor Car Company went into full production. In 1915, the McLaughlins furthered their business relations with Durant when they signed a contract with his Chevrolet Company. Ownership of the Canadian company was shared with 5000 shares assigned to Buick and 7000 to the McLaughlin family. ¹⁹ McLaughlin was the major shareholder, but the fifteen year engine contract expired in 1918. Rather than face the automobile market alone, he sold out to Durant's General Motors Corporation. That same year, Buick and Chevrolet of Canada merged to form General Motors of Canada, Limited. R.S. McLaughlin continued to serve as president of the newly organized company as well as a member of the U.S. board of directors.

McLaughlin had teamed up with a strong American company and unlike other Canadian ventures which failed due to a lack of capital, he succeeded in creating a viable automobile company. In 1908, J.D. Tudhope of Orillia, Ontario charted a similar course of expansion from carriage maker to car manufacturer by establishing an agreement with the U.S.-based McIntyre Engine Company. A fire burned down his plant in 1909, but he rebuilt his organization through an agreement with Everitt, another American engine company. This alliance proved to be ill-fated because in 1911 Everitt sold its interests to Studebaker, abandoning Tudhope. Not able to compete with the American car companies, Tudhope closed his operation and returned to wagon making. ²⁰

¹⁹ In 1908, Durant's 5000 shares were transferred into his General Motors Corporation. Tom Traves, "The Automobile Industry to 1939," 210.

²⁰ Tudhope purchased The McLaughlin Carriage Works in 1915 when McLaughlin signed a deal with Chevrolet Motors. Tom Traves, "The Automobile Industry to 1939," 211.

Early automobile production was a very risky venture. Significant venture capital was required to set up an assembly or production operation. In addition, engineering and machining developments proved to be costly stumbling blocks preventing Canadian automakers from manufacturing low cost engines. Many sought the right combination of financial backing, technical resources and market penetration, but only a few succeeded. Timing was crucial. Gordon McGregor, a 31 year Canadian wagon works manager, believed conditions were favourable for a successful automobile assembly operation in Walkerville, Ontario. All the elements were in place: the protection of a 35% tariff barrier on U.S. automobile imports, a favourable car market in the British Empire and the promise of local financial backing. The high cost of product development had forced many of his Canadian counterparts into bankruptcy and rather than starting his own company from scratch, he decided to utilize the engineering expertise of an existing company.

CHAPTER II

MCGREGOR'S PLAN

The Beginning of the Ford Motor Company of Canada

Gordon Morton McGregor, son of William McGregor, M.P., and part owner of the Walkerville Wagon works, was fascinated with the production of automobiles. In 1904, he made an interesting proposal to his two brothers, Donald and Walter. Gordon said, "There are men in Detroit who say that every farmer will soon be using the automobile. I don't see why we can't build autos right here."²¹ Gordon McGregor was familiar with the achievements of men such as Henry Ford and Henry Leland and he wanted to start his own automobile operation in Canada.

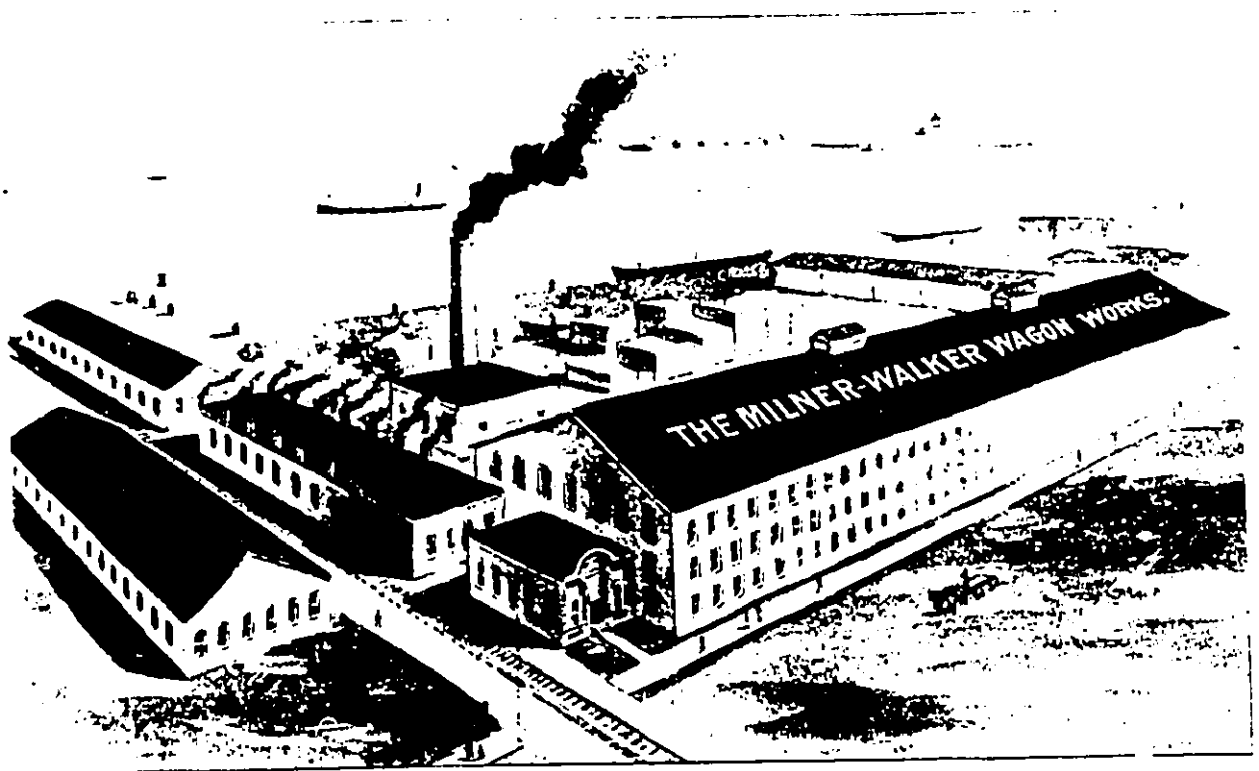
The McGregor family²² partly owned a carriage company known as the Walkerville Wagon Works.²³ The site where the wagon works was located had witnessed many company failures. As early as 1884, a stove mill on the north side of Sandwich street which supplied wood to make barrels went bankrupt. On the river side, at the foot of Drouillard Road, there was a pork packing plant, established by George W. Girdleston. After that business failed, a grape sugar refinery was established by Milner and Turner. There were two buildings on the site, one from the previous pork packing plant, a partly framed structure, and a partly brick building

²¹ "Two Meetings Evolved Ford Of Canada," The Windsor Daily Star, 14 August 1964.

²² Gordon McGregor was born January 18, 1873 on Sandwich Street West near the corner of Crawford Avenue. William and Jessie McGregor had three daughters, Harriet, Elizabeth and Nancy. They had five sons but the first young Gordon died at the early age of four. Malcolm P. who became a Detroit attorney, Walter L. and W. Donald McGregor. The Border Cities Star, 11 March 1922.

²³ "Some Early Industrial Enterprises," The City of East Windsor (East Windsor, 1929), 61.

constructed by Turner. Turner's business also went bankrupt and Hiram Walker purchased the property which was located adjacent to his distillery. Walker formed a company known as the Milner-Walker Wagon Works. This business venture prospered for a few years, but it also ended in failure. The McGregors instilled new life in the wagon works for a few years under Gordon's management, but the company suffered a tremendous loss in 1903 and laid off 85 employees reducing its work force to 28. ²⁴ The 31 year old manager faced a new market, which the automobile would



THE MILNER-WALKER WAGON WORKS

The Milner-Walker Wagon Works-Walkerville, 1898 ²⁵

²⁴Mira Wilkins and Frank Ernest H., American Business Abroad: Ford On Six Continents (Detroit, 1964), 14.

dominate. As many previous competitors became insolvent, McGregor had foresight to speculate in the new field of automobile assembly.

Gordon McGregor discussed the idea of manufacturing automobiles with his brothers Donald and Walter and they developed a plan to assemble cars in the Wagon Works facility. Detroit was emerging as an automotive centre and boasted a number of emerging industrial giants. McGregor chose Henry Ford and Henry Leland of Cadillac as potential business associates, interviewing both gentlemen. It was Henry Ford who impressed him the most and with whom McGregor managed to reach a business understanding. McGregor was an aggressive and active businessman who was willing to match his dream of constructing cars in Canada with his own involvement and hard work. These were qualities which Henry Ford respected, qualities of 'a hands on manager'. Wilkins and Hill wrote in American Business Abroad: Ford On Six Continents that ". . . it [was] not difficult to guess what Ford saw in McGregor. Here was a young man in charge of business who was prepared to labour diligently . . . and would obviously be a working stockholder."²⁶ McGregor had the right chemistry to work with Henry Ford, but more important than that, he had a practical business proposition. Ford had already established a distributorship in Toronto, The Canada Cycle and Motor Company Ltd., but his Canadian distributors had to contend with a costly tariff which decreased his competitive edge.²⁷ McGregor pointed out that all vehicles manufactured in Canada would be exempt of the 35% tariff, and that a Canadian built vehicle, even if the majority of components were supplied from the

²⁶ "Sketch of Milner-Walker Wagon Works, 1898," Hiram Walker Historical Museum/ P1594, PM 42, Windsor, Ontario.

²⁶ Wilkins and Hill, 15.

²⁷ Wilkins and Hill, 1. In 1903, the first Canadian distributorship was established in Toronto by James Couzens, secretary of the Ford Motor Company of Michigan. The sixth motor car built by Ford-U.S. was sent to the Toronto distributor on August 1, 1903.

United States, would still be cheaper than an exported car.²⁸ The wholesale price of a Ford in 1903 was \$800.00 in the United States, while the same car sold for \$1000.00 in Canada.²⁹ This was the heart of McGregor's plan, cost reduction through tariff evasion. Entry into the global market of the British Empire with an enhanced competitive edge through Imperial preference was a major inducement to the American automakers.

Tariffs were not the only consideration; there were still the two additional components of financing and facilities. McGregor had solutions to both. Henry Ford toured the Walkerville Wagon Works with McGregor. The existing facilities consisted of two buildings with a blacksmith shop, a crude machine shop, a boiler, engines, and a shipping department. Here the first Fords would be assembled in Canada.³⁰ Gordon McGregor outlined the proposed plant facilities in a two page typed document.³¹

The buildings and the lands of the Walkerville Wagon Company to be used have a river frontage of 350 feet with dock 140 feet, a main building (brick), three stories, 85 X 133, Blacksmith Shop (brick), 45 x 90, two warehouses, metal clad, 45 x 90, warehouse 80 x 40, metal clad, and several smaller buildings, also a brick power house, 25 x40, a 90 ft. brick stack, and G.T.R. siding.³² Plant includes engine, boilers, dynamo, electrical fixtures and elevator. The purchase price of the building is \$30,000; \$5,000 in stock as first consideration and \$5,000 per annum with 5% till paid. Buildings are in good repair and will be ready for immediate occupation so that with a start by August or September first, machines should be ready

²⁸ See chapter IV concerning the Canada's tariff policy.

²⁹ Wilkins and Hill, 15. Statistics on car prices in 1903.

³⁰ Wilkins and Hill, 17.

³¹ See appendix V for the complete 1904 agreement.

³² Grand Trunk Railway.

for the market by January first. It is proposed to rent space and power to a local concern who will build the gas engines on contract.³³

In addition to reviewing the plant facilities, McGregor and Ford discussed financial arrangements. McGregor convinced Ford that he would be able to finance the new automobile venture through his contacts with local businessmen. McGregor assured Ford that he had backing from C.M. Walker, an affluent nephew of Hiram Walker, as well as from John Curry, Windsor entrepreneur, banker and investor in the Walkerville Wagon Works. It was apparent that the Canadian won over the American industrialist and in July 1904, Ford discussed the prospect of establishing a Canadian operation with his board of directors. On the basis of his business understanding with Ford, McGregor began his quest for local financing.

The Company Charter and the Early Shareholders' Meetings

Gordon McGregor approached family friend, John Curry, to arrange financing for his new venture. Curry had previously helped Gordon's father finance the Wagon Works and he was willing to support the concept of a local automobile assembly operation. He purchased 40 shares in the new company valued at \$100 each. McGregor found few others so easily convinced. Windsor was a difficult market in which to raise money and, ironically, its citizens were very cynical about the value of the horseless carriage or its longevity. McGregor faced enormous odds as he struggled with the native caution of his "fellow Canadians." Bombarded with predictions of certain failure, a reporter wrote, ". . . he walked the streets in desperation

³³ [McGregor, Gordon], [McGregor-Ford Plan, 1904, Draft] The Ford Motor Company of Canada, F.M.C.-Canada secretary's office, unsigned, undated document which set down the plan for constructing the Ford Motor Company of Canada, 1. The two page typed document was written by Gordon McGregor and was confirmed in Wilkens and Hill's study, American Business Abroad, 463 and Henry Ford, My Life And Work, 162. This will be cited as McGregor's 1904 Plan.

to find ways of persuading prospective investors."³⁴ In reality, McGregor relied heavily upon family and friends to make up the original shareholders of his company. To a great extent, the first investors represented an extended family.³⁵ McGregor eventually established an impressive list of investors from the community, including doctors, lawyers, bankers and other prominent members of the border towns.³⁶ After John Curry, the largest shareholders were C.M. Walker and the Robinsons, Sidney and Arthur, who invested considerable sums of money.³⁷

By the late summer of 1904, McGregor had raised sufficient capital to proceed. On August 10, with a base capital of \$125,000, an agreement was made with the American stockholders and the Ford Motor Company of Canada was established. The following week on August 17, the stockholders of the new Canadian company were called to meet at the Crawford House in Windsor.³⁸ During this first meeting, Gordon McGregor chaired while John Curry acted as recording secretary. Henry Ford, his banker partner John Gray and two other major investors from the U.S. parent

³⁴ Angus Munro, "McGregor's Faith Began Ford," The Windsor Daily Star, 14 August 1954.

³⁵ Interview with Leila and Howard Pepper, Windsor-Walkerville, 5 June 1991. Mrs. Pepper commented that the Windsor-Walkerville area was a small community in terms of the affluent business residents. This area reflected a close knit community as many of the early shareholder's families were either close friends or related through intermarriage,

³⁶ See appendix II for an annotated summary of some of the investors. Interview with Leila G. Pepper and Howard Pepper, Windsor-Walkerville, 22 August 1990. Mrs. Pepper's family intermarried with the McGregor family. Mrs. Pepper's uncle John married Mable McGregor, Gordon's sister. John Duck started a car agency with Donald McGregor. For more on the Universal Car Agency refer to chapter V. Other sources on early investors include, Neil Morrison, Garden Gateway to Windsor (Windsor, 1954) and Francois X. Chauvin, Men Of Achievement (Tecumseh, 1927).

³⁷ See table 1 for stock purchased by the major Canadian investors in the Ford Motor Company of Canada.

³⁸ The Crawford House was a local Windsor hotel one block up from the Detroit River on the east side of Ouellette Avenue.

company, Alex Malcolmson and Charles Bennet, also attended this meeting. The American company was to receive \$68,000 of the \$125,000 capital stock, in exchange for the right to use its patents and engineering expertise. The American company would also relieve the Canadian company of all research and development which cost the parent firm approximately \$36,000 per year.³⁹ Further to that article, the Canadian operation was given rights to export automobiles and set up assembly operations in the British Dominions with the exception of the United Kingdom.⁴⁰ McGregor wrote in his plan for incorporation that, "This company will also be assigned any territory such as New Zealand, South Africa, or any of the Colonies where we would have the benefits of preferential tariff, so that the Canadian Company would have a large population outside Canada to supply with machines."⁴¹ At a time when the Canadian car buying market was very limited, the additional market potential was deemed crucial for success.

In addition to outlining the Canadian sales territories, company officers were elected. John Gray, the largest shareholder in the Ford organization, accepted the presidency, with Henry Ford, vice president, John Curry, treasurer and Gordon McGregor, the driving force behind the entire venture, general manager and secretary of the Ford Motor Company of Canada. McGregor received a salary of \$2000 per year, Henry Ford \$200 per month for engineering consulting services and John Curry, a \$400 honorarium. Gordon McGregor may not have been president⁴² of the early

³⁹ McGregor's 1904 Plan, 1.

⁴⁰ "McGregor's Faith Began Ford," Windsor Daily Star.

⁴¹ McGregor's 1904 Plan, 1.

⁴² From the annual meetings of the Ford Motor Company of Canada, (1906-09) it was noted that the participation of the American executives in the Canadian operational and business affairs could be described as nominal. Gordon McGregor consulted with the American executives on a regular basis, but it was McGregor who 'ran the show'. Willms and Hill, 43. It is important to

company, but neither was he hired help. McGregor and his fellow Canadian John Curry constituted half of the management team. From the very beginning, it was clear that McGregor in his capacity as General Manager was a 'hands on manager' of the operation.

Stock in the Canadian Company

In 1904, Gordon McGregor reached an agreement with the directors of the Ford Motor Company to assemble Ford cars in the Walkerville Wagon Works and the Ford Motor Company of Canada was incorporated with a capital stock of \$125,000. In exchange for \$68,000 of its capital stock, the Canadian operation received patent rights, blue prints and access to American research and development. "The balance of the capital stock, viz. \$62,000 was subscribed as follows: \$5,000 of stock to owners of the building, [Walkerville Wagon Works, money paid to John Curry and McGregor estate] as first consideration for its purchase and the balance in cash for working capital, viz. \$57,000." ⁴³ The actual purchase price of the wagon works was \$30,000 leaving \$25,000 to be paid to the owners at \$5,000 per annum with 5 per cent interest. The principal investors in the Canadian company were C.M. Walker, John Curry, Sidney and Arthur Robinson, Joseph Maw and Gordon McGregor. ⁴⁴ Table 1 outlines the breakdown of investment by the primary Canadian investors.

note that McGregor, not an American Ford executive, signed important correspondence to the stockholders. During a 1912 stock revision old stock was traded in for new stock. See appendix I, letters written to John Stodgell, original shareholder in the Ford Motor Company of Canada. [Letters to John Stodgell] John Stodgell Collection, Windsor Municipal Archives (MS 2411/5).

⁴³ See original McGregor 1904 agreement, appendix V, 1.

⁴⁴ Joseph Maw was a car dealer from Winnipeg, Manitoba.

Table 1: Major Canadian Investors in the Ford Motor Company of Canada ⁴⁵

Investor	C.M. Walker	John ⁴⁶ Curry	Sidney Robinson	Arthur Robinson	Joseph Maw	Gordon ⁴⁷ McGregor
Shares	100	65	30	30	10	35
Cost	\$10,000	\$6,500	\$3,000	\$3,000	\$1,000	\$3,500

The outlook for the Canadian company was encouraging considering that the U.S firm was paying out high dividends within a few years of its establishment. Incorporated on June 16, 1903 the U.S. company paid out dividends of 2% in December, 10% in January 1904; 30% in February and on the anniversary of incorporation 68%. The U.S. investors received a total return of their initial capital stock investment in their first year. The Canadian company, growing more slowly, paid out a 6% dividend in 1905, nothing in 1906 and 1907; 10% in 1908; 25% in 1909 and by 1911, 100% dividend with a 500% stock dividend. ⁴⁸ By 1912, an original share of Ford Motor Company of Canada stock purchased in 1904 for \$100 had multiplied itself into 8 shares at a value of \$500 each with a dividend of \$361. ⁴⁹ Moreover, in seven years the original investment of \$125,000 had quadrupled to \$1,000,000. On December 21, 1915 the company revised its capital stock upwards from one million to ten million dollars, an increase of

⁴⁵ For a more complete list of early investors in the Canadian company refer to Appendix II.

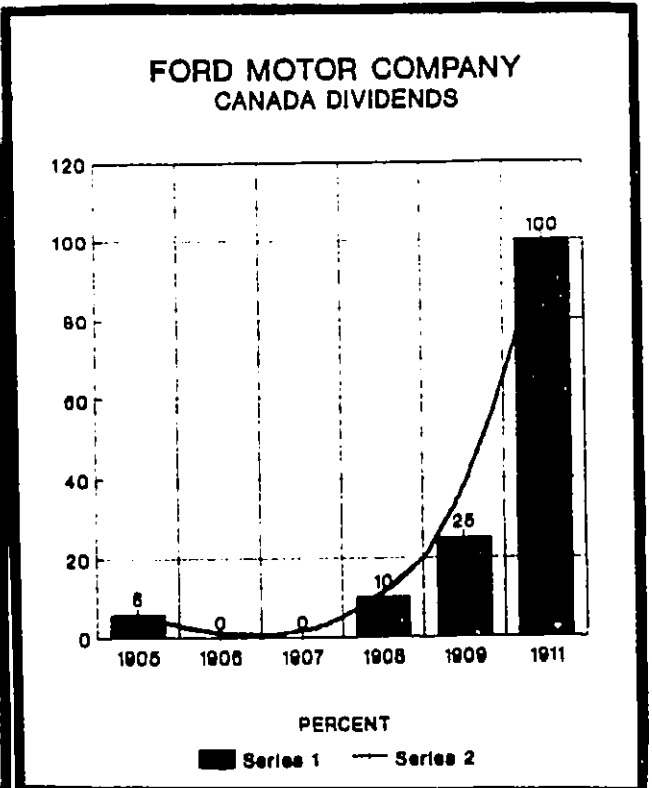
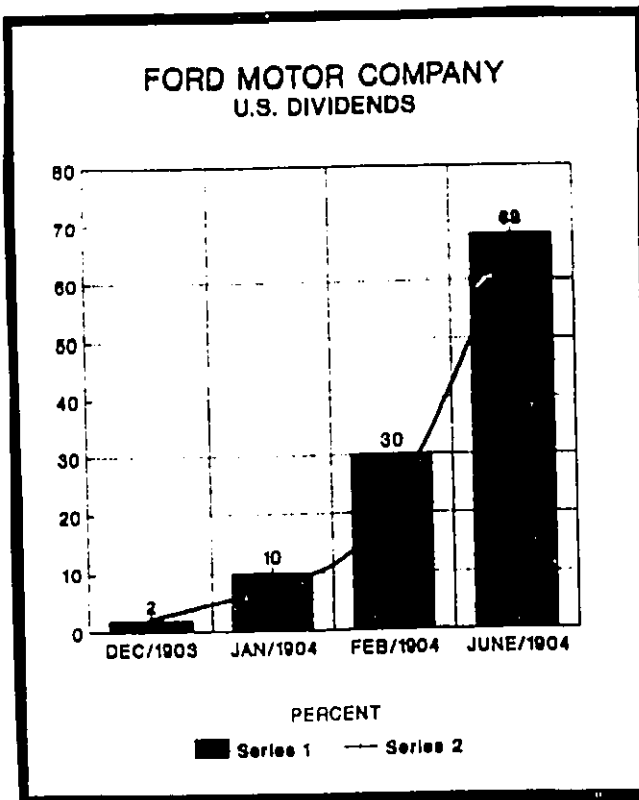
⁴⁶ John Curry purchased forty shares and received twenty-five shares in exchange for his investment in the wagon works facility.

⁴⁷ Gordon McGregor's actual investment in the new company was ten shares. Twenty-five shares were paid to the McGregor family estate for their investment in the wagon works.

⁴⁸ "Two Meetings Evolved Ford," Windsor Daily Star, 14 August 1954.

⁴⁹ Wildes and Hill, 41.

90,000 shares at \$100 each.⁵⁰ Nine million dollars were added to the original one million and the stock was increased from 10 thousand to 100 thousand shares. When in 1922, W.R. Campbell assumed the leading role in the Ford Motor Company of Canada, an original purchase of 1904, \$100.00 stock had increased 56 times paying \$6,361/share. The Canadian car venture was an obvious success and stock in the company continued to grow in value.



**Table 2: FORD-US
Stock Dividends 1903-1904**

**Table 3: FORD-CANADA
Stock Dividends 1905-1911**

⁵⁰ SUPPLEMENTARY LETTERS OF PATENT TO: "Ford Motor Company of Canada, Limited," Windsor Municipal Archives, (RG9 BV/2).

The decade of the twenties was one of prosperity for Ford-Canada, threatened only by an occasional outburst of nationalist sentiment. As a result of trading and the high cost of a share of F.M.C. stock the number of Canadian investors declined and the general investment potential was reduced. The \$100 per share was considered an unstable selling unit and had been rejected as collateral by many banks due to the wide fluctuations in the automobile market. Therefore, Campbell enacted a plan to open up the Ford Motor Company to a greater number of Canadian investors. A stock split would solve some of the problems facing the Canadian company; namely a lack of Canadian investors and concern for the 'made in Canada' image considered necessary for international sales within the Commonwealth. It was important to maintain a Canadian operation with Canadian content to ensure the tax advantages under the preferential tariff agreements within the British Empire.

As the Canadian company grew many of the original shares in the corporation had been sold and this was a major concern for the executive of the company. Only a comparatively small percentage of the company's shares were held within the Dominion of Canada. In a shareholders' meeting W.R. Campbell commented that "It is considered that this condition places the Company under serious handicap, as it is generally understood, not only in Canada, but particularly in our overseas territory that this is an entirely foreign owned corporation."⁵¹ To counter growing nationalist reprehension, in March 1929, Campbell assumed the role of the president of the Ford Motor Company of Canada and pursued an active policy of building a stronger Canadian influence in the company.

⁵¹ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 28 March 1929, Windsor Municipal Archives, (RG9 BV/13), 4.

Campbell's plan:

[Enacted] a twenty to one stock split, an increase in company shares from 70,000 at \$100 par value to \$2,000,000 (1,900,000 Class A non voting and 100,000 Class B voting). These new shares would have no par value. Any stockholder at the time of the split would receive 19 Class A shares and 1 Class B share for every original share he held, and could also buy two additional Class A shares at \$20.00 each. In addition, the public would be offered \$100,000 Class A shares at \$30.00 each.⁵²

A plan was drawn up to ". . . effect the distribution of a substantial portion of the Company's shares within the Dominion of Canada."⁵³ The Canadian company had proven to be a sound investment for the first investors and this second stock split was an opportunity for Canadians to invest in a growing company. The smaller \$30 share was thought to have a wide public appeal and to have a stabilizing effect on the market. In a March 26, 1929 shareholders' meeting, Campbell noted that the stock split was also intended to ". . . broaden interest by the way of ownership of shares among an increasing number of Canadians."⁵⁴ The Ford-Canada president told his stockholders that ". . . we are convinced that an increase in the actual ownership of the shares of the Company in Canada will not only have a stabilizing affect against adverse legislation but will also have the affect of assisting in promoting advantageous reciprocal tariff arrangements between the Dominion of Canada and other overseas British Dominions

⁵² Willms and Hill, 200.

⁵³ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 28 March 1929, Windsor Municipal Archives (RG9 BV/13), 4.

⁵⁴ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 28 March 1929, Windsor Municipal Archives (RG9 BV/13), 4.

served by this Company." ⁵⁵ Campbell's plan was to strengthen the support of Canadian shareholders and to generate extra capital. By opening up shares to Canadians, public interest in the company would act as a stabilizer against negative legislation, namely the tariff reduction of 1926, from 35 to 20%. Furthermore, by extending the small claim of ownership in his giant car company, Campbell hoped to gain the support of the Canadian public. ⁵⁶

**Table 4: STOCK SPLIT PLAN
(1929)**

Sale of Class A Rights To Shareholders	140,000 shares	@\$20.00 per share	\$ 2,800,000
Sale of Class A Shares to the Canadian Public	130,000 shares	@\$30.00 per share	\$ 3,900,000
Sale of Class A Shares to the Officers and employees	100,000 shares	@\$20.00 per share	\$ 2,000,000
Sale of Class B Shares under voting trust agreements	30,000 shares	@\$25.00 per share	\$ 750,000

The second condition which the stock split plan was designed to restore was the intent of the 1904 McGregor-Ford agreement which prescribed that Ford-U.S. retain 51% of the voting stock. It was noted in a 1929 shareholders' meeting that as a result of stock trading, the U.S. company no longer retained 51% of the Canadian operation.

⁵⁵ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 28 March 1929, Windsor Municipal Archives (RG9 BV/13), 4.

⁵⁶ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 28 March 1929, Windsor Municipal Archives (RG9 BV/13), 4.

A peculiar condition, however, has evolved with respect to Mr. Ford's associates in the Michigan Company during that period and whereas at that time [1904] Mr. Ford owned 25% of the Michigan Company and he and his associates owned 51% percent of the Canadian Company, Mr. Ford and his family have since acquired 100% ownership of the Michigan Company. The ownership of the Canadian Company did not follow the ownership of the Michigan Company into Mr. Ford's hands and the result is that at the present moment Mr. Ford and his immediate family own approximately 30% of the capital stock of the Canadian Company and the shares of the Canadian Company originally owned by Mr. Ford's associates in the Michigan Company have become widely distributed and are held by some several thousand present shareholders. As a result of this evolution, this Company has for some time past been without definite localized control and as such, is susceptible to treatment as might be imposed upon it were its ownership to find its way into unfriendly hands.⁵⁷

Over the years, through trading and sales, Ford-U.S. actual shares in the Canadian company diminished and in 1926, the American company did not have any stock in the Canadian operation. Edsel Ford had a strong interest in the Canadian operation and actively sought additional stock in the company. Edsel's actions returned voting control over the powerful Canadian company to the American parent company. As early as 1924, Edsel revealed his interest.⁵⁸ A Detroit Trust Company had acquired 2,030 stock from H.H. Rackham and sold it to the Ford family; and on October 15, 1926 Charles S. Mott sold 2,765 shares to Edsel.⁵⁹ These sales marked the beginning of Edsel's quest to secure greater control over the Canadian operation.

⁵⁷ SPECIAL AND ANNUAL MEETING: "The Ford Motor Company of Canada Limited." 28 March 1929, Windsor Municipal Archives (RG 9 BV/13), 6.

⁵⁸ Edsel Ford became the president of the Ford Motor Company in 1920, but he was not allowed to dictate policy and stood in the shadow of his father Henry. John B. Rae, ed., Henry Ford (Engelwood Cliffs, 1969), 8.

⁵⁹ Wilkens and Hill, 191.

As a result of Edsel's stock acquisitions the Ford family secured 31.20 percent of the 70,000 Canadian shares. ⁶⁰ Campbell's stock split would resolve any potential problems.

In 1928, there were 100,000 voting shares, 30,000 of which were in the Ford-Canada treasury. The 30,000 treasury "class B" voting shares were to be placed in a voting trust, consisting of three trustees, one of whom was to be the appointee of Henry Ford. The 30,000 shares were \$25 each and were precluded from open trading. ⁶¹ The class B treasury stock trade placed the control of the Ford Motor Company of Canada with Henry Ford and the Ford Motor Company of Michigan, and it insured that the voting power of this company could not be tampered with by unfriendly interests. ⁶² With the return of the majority voting control to Ford-U.S., Edsel continued his stock acquisition. Early in 1930, Edsel Ford offered a three for one stock trade, three class B, non voting shares for 1 class A stock. The 1930 stock acquisition firmly established control of the Canadian class A voting stock with the Ford family.

The real intentions behind the reorganization of the Canadian operation by W.R. Campbell cannot be definitely concluded, as both Campbell's and McGregor's files as well as all correspondence from executives of the Ford Motor Company of Canada were destroyed. ⁶³ Wilkens and Hill suggested that perhaps Campbell was

⁶⁰ Wilkins and Hill, 131. The 31.20 percent ownership was enough to secure control of the Canadian operation.

⁶¹ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 26 March 1929, Windsor Municipal Archives (RG9 BV/13), 7.

⁶² ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 26 March 1929, Windsor Municipal Archives (RG9 BV/13), 7.

⁶³ Wilkins and Hill, 446.

attempting to secure a greater Canadian control of the company. They noted that F.W. Batters, Campbell's aide who helped design the new stock split, said that the programme was designed to increase the number of Canadian stockholders in the company. Campbell informed Henry Ford's secretary, E.G. Liebold (21 June 1929), that the intention was "without any financial benefit accruing to the Ford family, to return to them the voting control originally contemplated in the agreement of 1904."⁸⁴

The independent management and direction of McGregor and Campbell promoted the growth development and prosperity of the company and only in 1929, did Ford-U.S. reassert its claim to the Canadian operation. A tactful message was presented at the March 29 shareholders meeting which outlined that the original 1904 stock agreement between the Ford Motor Company Michigan and Gordon McGregor would be maintained.

In the years of association which this Company has had with Mr. Ford I know of no gesture on his part or the part of his family to seek to regain the control which was intended in the original agreement with him and his Company but it is a condition which should be corrected, or in other words, the control of the operations of the Company should be definitely located where it is known to be in hands friendly to the interests of this Company and in hands which are competent to control the destinies of the Company, the underlying thought being that were there shareholders, at any time, to take any action in contravention of the clauses of the original agreement with Henry Ford and the Ford Motor Company of Michigan, as is easily conceivable unless control is centralized, Mr. Ford automatically would be placed in position of being able to terminate his obligations under such a contract by reason of the actions of the Canadian Company, which might conceivably be quite in order so

⁸⁴ Wilkins and Hill, 200.

far as corporate operation of the Canadian Company is concerned.⁶⁵

The statement was a strong message that the Canadian company was to continue its close association with Henry Ford and his U.S. company. There was no gesture of a takeover by the Ford family or signs of management interference with the Canadian operation. The concern was twofold; that a significant number of voting stock be retained by the parent company who would protect the Canadian interests from any potential outside takeover and that through the sale of non-voting stock that company ownership be open to a greater number of Canadians.⁶⁶ It is important to note that in its deliverance, the 1929 message indicated that the Canadian operation was in contradiction to the 1904 agreement and that there was stock imbalance which might cause a problem with the ownership of the company. Campbell and Edsel Ford, however, had a good understanding. When the stock split was offered, the 1904 agreement which prescribed that the American company have 51% or controlling interest in the Canadian company was maintained.

⁶⁵ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 26 March 1929, Windsor Municipal Archives (RG9 BV/13), 6.

⁶⁶ In April 1936, Campbell announced that out of 20,875 shareholders in Ford-Canada, 14,027 were Canadian. Furthermore, all the company's executives were Canadian with the exception of the production supervisor, George Dickert. Wilkens and Hill, 297.

CHAPTER III

THE FORD MOTOR COMPANY OF CANADA

The First Assembly Plant

Beginning in the autumn of 1904, the Canadian operation started to assemble cars in a modest two and a half story building located along the Detroit River next to Hiram Walker's Distillery. The small company worked diligently and the first assembled vehicles were ready by February, 1905. Despite the pressures of a limited budget, McGregor was able to deliver his first shipment of Model C's and B's to Ford's Toronto-based distributorship, the Canada Cycle and Motor Company.⁶⁷ By the end of February, a Model B and two Model C's were sold for a total of \$3,545.00.⁶⁸

In 1905, the domestic market for automobiles was sluggish, but production rather than marketing was McGregor's problem. Given the company's primitive production concepts and its limited operating capital, F.M.C. had to struggle to maintain its operation.⁶⁹ McGregor's company could only import enough components for the production of one or two cars at a time. The export market was slow to develop. Even with an international marketplace at its disposal, the Canadian company was only able to export a few vehicles. In the first years of production, a Model C was exported to London and another to Calcutta, India.⁷⁰ The small Canadian company experienced only marginal growth during 1906-07 and its future remained doubtful.

⁶⁷ The first shipment of vehicles consisted of 114 vehicles, 107 model C's and 7 Model B's. Wilkins and Hill, 20.

⁶⁸ "Pioneered in America," Windsor Daily Star, 14 August 1954.

⁶⁹ "Pioneered in America," Windsor Daily Star, 14 August 1954.

⁷⁰ Wilkins and Hill, 20.

During these formative years, it was the strength of McGregor's leadership and his management style which kept the company going. McGregor delivered many of the first production series himself and returned home by rail.⁷¹ This total involvement by the management and work force alike set the standard for the Ford operation in Canada. The office staff was small and consisted of Grace Falconer, secretary to Gordon McGregor, bookkeeper H.E. Miller and later timekeeper, W.R. Campbell.⁷² The production staff was also very small, and the seventeen man work force relied on simple manufacturing concepts.⁷³ The assembly operation had a drill press and freight hoist, both belt-driven by a Model C.⁷⁴ Functioning primarily as an assembly plant, the first Fords produced in Canada were almost entirely fabricated with parts supplied from Detroit. Ferries were used to ship complete chassis, less wheels, from the Dodge Brother's Detroit facility while William Gray & Sons of Chatham, Ontario supplied the bodies.⁷⁵

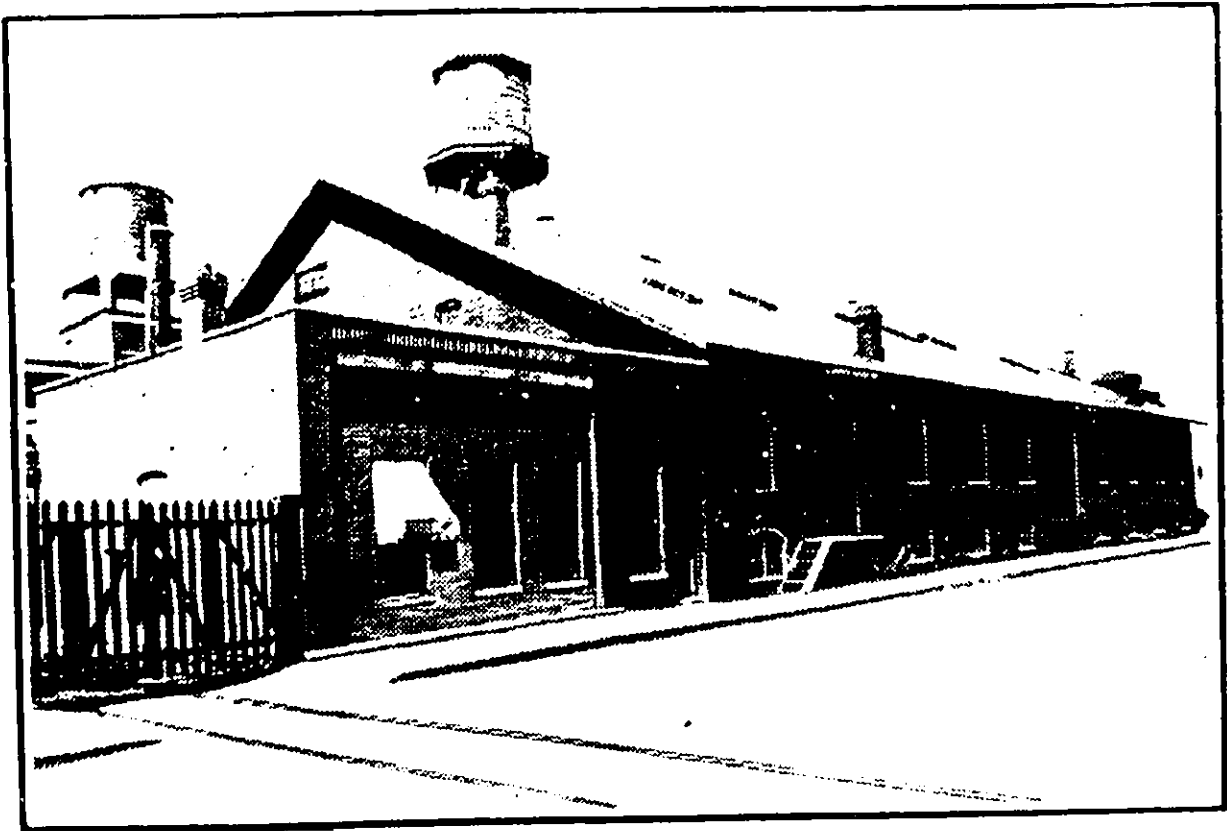
⁷¹ Wilkins and Hill, 21.

⁷² Wallace R. Campbell, the fifth of six children (one girl, five boys) was born in Windsor on 3 February 1882. His father, John A.H., was a local lumber dealer and his mother, Florence Cordella, moved from New York to Windsor in 1871. The Campbell and McGregor families were friends and neighbours. Walter McGregor had watched W.R. Campbell grow up and felt that he had the "makings of a good business man." Campbell worked hard as a young man for the Queen City Oil Company on Duquette Avenue for \$4.50/week (10 hours/day, 6 day work week). Walter McGregor had an office in the same building. Windsor Daily Star, 11 August 1947.

⁷³ The seventeen employees, including the general manager, of the Ford Motor Company of Canada had an operating payroll of \$ 12,000 in their first year. In 1952, the company paid out in excess of 52 million dollars in salaries and wages. Rob MacKinnon, Ray Guillet, Bill Barton Frank Datillo, Jamie Henderson, Ford Expands to Oakville: The Impact on an Industrial Community (Windsor, 1977), 8.

⁷⁴ The concept of using a car's drive system to operate belt driven machinery became a utilitarian feature of the early Fords. Many were used to drive farm equipment or saw mills. After a Ford had provided good use as the family vehicle it still serviced the family farm.

⁷⁵ In 1901, the Dodge brothers opened a machine shop on Beaubien Street where they manufactured engines and transmissions for the Olds Motor Company. They supplied Ford in 1903 as shareholding suppliers and when they formed Dodge Brothers Inc. in 1914 they manufactured their own car. Robert E. Ankl and Fred Fredericksen, "The Dodge Brothers in Canada," Vintage Vehicles of Canada, II (Sept/Oct. 1980): 10.



The Ford Motor Company of Canada
1904 Walkerville, Ontario ⁷⁶

McGregor wanted to increase Canadian content in his cars, reducing shipping costs and import duties. In his draft proposal to Henry Ford, McGregor listed a host of local Canadian suppliers who could provide components to construct autos in Walkerville: frames from the Canadian Bridge Company; malleables from the Walkerville Malleable Iron Company; gas engines from the Canadian Typograph Company and brass parts from the Kerr Engine Company. ⁷⁷ Apparently, McGregor

⁷⁶ Original Ford Motor Company Plant August, 1904 Walkerville, Ontario. Hiram Walker Historical Museum/ P8381 PM 45.

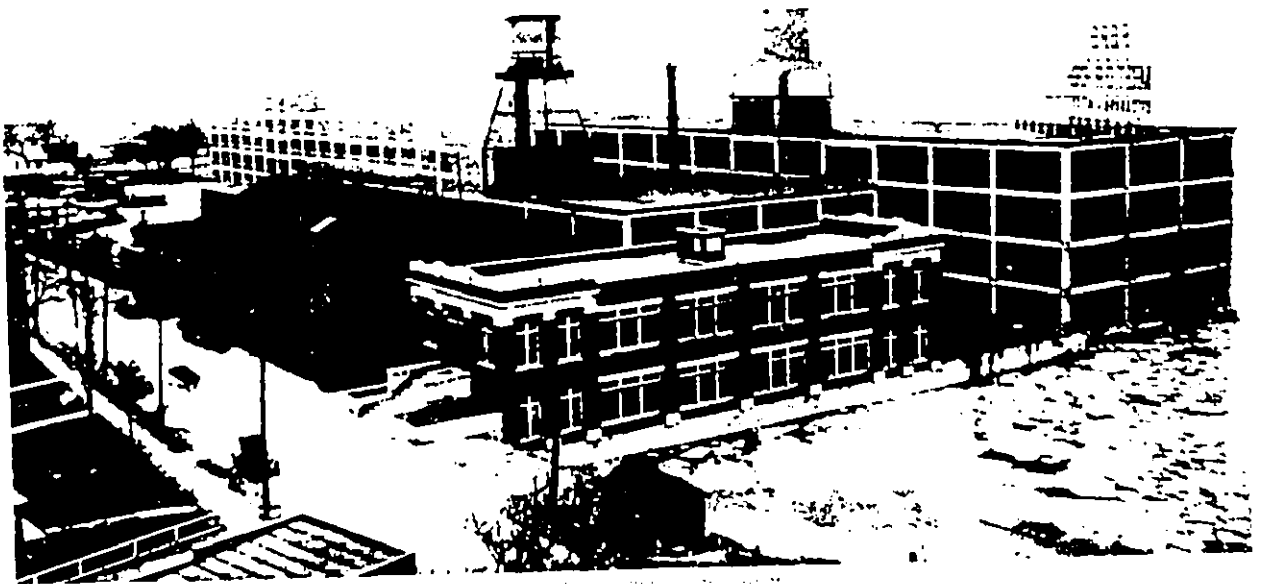
expected to build engines on site by leasing space and power to the Canadian Typograph Company.

The phenomenal success story of the Canadian company began in 1908 with the launching of the Model T Ford. Its success prompted a new expansion phase. The first new Canadian Ford factory was constructed in 1910, a three story building with 1,900 square feet of floor space. An addition was required in 1911. Beginning on August 11, 1911 and completed the following February, a four story structure, 75' x 200' containing over 60,000 square feet of floor space, was extended out over the Detroit River. With increased manufacturing space and a heightened demand for the Model T, Ford of Canada produced 6,500 cars in 1912. Growing quickly, the company expanded its capitalization by exchanging its Ontario charter for a Dominion one. On December 18, 1911, the Ford Motor Company was incorporated under a Dominion Charter with a capital stock investment of one million dollars. The capital stock ". . . shall be one million dollars divided into ten thousand shares of 100 dollars each."⁷⁸ Henry Ford was listed as manufacturer and James Couzens, manager, both in the city of Detroit and the state of Michigan. In the province of Ontario, Gordon Morton McGregor of the town of Walkerville held the title of manager, Wallace R. Campbell, assistant Manager, and Walter Leishman McGregor, manufacturer. Application for a

⁷⁷ McGregor's 1904 Plan, 2.

⁷⁸ Letters of Patent Incorporating: "Ford Motor of Canada, Limited," 18 December 1911, Windsor Municipal Archives (RG 9 BV/2), 5.

charter under said act⁷⁹ constituted them and others as shareholders under the name of The Ford Motor Company of Canada, Limited.⁸⁰



Ford Factory on Sandwich Street - 1913⁸¹

The recapitalized company experienced remarkable growth, planned an aggressive building programme and developed a strong international sales network. Major additions to the Ford factory were required by an increased demand for vehicles

⁷⁹ Letters of Patent Incorporating: "Ford Motor of Canada, Limited," 18 December 1911, Windsor Municipal Archives (RG 9 BV/2), 5. The 'Act' was the Company's Act 1906, first part of chapter 79 of the Revised Statutes of Canada.

⁸⁰ Letters of Patent Incorporating: "Ford Motor of Canada, Limited," 18 December 1911, Windsor Municipal Archives (RG 9 BV/2), 5.

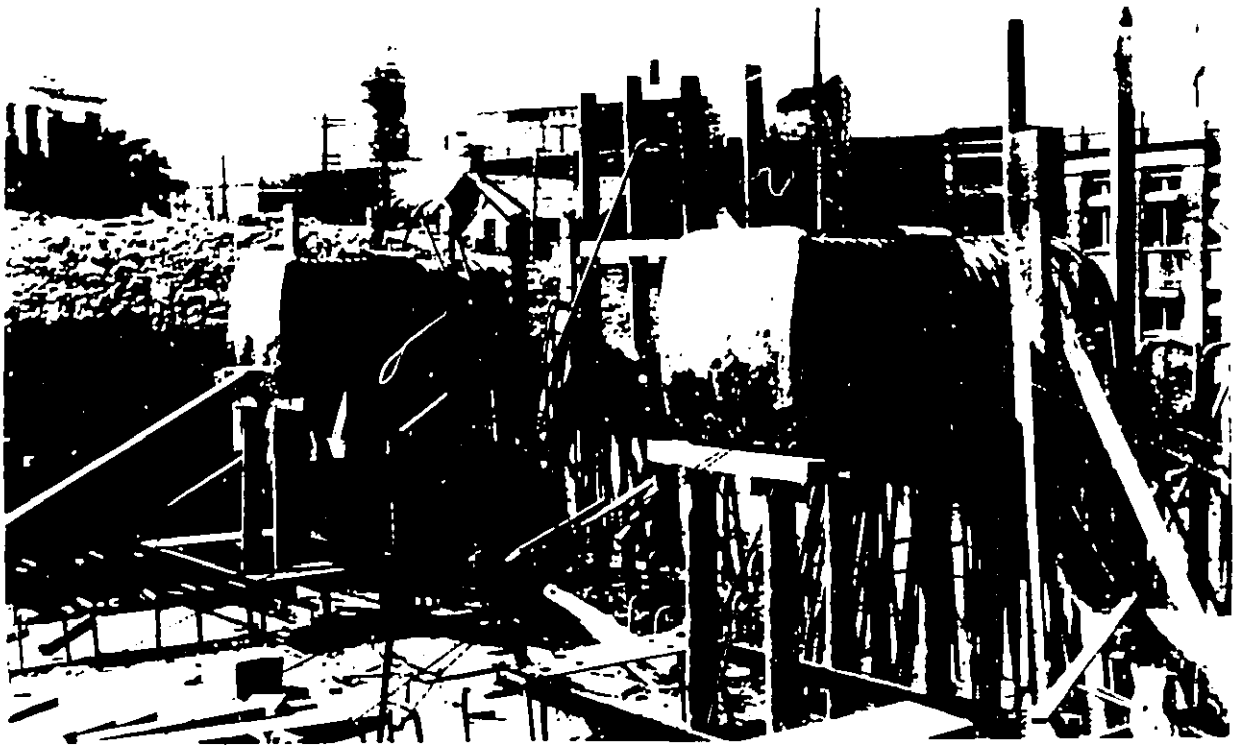
⁸¹ Aerial view looking northwest, 1913, Ford City. Hiram Walker Historical Museum/P8383 PM 40.

to be used in the war in Europe. The Ford facility added a \$300,000 trainway to its existing factory to serve as a loading and unloading dock for raw materials and finished products. The ultramodern six story trainway was roofed with glass to maximize lighting and featured large electrically controlled bay doors. Completed in the autumn of 1915, the trainway symbolized the expansionist designs of Gordon McGregor. A train would drive right into the large bay where a crane would lift " . . . the machines for the factory weighing as much as seven tons, 14,000 pounds each." ⁸² An overhead rail mounted crane could easily lift tons of steel and raw materials cutting down the material handling time. The bay and crane had an enormous capacity; motor cars which were completely boxed and ready for shipment were handled " . . . like so many cartons of corn flakes and stowed away for their long journey to India, Australia, South Africa, or some other British colony." ⁸³ Underneath the trainway large storage tanks were fitted to hold the various kinds of oil required to run the plant. The tanks could hold up to 60,000 gallons and were filled when a train car drained its tanks from above. The tanks had a series of pumps which supplied various sections of the plant with lubricant. The trainway proved itself a valuable addition to the Ford factory as it handled in excess of 9000 freight cars in its first year of operation. ⁸⁴

⁸² "Trainway in Use," Ford Times, September 1915, 63.

⁸³ "Trainway in Use," Ford Times, 63.

⁸⁴ "Trainway in Use," Ford Times, 63.



Construction of the Trainway ⁸⁵

McGregor engaged in a bold expansion programme during the war years. Hardly had the cement work dried on the recently completed trainway when McGregor decided to start a new project. ⁸⁶ A new machine shop, a one story building costing \$60,000 was constructed along a 750 ft. section of riverfront land. The shop extended out over the Detroit River. Its foundation consisted of 450 piles driven into the river bank with tons of concrete poured on top. ⁸⁷ The shop which contained over 200

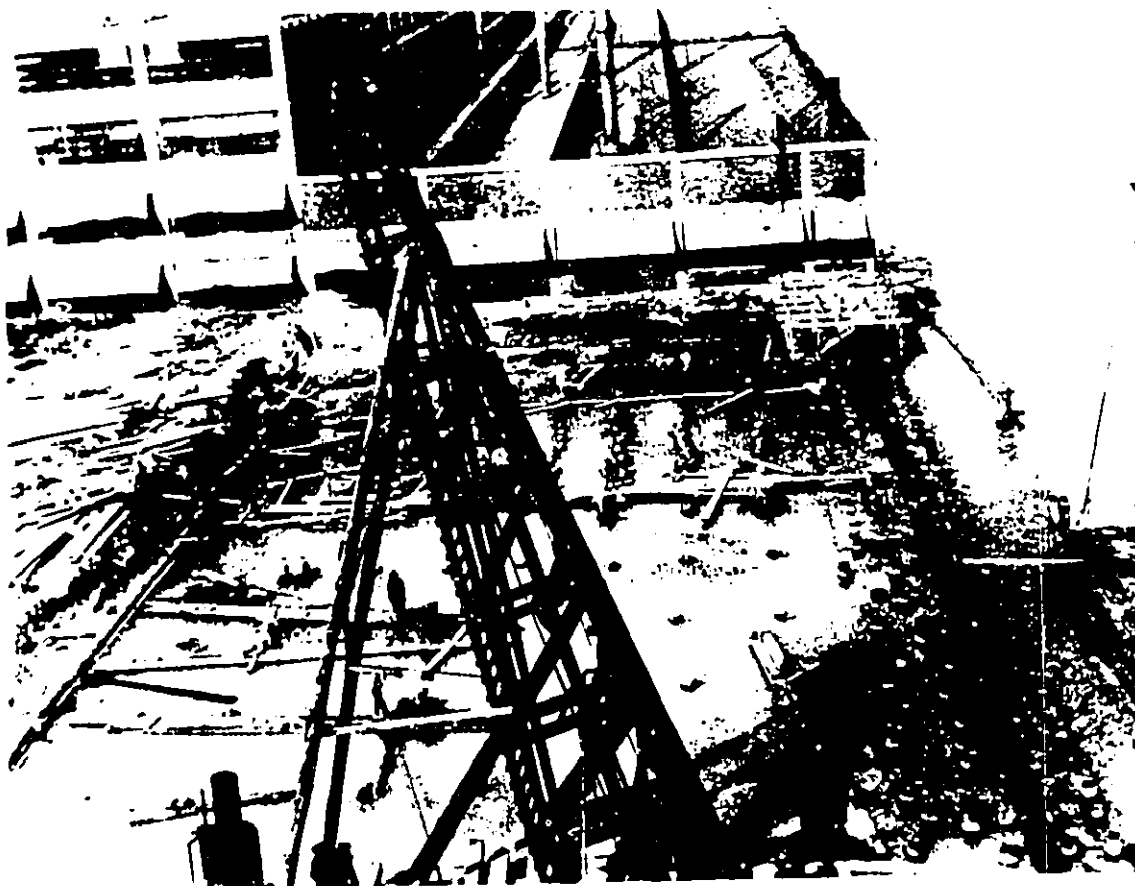
⁸⁵ Looking southwest at the construction of the Ford Trainway. Bumper can be seen at the end of the rail line and Ford City town hall can be seen in the left corner, circa. 1915. Hiram Walker Historical Museum/F7786.

⁸⁶ Ford Times, November 1915, 150.

⁸⁷ Ford Times, 150.

machines was the most advanced machining center in the Dominions. Automated drilling machines capable of multiple actions, small presses, gear cutters and boring machines improved productivity and heightened the quality of the car parts anywhere from 2 to 100 times. One example of a precision machine was the Ingersoll milling machine of which three were purchased for a total of \$40,000. These invaluable machines were great labour saving devices as the operator merely clamped a rough casting into place and the machine would automatically mill a true cylinder block every time. One machine milled the tops, the other the sides and the third milled the bottoms and the ends. This new system could produce 35 parts per hour giving Ford a competitive edge over smaller companies which could not afford the new technology. Other equipment, such as coining machines which were utilized to flatten the ball cup which covered the universal joint housings, replaced the work of many men and performed the job in a fraction of the time. A key to effective production, new machine tools were just one part of Gordon McGregor's plan of expansion for the Canadian factory. McGregor's future expansion project included new buildings and purchase of a 137 acre parcel of land, making Ford-Canada the largest industrial plant in Canada.⁸⁸

⁸⁸ On 17 November 1915, Gordon McGregor closed a land purchase deal with the Stodgell family. John Stodgell and his wife, Emma O., signed a sales agreement to sell a large parcel of land they owned in Sandwich East Township to the Ford Motor Company of Canada. The land sold for eleven thousand dollars, one thousand paid in cash and the remainder paid on 1 February 1916. [Legal Correspondence concerning the sale of land to the Ford Motor Company of Canada, Ltd.] The John Stodgell Collection, Windsor Municipal Archives (MS 24/11-5). A four page typed document signed by both John and Emma Stodgell, as well as Gordon McGregor.



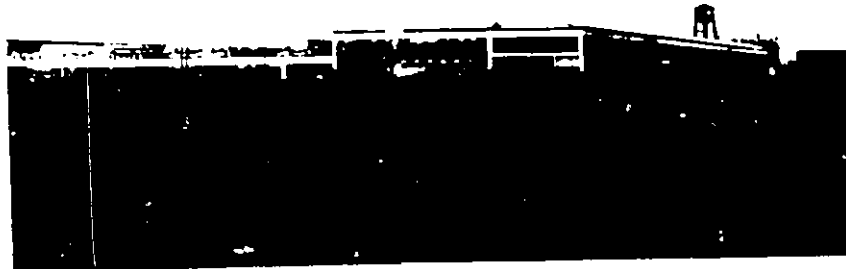
Construction of 939 ft Ford Dock -1923 ⁸⁹

Following a short disruption during the post war return to normalcy, the boom of the twenties began. The Canadian Ford management initiated a \$100,000,000 expansion programme which included the construction of an engine plant and a riverside power plant. The 1923 annual shareholder's report described the expansion.

The new plant at Ford consists of a Machine Shop covering approximately 15 acres, Heat Treatment Plant; Power Plant, capable of developing 15,000 KW; By products plant, adequate for the distillation of 400 tons of coal per day, and a dock 939 feet long, which will provide unexcelled unloading facilities for the large quantities of

⁸⁹ Aerial view looking west at the construction of the Ford dock, with the Ford plant in the background, 1923. Riverfront area at the base of Drouillard Road. Hiram Walker Historical Museum/P7788.

coal and lumber which are consumed in this plant. The additional floor space provided will be approximately 710,000 square feet. All buildings and equipment are of the latest approved design. Over a mile of railway sidings are being installed, directly connected with the Canadian National Railways and Essex Terminal.⁹⁰



Ford Factory expansion-1930's⁹¹

⁹⁰ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company Of Canada Limited." 22 October 1923, Windsor Municipal Archives (RG9 BV/13), 2.

⁹¹ Ford Motor Company of Canada factory expansion, circa. early 1930's. National Archives of Canada/PA-31216.

The Canadian operation was assuming the status of a total production facility, another Rouge River complex. The building programme continued into the 1930's when, despite the depressed economic conditions, a 71,000 square foot body manufacturing facility was constructed at a cost of \$11,000,000.

Manufacturing and the Assembly Line

Henry Ford introduced the moving automated assembly line in his Highland Park, Michigan plant in 1913. Assembly lines were not new manufacturing ideas as they were used during the American Revolution for the production of muskets. In 1794, the U.S. military set up industries in Springfield, Massachusetts to manufacture guns. Other weapons contractors, including Eli Whitney, concentrated on new assembly concepts. By 1826, the Harper's Ferry Armory was able to achieve tolerances allowing for parts interchangeability. These and other innovations of the American machine tool industry provided early U.S. and Canadian carmakers with a resource pool of machining processes.⁹² Ford utilized the concept of interchangeability and improved productivity with a moving assembly line. The first application of this concept was developed with the construction of flywheel magnetos in an experiment on April 1, 1913. Shortly thereafter, the assembly line concept was applied to the Canadian plant. To facilitate material handling, an overhead trolley system copied from a beef packing house in Chicago was used.⁹³ Assembly time was reduced dramatically. In a one man work cell, during a nine hour day, from 35 to

⁹² The American Machinist, a trade journal established at the American Centennial Exhibition in 1876, featured specialized machinery available to industrial developers. A similar directory, The Canadian Machining and Metallurgy News was not established in Canada until 1906, Robert E. Ankil and Fred Frederikson, "The Early Canadian Automobile and Machine Tool Industries," Paper to the CHA, May 1986.

⁹³ Henry Ford, My Life and Work, 81.

40 units were possible. The previous method required a 29 man operation and it could only produce one assembly every 20 minutes. This process was under constant revision and was eventually reduced to 13 minutes 10 seconds per unit and then further lowered to 7 minutes.⁸⁴ Later applications included the chassis department and then the entire assembly process. Ford's target was to simplify the assembly process while maximizing the return on the man hours required.

The first men fasten four mud-guard brackets to the chassis frame; the motor arrives on the 10th operation and so on in detail On operation number thirty four, the budding motor gets gasoline, it has previously received lubrication, operation forty-four, the radiator is filled with water and operation number forty five the car drives out . . .⁸⁵

What initially began as a single factory concept was broken down into a system of integrated departments. As Ford began to manufacture his own parts, he wrote that ". . . a department is a little factory in itself."⁸⁶ Departmentalization was coupled with developments in the assembly process and significantly reduced manufacturing costs as well as the overall assembly time. The chassis line, for example, reduced its assembly time from sixteen to fourteen hours by utilizing a rope to pull the assembly through the manufacturing stages. The motor assembly was broken down into 84 operations and yielded a production ratio three times faster than the previous one. As a result of continuous improvements to the assembly process, a chain-driven line was

⁸⁴ Henry Ford, *My Life and Work*, 81.

⁸⁵ Henry Ford, *My Life and Work*, 83. A Ford worker at the Canadian plant recalled the early test drives. "The test drivers of those days fastened a box onto a chassis and away they went 'giving her the works' in front of the plant until they reached the dizzy pace of 35 miles per hour." The cars were then knocked down and shipped to customers. "Fifty Originals of Ford are Oldest Employees," *Windsor Daily Star*, 17 August 1944.

⁸⁶ Henry Ford, *My Life and Work*, 83.

added, which further improved efficiency by shortening the assembly time from an hour to thirty-three minutes.

Technological innovations such as the chain driven assembly line which were proven in the American plants were also introduced to the Canadian operation. New manufacturing philosophies and modern innovations were incorporated into machines to facilitate production. Furthermore, time and waste were targeted to improve efficiency and quality of the cars. Machines to improve material handling, such as electrical hoists and gravity balances, were central to reducing wasted movements and to relieving the physical strain on the production worker. Ergonomics, or human engineering to improve methods of design and construction in the work place, became an integral part of the automated assembly process. Before the introduction of the moving assembly line, it was not uncommon to have a group of men around a sub-assembly table walking all around the product. Men had previously constructed motors and chassis in small work cells; however, this was replaced with a moving assembly line which had parts fed to various departments which assembled the car at appropriate stages of production. Manual labour was the central target for waste reduction.⁹⁷ Wasted production energy was wasted effort and this constituted underutilization of human resources and ultimately lost profit. In 1916, wheels were dipped in a paint tank and spun until a uniform coating was attained on the spokes. After painting, the wheel was pushed down a track to a room for drying. This process replaced hand painting of spokes and one entire assembly could be painted in less time than one hand painted spoke.⁹⁸ One of the cornerstones of the Model T

⁹⁷ "As early as 1913 the Canadian branch had managed to reduce its skilled work force to 6 % of the total, the rest being semi-skilled operators of pre-set machines." Tom Traves, "The Automobile Industry to 1939," Ian Drummond ed. in Progress Without Planning (Toronto, 1987), 215.

⁹⁸ Ford Times, January 1916, 251.

manufacturing concept was affordability, and by installing tracks which fed parts to a moving production line as well as by standardizing job descriptions and inspection criteria, operations which had previously required many man hours were significantly reduced. Triumphs in industrial engineering, automated manufacturing systems and hoists to reduce material handling eliminated from one to ten men in the assembly process thereby improving operating efficiency.

Its process was not the only unique feature about Ford vehicles; material was equally as important and a great deal of engineering went into testing and designing the best possible materials for car construction. An example of a unique material utilized in the Model T was its steel, vanadium. This light and durable metal was discovered after a car crashed at a Palm Beach motor race, where Ford's company had raced one of his Model K cars. Ford picked up a piece of the light metal and was impressed with its composition. The steel was found to be of French origin. Vanadium was a unique metal, required 3000 degrees Fahrenheit to produce and yielded a tensile strength of 170,000 lbs. This was almost two and half times stronger than conventional steel. Ford wanted this metal for his Model T and hired a metal expert from England. As conventional ovens ran only as high as 2700 degrees Fahrenheit, a special furnace was required to manufacture this metal. Extensive testing with vanadium yielded a strong, light weight car.⁹⁹ Heightened attention to steel developed a new skill level of heat treating metal to change its molecular structure. This was a necessary component of car production as a car's strains and vibrations required many different grades of metal. The traditional practice of heat treating metal had been rather crude and in order to see whether the metal was ready, a furnace

⁹⁹ Wilkins and Hill, 65-67. A small steel company from Canton, Ohio was contracted to produce the vanadium. Ford would eventually centralise his operation in the giant Rouge River complex in Michigan.

man would gaze through a tiny hole in the oven door and estimate its color, for example, 'cherry red'. The new Ford plant in Canada used a panel of electrical indicators which displayed different colors when the metal reached a specific temperature.¹⁰⁰ The modern system took the 'guess work' out of the metal treatment process.

Lightness was a Ford production requirement and vanadium steel was ideal.¹⁰¹ The metal was easy to manufacture and yielded a strong useful basis upon which to construct a car. Further to that, the weight factor was also lower than in conventional vehicles improving gas mileage. Many of the cars produced in Europe were very heavy, ornate vehicles, which Ford abhorred.

I cannot imagine where the delusion that weight means strength came from. It is all well enough in a pile driver, but why move a heavy weight if we are not going to hit anything with it? In transportation, why put extra weight in a machine? ¹⁰²

Ford was obsessed with the weight factor of the Model T which he regarded as needing improvement. For instance, learning that the wood in his cars contained in excess of thirty pounds of water, he eventually utilized metals to replace it.

¹⁰⁰ "Manufacturing Magic," Ford Times, January 1916, 252.

¹⁰¹ A Model T was so light that a flat tire could be changed by two men rather quickly. One man could lift the car up and the other could repair the problem.

¹⁰² Henry Ford, My Life and Work, 14.

The Ford Model T was tested extensively and was developed over many years. There was a great deal of focus on the Model T as a revolutionary vehicle, but eight models preceded it.

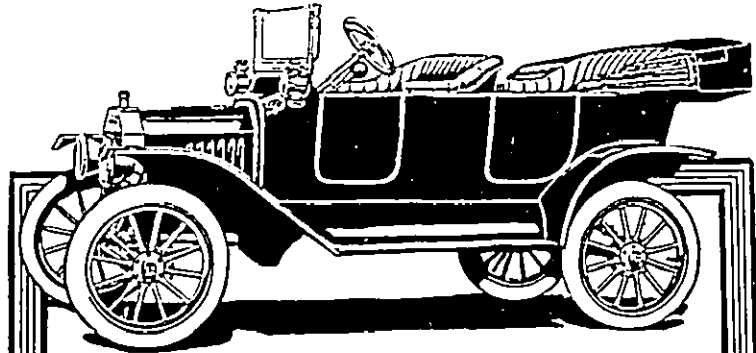
I designed eight models before the "Model T". They were the "Model A"; "Model B"; "Model C"; "Model F"; "Model N"; "Model R"; "Model S" and the "Model K". Of these models the "A", "C" and "F" had two cylinders opposed to horizontal motors. In the "Model A", the motor was at the rear of the drivers seat. In all of the other models, it was in the hood in the front. Models "B", "N", "R" and "S" had motors of the four cylinder vertical type. Model K had six cylinders . . . The ignition was by dry batteries in all excepting the "Model B" which had storage batteries, and in the "Model K" which had both a battery and a magneto. Model A had a chain drive and Model B had shaft drive . . . 103

The Model T had practically no features which were not contained in the one or another of the previous models. Every detail underwent rigorous testing and there was no guessing whether or not it would be a successful car. Introduced to the public in 1909 with a price tag of \$1,150, the universal car gained mass appeal as its price dropped. By the early 1920's, a Model T could be purchased for \$450. ¹⁰⁴ With continued improvements in production, the price was reduced to \$415 in 1926, a year which marked the height of the Model T's popularity. ¹⁰⁶

¹⁰³ Henry Ford, My Life and Work, 70.

¹⁰⁴ Charles Whipp, Speaking of Cars, 30.

¹⁰⁶ Tom Traves, "The Automobile Industry to 1939," 215.



"MADE IN CANADA"

Ford Touring Car
Price \$530

Ford Runabout
Price \$480

Ford Town Car
Price \$780

The above prices f. o. b. Ford, Ont., effective Aug. 2, 1915.
No speedometer included in this year's equipment, other-
wise cars fully equipped.

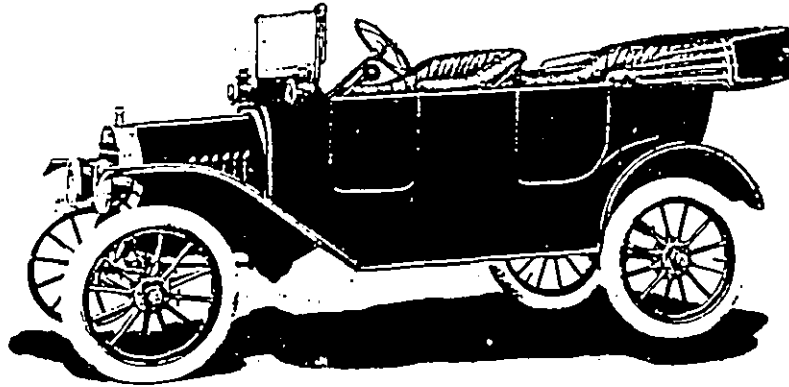


A 1915 Advertisement for Ford-Canada. 106

**TABLE 5: Ford Model T
Specifications ¹⁰⁷**

THE FORD MODEL T	STANDARD FEATURES AND OPTIONS CHART
BODY STYLES	5 Passenger touring car, 2 passenger runabout; and a 5 passenger town car.
CYLINDERS	Four cylinder motor, cast block 3.75 " x 4.0 " with an L-Head.
CARBURETOR	Special Float Feed design.
IGNITION	Single start system, a Ford special make magneto.
LIGHTING	All cars equipped with electric headlights.
TIRES	30.0" x 3.50"
WHEEL BASE	100.0"
SPRING TYPE	Semi elliptical transverse.
BRAKES	On the transmission and rear wheels.
CLUTCH	Steel Disc.
SPEEDS	Two forward speeds and one revers with direct drive on the high speed.
FINAL DRIVE	Shaft driven.
CONTROLS	For all domestic shipments excepting British Columbia and the Maritime Provinces, the steering wheel and hand lever for neutral and emergency brake on the left side of the car. For shipments to British Columbia, Maritime Provinces and foreign ports, steering wheel and hand lever and hand lever for neutral and emergency brake is on the right side.

¹⁰⁷Ford Times, August 1915, 2.



Ford Five Passenger Touring Car, 1915 ¹⁰⁸

The Town of Ford City

An entire community grew up around the Ford operation. Travelling east along Sandwich street, one passes through Walkerville and then Ford City. ¹⁰⁹ Incorporated as a village in 1912, with a population of 850, this tiny community expanded threefold with the development of the Ford facilities. ¹¹⁰ Carved from the township of Sandwich East, it was incorporated as a town in 1915. In that same year, over 102 new buildings were constructed, and the community took the form of a modern town with the addition of fire fighting equipment, sewers and street lights. ¹¹¹ The town grew apace with the development of the Ford factory; as Ford business progressed, so did the community. The town attracted prospective investors in the automobile industry. Automotive component industries developed alongside the flourishing Ford factory. Fisher Body

¹⁰⁸ Ford Times, August 1915, 46.

¹⁰⁹ Walkerville, a company town established around a whiskey industry.

¹¹⁰ "Building a New Town," Ford Times, March 1915, 351.

¹¹¹ "Building a New Town," Ford Times, 353.

Company, Canadian Lamp & Stamping Company and McGregor Barwell Fence Company were some of the first feeder industries to support the growing community.¹¹² It was estimated that in 1916 "... out of the thirty thousand people who lived in the four border towns, nearly one half were dependent in one way or another for their livelihood on the Ford Motor Company Canada, Ltd."¹¹³



The newly completed town hall and municipal center in Ford Ontario, March 1916¹¹⁴

The Town of Ford City grew and prospered with the developing auto industry. In 1929, Ford City's population warranted city status and it was renamed the City of East Windsor. On June 1, 1929, newly elected Mayor, Frank Riberdy, celebrated the event:

The town of Ford City is no more! With broader privileges and greater duties and responsibilities there emerges in its stead the Municipal Corporation of the City of East Windsor. Few communities in the history of

¹¹² The new feeder plant operations employed hundreds of people. Note the population increases on 1929 census reports. Refer to table 6.

¹¹³ "Building a New Town," Ford Times, March 1916, 363.

¹¹⁴ "Building a New Town," Ford Times, 363.

Canadian development have had the steady and rapid growth of this corporation which was launched as an independent municipal entity . . . the village of Ford in 1913 . . . and which has been gradually expanding ever since until today it numbers 17,000 inhabitants. That impetus which has been marked from the outset is still acquiring momentum. The vista of the future which is opened to us at present is one that gives us every assurance of greater growth and broader prosperity with the flight of Time. ¹¹⁶

East Windsor Industries

Ford Motor Company of Canada, the largest industrial complex in the city of East Windsor, was bordered by other automotive companies. General Motors, Chrysler, Studebaker and the Hupp Car Company are some examples of car plants established in the Border City region. In 1926, the Border Cities produced \$100,000,000 in manufactured commodities. East Windsor and the Walker Road area of Walkerville were noted as the greatest consumers of hydroelectric power for machining in Ontario. Referred to as the 'industrial belt,' companies established themselves throughout Sandwich East Township and the Town of Riverside. ¹¹⁶ Aside from the Ford Motor Company, General Motors and the Chrysler Corporation, there were large component suppliers such as Dominion Forge and Stamping Company, the Canadian Motor Lamp Company Ltd. and the Union Foundry. ¹¹⁷

¹¹⁶ "Mayor Riberty's Forward," The City Of East Windsor, Commemorative publication, 1929, 51.

¹¹⁶ Refer to Appendix IV for a map of Sandwich East Township.

¹¹⁷ The City Of East Windsor, Commemorative publication, 1929, 51.

Kansas native Walter P. Chrysler established his corporation in the Windsor area through a buy out of Maxwell-Chalmers in 1925. Originally an employee of Buick Motors, Chrysler developed his own car in 1924 — a six cylinder 'modern vehicle' featuring a high compression engine and four wheel hydraulic brakes.¹¹⁸ On June 6, 1925 the Chrysler Corporation of America was established and eleven days after its founding, a Canadian branch assumed control over the troubled Maxwell-Chalmers corporation.¹¹⁹ Sales of the new Chrysler cars were very good and the company prospered throughout the twenties and thirties.

East Windsor was the center for the production of cars and trucks in the British Empire. In 1916, Ford of Canada purchased 25,000 tons of steel, 1,500 tons of brass, 120,000 wheels, 200,000 lamps and other materials in greater quantities. "Practically the entire production of several large Canadian factories employing hundreds of work men was purchased by the Ford Plant . . ."¹²⁰ As a result of the concentration of heavy industry in the Border City region, other specialty industries developed in East Windsor:

Standard Chemical Company, the River Sand Brick Company Ltd., the Ford City Door and Sash Company; E.C. Polsson lumber, Merlo, Merlo and Ray, Ltd., contractors, and contractors' supplies, the Provincial Ice and Coal Company, the Imperial Oil Company, Ltd., (distributing plant), Kovinsky Iron and Metal Company, the Windsor Ice and Coal Company, the C.A. Chilver Company, Limited, the Walkerville Fuel and Supply

¹¹⁸ A History of Chrysler Canada, Unpublished Paper, University of Windsor, 1984.

¹¹⁹ The Maxwell Motor Company merged with the Chalmers Corporation in the early 1920's and made cars on Tecumseh Road East in Windsor.

¹²⁰ "Stranger than Fiction," Ford Times, April 1916, 404.

Company, the British American Coal Company, the
Meinick Coal and Wood Company . . . ¹²¹

In 1928, General Motors spent over 1,000,000 dollars expanding its administrative facilities on Walker Road in Walkerville. The Fisher body plant which had supplied bodies to the Ford factory was also purchased by General Motors. The Canadian branch of General Motors produced engines for the Chevrolet Motor Company. The Chrysler Corporation launched popular vehicles in the late twenties and domestic demand sparked the construction of a large building complex on a 70 acre site in the southeast corner of Walkerville, east of the Pere Marquette Railway lines. Three buildings were constructed, the largest being 1000 x 280 feet. The new building programme marked the beginning of a prosperous car company. By 1928 the Model T, which started the car buying boom and provided the nucleus for a Canadian car town, found strong competition in the Canadian car market.

¹²¹ The City Of East Windsor, Commemorative publication, 1929, 51.



AN AIRPLANE VIEW OF THE FORD MOTOR COMPLEX,
WINDSOR, CANADA, 1927. (THE CANADIAN PRESS)

A View of the Canadian Ford Motor Complex-1927 ¹²²

¹²²Ford Factory, Border Cities Canada. Hiram Walker Historical Museum P8328, PM/730.

**TABLE 6: CITY OF EAST WINDSOR
1929 ASSESSMENT FIGURES ¹²³**

YEAR	LAND	BUILDINGS	TOTAL
1913	\$ 280,609	\$ 242,170	\$ 607,879
1914	323,330	340,345	800,213
1915	327,713	412,395	1,128,667
1916	411,133	498,050	1,230,307
1917	538,506	676,625	1,615,124
1918	589,337	752,375	1,755,078
1919	595,947	777,475	1,762,889
1920	945,710	1,095,150	2,635,960
1921	1,401,723	1,354,370	3,368,619
1922	1,674,038	1,769,120	4,271,511
1923	3,311,066	2,345,430	6,668,494
1924	4,676,124	3,548,070	8,940,794
1925	5,112,440	4,662,950	11,005,560
1926	7,819,390	8,977,228	19,212,442
1927	7,826,375	9,648,470	19,913,600
1928	7,964,432	10,740,444	21,392,086
1929	8,339,190	11,433,275	22,747,665

POPULATION

YEAR	FIGURES	YEAR	FIGURES
1913	1,430	1921	5,800
1914	1,978	1922	5,860
1915	2,060	1923	6,800
1916	2,400	1924	9,204
1917	2,900	1925	11,300
1918	3,136	1926	13,105
1919	3,138	1927	13,531
1920	4,300	1928	15,105
	(On May 1)	1929	17,000

BUILDING PERMITS

YEAR	PERMITS	AMOUNTS
1921	160	\$ 323,185
1922	220	1,564,795
1923	502	1,593,452
1924	374	1,368,910
1925	405	1,104,445
1926	487	1,592,058
1927	280	1,054,531

¹²³ City of East Windsor, Announcement Publication, 1 June 1929, 71.

CHAPTER IV

WAR AND POLITICS

Wartime Production

In 1914, Ford introduced a vehicle with a rear mounted machine gun. This versatile vehicle allowed the driver to operate the car and the gun at the same time. When war broke out, the entire stock of Ford Motor cars were delivered to the military authorities. These vehicles were soon used in Europe to transport troops and supplies to and from the front lines. Cars and trucks were incorporated into signal unit groups. Ford acted as the foremost leader in wartime manufacturing throughout the British Empire. Ford vehicles outnumbered any other company's vehicles in war, a position it would maintain twenty years later in the second world conflict.¹²⁴ As its ambulances drove the wounded soldiers through the war torn European countryside the Ford name was enhanced. Ford's ambulance became an established life saver and served the company image well. The dependable truck overcame all obstacles—mud, rocky terrain, and water.

The Canadian plant was quickly retooled for the production of specialized military vehicles and transports and was an important source of supply for vehicles fighting in Europe.¹²⁵ The manufacturing of cars for the civilian population was temporarily discontinued for the duration of the war as the company directed all of its

¹²⁴ "Ford One of the Greatest Empire Arsenal: Foremost Producer in Two World Wars," *Windsor Star*, 14 August 1954.

¹²⁵ Not only was Canada's Ford factory a critical component in the European campaign, it was also important in the Middle East. The British were at war with the Turks in Palestine. The Canadian company exported Ford trucks which were instrumental in giving the British an added advantage over their opponents. In 1917, General Allenby lauded the Ford truck, as helping his forces defeat the Turks in Jerusalem. Wilkins and Hill, 79.

resources to the wartime effort. Ambulances, personnel carriers and trucks, as well as components for the American manufactured Eagle boats and tanks, were produced in Ford City.¹²⁶ By the conclusion of the war in November 1918, it was estimated that the Canadian Ford facility had manufactured in excess of 60,000 vehicles.

McGregor's Response to Henry Ford's Political Activism

The United States of America had not entered the first world war until 1917. Until that time, Henry Ford remained an active proponent of peace. Ford went so far as to charter a ship, the Oscar II, to transplant a delegation to an international peace conference in Europe.¹²⁷ On November 24, 1915, Ford announced to reporters that "We're going to try to get the boys out of the trenches before Christmas. I've chartered a ship, and some of us are going to Europe."¹²⁸ World peace activists Rosika Schwimmer, a Hungarian author and Louis P. Lochner, past secretary of the International Students Federation, wanted President Wilson to bring the fighting nations together in a European peace conference at The Hague. The two women met with Henry Ford and designed a plan to launch a peace conference. Ford was very enthused and went to see President Wilson about supporting this plan. Wilson declined but the peace activists were undeterred. A ship was chartered and it was to sail from New York on December 4. The peace team consisted of suffragists from all over the United States of America. Ford felt that his mission might not bring peace

¹²⁶ Eagle boats were fast vessels constructed to counter German submarine warfare. They were built ten miles from the water in Highland Park, Michigan. The first boat completed was delivered to the U.S. Navy in July 1918. Ralph C. Graves, Triumph of an Idea (Garden City, 1934), 72-73. The Canadian plant manufactured some components for the boats.

¹²⁷ For more on Henry Ford's peace keeping mission to Europe see: Carol Gelderman, The Wayward Capitalist (New York, 1981), chapters 7-8.

¹²⁸ Alan Nevins and Frank Ernest Hill, Ford Expansion and Challenge 1915-1933 (New York, 1957), 29.

immediately, but he was certain that his mission would hasten it. The peace crusade lost its drive after the group landed in Norway; and the once hopeful Henry Ford returned home, ill and exhausted. Ford's actions were closely monitored by the press in both Canada and the United States. Henry Ford was publicly anti-war; in fact, he was against all the components of war. Ford spoke out against the Anglo-French war loan negotiated by the American government because he felt that money was the most important component of war. Deprived of it, the participants would be forced to negotiate an end to the war.¹²⁹ By speaking out against the allied war loan, Ford alienated the Canadian public. The British Empire was at war and Canadians were a part of that struggle. Patriotic Canadians took offense at Ford's outbursts and resented his attitude toward the war. Ford operations in Canada were a likely target for Canada's patriotic sentiments.

McGregor had to deal with the ramifications of Henry Ford's political activism. The Canadian public was outraged by Ford's opinions and this put Gordon McGregor in a very delicate position. Although Ford only wanted to see a swift conclusion to the war, his political statements fueled a Toronto boycott of Ford products. If it spread, Ford operations in Canada could be seriously damaged. Gordon McGregor had a business to run. Now as a result of Ford's political machinations, he was forced to walk a tightrope between the American parent organization and the patriotism of the Canadian public. McGregor argued that the interests of the Canadian operation should not be prejudiced by the statements of Henry Ford. During an interview which was designed to uncover the attitude of the Canadian company with regards to the widely quoted anti-war statement by Henry Ford, McGregor argued that the interests of the Canadian operation should not be

¹²⁹ Carol Gelderman, *The Wayward Capitalist*, 218-219.

prejudiced by the American's declarations. McGregor assured the public that he was 100 percent behind the allied war effort and carefully wording his response McGregor said, "I do not want to be put in a position of putting words in the mouth of Mr. Ford, who is the president of the Canadian company, but I think Mr. Ford is entitled to his opinion in these matters, just as any other prominent neutral American citizen."¹³⁰ McGregor argued that even President Wilson expressed his dissatisfaction with the loan and that there was no major upheaval over Wilson's statement. McGregor gave a strong rebuttal to the allegations of the press which stated that Ford would do all that he could to stop the American loan to the allies, ". . . and [to] tie a tin can to the Anglo-French Commission and send them back to where they came from."¹³¹ McGregor tactfully attempted to persuade the Canadian public that statements released by Mr. Ford should by no means be construed as opinions of the Canadian company. Even if Mr. Ford's comments as they existed in the press were true, McGregor said that the Canadian contingent of the Ford company could speak for itself. The Canadian operation was precisely what the name indicated, 'The Ford Motor Company of Canada.'

Given that the American company was the majority shareholder in the Canadian operation, McGregor had to carefully word his answers to questions raised about Henry Ford's anti-loan position. One of the ways to distance Ford of Canada from its parent company was to reinforce the concept that his company was a Canadian managed operation. Where stockholders resided, he argued, was irrelevant. Using the example of international stockholders, McGregor said that ". . . it would be just as reasonable to say that the trains of the C.P.R. should immediately stop running through

¹³⁰ Evening Record, 6 October 1915.

¹³¹ Evening Record, 6 October 1915.

Canada just because a large block of stock is owned in Germany and there is no question as to the sentiment of the German shareholders. The same may be said of a great many corporations which are partly owned in Germany." ¹³² McGregor emphasized to members of the press that Henry Ford himself owned only 25% of the Canadian stock and that the operation employed between 3000 and 5000 Canadians, either in direct or indirect labour. Furthermore, more than three hundred Ford employees enlisted for overseas duty. McGregor had no apology to offer the Canadian press when he stated " As to my own sentiments, there is no question, and I cannot offer any apology for Mr. Ford because he is entitled to his views just as is any other individual." ¹³³

It should be noted that McGregor was careful not offend the president of the Ford Motor Company and he highlighted Her., Ford's generosity in England. Ford authorized the manager of his England facility, Percival Perry, to purchase a large house and support some of the fleeing refugees from Belgium. The Perry's secured a thirty acre estate close to their home, Oughttrighton Hall, to house refugees until they could return home to Belgium. ¹³⁴ For well over a year, Ford supported a house with over three hundred and fifty Belgian refugees. At the outset of the war, Ford held a general meeting for all of his managers, during which it was decided to keep production going and to continue all building construction projects. This decision kept Canadians employed. Returning to Ford's wartime loan statement, McGregor felt that the entire issue was blown out of proportion and that too much attention was focused

¹³² Evening Record, 6 October 1915.

¹³³ Evening Record, 6 October 1915.

¹³⁴ Wilkins and ..., 52.

on the opinions of Mr. Ford.¹³⁵ McGregor contended, as a Canadian shareholder, and a representative of Canadian and American shareholders, that the sympathy and support of the company was behind the efforts of the allies. Both the shareholders and the employees of the Ford Motor Company of Canada from the Windsor-Detroit area were generous in making large donations to wartime causes.

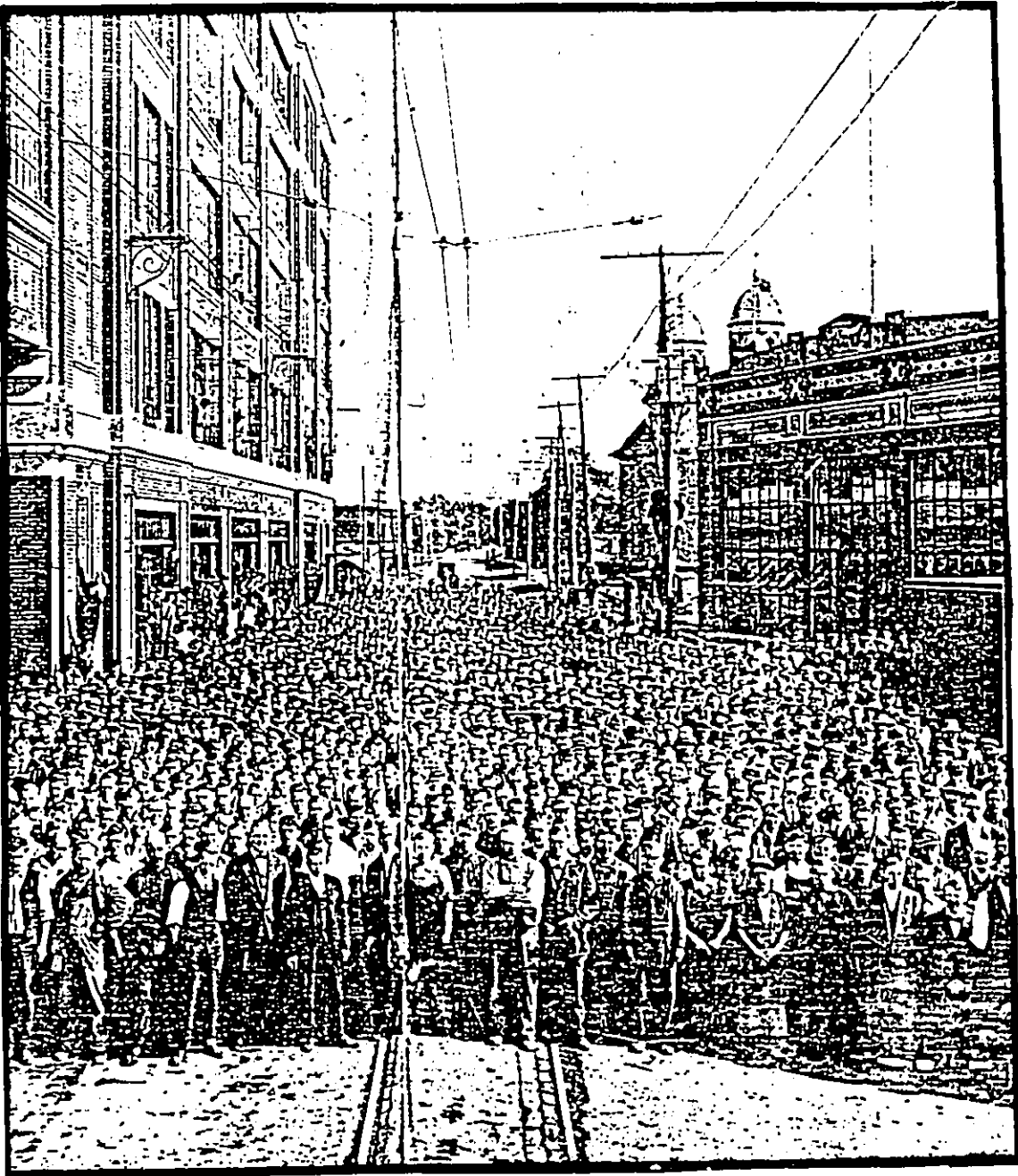
The Ford employees at the Ford City operation were very patriotic. In October, 1915, McGregor had their picture taken to highlight the employee's active participation in the war effort. In a remarkable display of patriotism, the small community of Ford City donated \$75,776.99 to the Canadian Patriotic Fund and Red Cross Funds. The money was collected in a two day fund raising campaign, most of which was donated by employees and stockholders of the Ford Motor Company of Canada. A total of \$59,304.39 or an average of \$29.60 each was contributed to the fund. Of the 1,625 Ford factory workers, \$30,410.14 was pledged or \$18.71 per employee.¹³⁶ The fund raising drive was organized by W.L. McGregor, Mayor C.J. Montreuil of Ford City and W.E. Jones. The fund raiser was set for October 26 and 27; its goal was \$25,000. The small town of Ford City which in 1915 had a population of 2,200, donated thousands of dollars and tripled the target set.¹³⁷ A picture taken at the

¹³⁵ In the March, 1916 issue of the Ford Times, it was noted that through Gordon McGregor, vice president of the Ford Motor Company of Canada, Ltd., Henry Ford had donated \$10,000 to the Essex County tuberculosis hospital at Union on the Lake. Also, in 1915, Henry Ford had donated \$10,000 to the Red Cross Society which was helping to care for Canadian soldiers. Ford Times, March 1916, 350.

¹³⁶ "Your True Canadian is a Pioneer. Your Pioneer is a Precedent-Breaker, And your Ford is a True Canadian," Ford Times, November 1915, 147.

¹³⁷ Local automotive parts suppliers also gave generously to the patriotic fund drives in October, 1915. The Fisher Body Company donated \$3,428.10, the American Auto Trimming Company \$3,034.00, Dominion Stamping 3,250.00, McGregor-Esterwell Fence Company \$2,618.00, the Invinible Machine Company \$1,000.00, and the Canadian Lamp and Stamping Company \$935.00. Non-automotive related industries pledged \$2,209.50. Ford Times, November 1915, 148.

Ford plant served to reward the participants and reinforce the patriotic image of Ford Canada.



**Seventeen hundred factory employees of the Ford Motor Company of Canada
October 23, 1915¹³⁸**

¹³⁸ Ford Times, Oct. 1915.

The entire staff of the company had their picture taken and were back at work in ten minutes. Taken outside the company's riverside facility, the photo still cost the company nearly three hundred working hours, or about \$1200.¹³⁹

Throughout the course of the war, patriotism was a strong force in Ontario. Gordon McGregor utilized a great deal of his time and energy in promoting the Ford Motor Company of Canada as a loyal and patriotic Canadian company. McGregor effectively utilized the Ford Times to stimulate recruiting and to inspire patriotism. In September 1915, publisher W.J. Taylor, of Woodstock's The Sentinel-Review, wrote to the Ford Motor Company of Canada commending them for the pictorial war edition featured in the Ford Times.

It is a patriotic number from cover to cover, the material is of a patriotic nature and serves to show that the Ford Motor Car deserves a high place among the allies who are fighting for the peace and well being of the world.—
*W.J. Taylor.*¹⁴⁰

Nothing more was heard of a boycott of Ford products; McGregor's damage control had been successful.

Canada and the Ford Tractor

An interesting development of the war in Europe was the Ford tractor. First displayed in 1915, the Ford tractor was hailed as a triumph of modern engineering. The tractor was released at the right time for not only did the allies require trucks to

¹³⁹ The Evening Record, 23 October 1915.

¹⁴⁰ "Praises War Issue," Ford Times, September 1915, 67.

move their soldiers, they had to feed them. Britain was suffering incredible losses due to Germany's unrestricted submarine warfare and starvation was feared.¹⁴¹ Ford's new tractor was the answer to Britain's food supply problem and it was ordered in large numbers to increase farm yields. The tractor was a critical component of the war. When in 1917 the United States of America declared war on Germany, Ford gave this new weapon of war a high priority and prepared his Manchester plant for full scale assembly. Beginning in the summer of 1917, tractors were manufactured in Dearborn, Michigan and in the following year work started on a similar operation in Cork, Ireland.¹⁴² Ford had planned to manufacture tractors in Ontario and even purchased land to set up a plant, but when the tariff on tractors was dropped, so was the project. Ford-Canada never manufactured tractors and acted only as a distributorship for Dearborn.

The Canadian Government and the Liberal Tariff of 1926

On April 25, 1926, the Liberal government enacted legislation which created a major turmoil in the Canadian automobile industry. The Act cut the protective tariff from 35% to 20% on all cars priced under \$1200. Higher priced cars and auto parts received a reduction from 35 to 27.5%. This had a great impact on the prices of cars manufactured in Canada, for in order to remain competitive with American car companies, Canadian corporations had to reduce the price of their cars. The only compensation which was awarded to the Canadian manufacturers was a Canadian

¹⁴¹ In 1915, Great Britain was losing over 74,000 tons of product a month due to the German submarines sinking ships approaching the island. The losses escalated as the war continued and by 1916, Germany was sending over 103,000 tons of product a month to the bottom of the ocean. Wilkins and Hill, 69.

¹⁴² Henry Ford, of Irish decent, wanted to establish a company in Ireland. His representative in England, Percival Perry, wanted to centralize Ford operations in England. On 17 July 1927, Henry Ford and Son Inc. was established to produce tractors in Ireland.

content law which prescribed that a 25% rebate would be paid out to the manufacturer of a Canadian car based on a 50% Canadian content.¹⁴³ It was thought that by offering a 25% rebate on Canadian parts that Canadian industrial development would be stimulated.¹⁴⁴ Many questions surrounded the controversial issue of tariff reduction. Was the tariff a shelter for the Canadian manufacturer to exploit the public? The price of a Canadian made car was 29 to 45% more expensive than an American made car.¹⁴⁵ The price difference was very close to the 35% tariff and it appeared as if the manufacturers were making large profits at the expense of the public. The tariff was one of the most contentious issues of the 1926 budget and was fiercely debated in the House of Commons.

The Liberal government of McKenzie King which came to power with the aid of the western agrarian based Progressive party had to address the political concerns of its prairie supporters. The tariff was a central concern to farmers who felt that the large manufacturers enjoyed the protection of the Canadian government at their expense. They demanded lower priced consumer goods. The King government had to walk a political tightrope as the tariff reduction satisfied the western farmer, but it alarmed the Canadian car manufacturers. The mayor of Calgary complained that the auto manufacturer's prices were too high and the ". . . whole West was grumbling" that while the manufacturers were protected the consumer had to pay.¹⁴⁶ For King, the choice was clear. Tom Traves noted in his book, The State and Enterprise, Canadian Manufacturers and the Federal Government, 1917-1931 that:

¹⁴³ Wilkins and Hill, 132.

¹⁴⁴ Tom Traves, The State and Enterprise, Canadian Manufacturers and the Federal Government, 1917-1931 (Toronto, 1979), 104. Hereafter cited as The State and Enterprise.

¹⁴⁵ The State and Enterprise, 104.

¹⁴⁶ The State and Enterprise, 105.

It seems clear that the auto tariff revisions greatly appealed to King's imagination; in one stroke he increased jobs and reduced prices for the working man, he strengthened the Liberals' political base, and furthered the Liberal-Progressive party alliance.¹⁴⁷

The auto manufacturers were livid. Campbell contended that competition from American companies would damage the Canadian market as ". . . it was now cheaper to import a finished car at a duty of 20 percent than to assemble or manufacture in Canada, since the tariff on parts still ranged from 27.5 to 35 percent."¹⁴⁸ Campbell appealed to the Canadian government to restore the 35% tariff. On April 23, 1926, Mr. Ross, a member of parliament for Moose Jaw, read a letter purported to represent Campbell and the other auto manufacturers' position:

I am a maker of cars. You have by means of a high tariff given us the chance to make 82.73 percent out of you last year. The Liberals are trying to change the rules of the game. Herefore [sic], I have been able to extract that amount for the benefit of myself and my American friends. Be good please. Put back the duty on motor cars to 35 percent.¹⁴⁹

Critics of the protective tariff reflected on the serious nature of manufacturing and jobs. The Ford tractor was never produced in Canada and became a contested issue in the 1926 budget session. The central issue surrounding the tractor was the tariff and how the removal of a tariff on tractors in 1915 caused Canada to lose a tractor factory. Given the tariff reduction on automobiles from 35 to 20% it was feared that automobile

¹⁴⁷ The State and Enterprise, 108.

¹⁴⁸ The State and Enterprise, 108.

¹⁴⁹ Dominion of Canada, House of Commons Debates, Ottawa, The Budget, 1926, 2762.

industrial development would suffer. The Hon. J.W. Edwards (Frontenac-Addington) reminded the member of Westkivir, Mr. Tobin, about the tariff and industrial development in 1915. Henry Ford had declared that he was going to build a tractor plant in Ontario. In fact, 50 acres of land were purchased for the project which would have employed over 10,000 men. In its wisdom, the government had removed the tariff on tractors and the tractor project was never started.¹⁵⁰ On May 11, 1926 Raymond Morand (East-Essex) commented in a meeting of the House of Commons that:

On Sept. 15, 1915, Henry Ford stated in the Detroit Journal that he would build a tractor plant in Canada which would employ 10,000 men; that he had bought 50 acres of land for that purpose and was ready to built the plant. The duty was eventually removed from tractors; but tractors are made in the United States, shipped into Canada, and we have not the 10,000 employees. The same thing happened had we no duty on Ford cars. We would have no plant in Ford City, Canada; the cars would be shipped from the parent plant in Detroit.¹⁵¹

Morand was quite adamant when he declared that tariff reductions and thoughts of free trade would "turn this country into nothing but pastoral land."¹⁵² Alarmed by the prospect that Essex county could lose jobs, Morand emphasized that automobiles were a necessity and the industry had to be protected. Morand did not want to see the auto manufacturing industry "...ruined or turned over to the U.S..¹⁵³ Morand was not

¹⁵⁰ Debates, Ottawa, The Budget, 1926, 2889.

¹⁵¹ Debates, 1926, 3327.

¹⁵² Debates, 1926, 3327.

¹⁵³ Debates, 1926, 2007.

interested in the great profits of the car companies but in jobs; "...in my own town and in the Border Cities we have working for automobile manufacturers and the manufacturing of automobile parts, 8,978 men."¹⁵⁴ Morand continued, "If you wipe out duty on autos or even materially reduce it . . . It will effect auto manufacturers and a vast army of workers as well. Personally I believe in protection and so do my constituents, a protection that will be sufficient to sustain the Canadian market for our own goods."¹⁵⁵

The car industry in Canada developed when the tariff was 35%. Gordon McGregor and R.S. McLaughlin used the tariff to establish Ford and General Motors of Canada. American companies such as Studebaker established plants in Canada solely because of the tariff barrier. In 1920, W.P. Shillington wrote:

We are in Walkerville purely because of the tariff on the completed automobile and because we could assemble the parts in Walkerville, make some purchases in Canada and reduce the costs slightly. If it were not for the present tariff on the completed automobile it would simply be a case of there being no advantage of being over here. That is all there would be to it. We have our plant at South Bend and we would simply ship from there.¹⁵⁸

The automobile tariff reduction caused a massive anti-government protest movement led by the auto manufacturers. A large rally in Oshawa of three thousand auto workers, mostly from Oshawa-G.M., filled a local theatre to lobby against the new budget. The auto workers were not effectively organized and without a strong union

¹⁵⁴ Debates, 1926, 2007.

¹⁵⁵ Debates, 1926, 2007.

¹⁵⁸ P.A.C. Tariff Commission, 1920 papers vol. 8, file 23 142689 testimony of W.P. Shillington, Studebaker Corp., 30 Nov. 1920, cited by Tom Traves, The State and Enterprise, 103.

leadership. They appeared to be reacting out of fear and their employer's actions, rather than independently affirming their support for a continued high tariff on automobiles. Speaking for the manufacturers, Campbell argued that it was now cheaper to import a U.S. made car as the auto parts tariff remained at 27.5 to 35%. The rally had a weak political base and the automakers best efforts had little effect on tariff policies. Part of the reason for the lack of political clout was that the car companies reinvested their profits into their companies as opposed to creating business ties with major business communities.¹⁵⁷ Essentially independent operations carmakers did not have significant ties with the broader business, financial and manufacturing community to pressure a change in the new tariff policy. Consumer pressure weighed heavily against the King government and reinforced the tariff reduction. King's own personal opinion of car manufacturers further strengthened the case for tariff reduction. King described the automakers from Windsor as ". . . the hardest looking lot of manufacturers' promoters I have ever seen, a genuinely brute force gang from Fords and other concerns."¹⁵⁸ The Prime Minister was confident that reduced prices and increased employment would win over any reluctant autoworkers temporarily blinded by their employers rhetoric of ruin and unemployment.

Canadian car manufacturers continued to pressure the King government, and General Motors went so far to shut down its Oshawa plant in protest. Three thousand men were idled. King was forced to consider the position of the industrialists. Relief was given in the form of an excise tax repeal of 5% on cars priced up to \$1200 and 10% on those over the limit, provided that they met the 50% Canadian content regulations. The auto companies continued to lobby for a return to the 35% tariff but

¹⁵⁷ The State and Enterprise, 107.

¹⁵⁸ King Papers vol. 17, 3861, 13 April 1923, cited by Tom Traves, The State and Enterprise, 108.

made little progress until R.B. Bennett came into office in July 1930. In February, 1931 Bennett's government issued an order in council restoring the tariff. The policy was effective, and within two years four previous exporters of cars to Canada --- Nash, Hudson, Graham-Paige and Packard set up companies in Canada. ¹⁵⁹

In addition to the tariff crisis, Campbell was again embarrassed by the unguarded statements of Henry Ford. Ford as an advocate of free trade was quite enthused about tariff reduction. During the 1926 budget debate in the Canadian House of Commons, Mr. McKenzie, noted an article printed in the Ottawa Evening Citizen which reported Ford's opinion on free trade:

It is quite simple. Lower prices means more buyers means more business means more growth for the manufacturer. I would cut out the tariff . . . and have free trade. Free competition brings healthy business. I can tell that those fellows over in a Canadian unit are going to manufacture more efficient now. They'll have to, its going to be a better plant over there, better organization. ¹⁶⁰

Henry Ford's contention was that ". . . some people believe that tariff reduction will kill manufacturing in Canada, that there will be unemployment and no wages, and therefore no money for the consumer to spend, that you must first help the manufacturer in order to help the consumer. That's all wrong." ¹⁶¹ Campbell maintained a strong position on restricting imports and a return to a tariff protected auto market. Campbell apparently convinced Ford of the potential political damage he was

¹⁵⁹ The State and Enterprise, 119.

¹⁶⁰ Debates, 1926, 2786.

¹⁶¹ Debates, 1926, 2786.

causing. Following a tour of the Canadian plant, Ford told reporters "He would add nothing to the statement made by Mr. Campbell (read in parliament) . . . other than expressing the opinion that free trade would be best for the Canadian plant."¹⁶² Ford deferred to Campbell's policy and did not interfere with the policies of the Canadian operation; however, he still took opportunities to express his personal belief that free trade would be good for the Canadian operation.

¹⁶² Debates, 1926, 2715.

CHAPTER V

MADE IN CANADA

Sales and Promotion

In 1915, the predominate theme "Made in Canada" or advertisements which promoted Canadian content appeared in Ford Times, the Evening Record and a host of other publications. These articles featured sales promotions which firmly established the high quality of Ford cars and associated that quality with Canadian made products. No doubt, this perspective coincided with Gordon and Donald McGregor's thinking. "Made in Canada" was a plan to make Canada "commercially great" said Mr. A.N. Lawrence, sales manager of Ford-Canada. Other countries such as Germany which had stressed country of origin had done extremely well using this marketing approach; and given the war raging in Europe, Lawrence felt that producing "Canadian cars" was a measure in "practical patriotism."¹⁶³ The concept of "Made in Canada" was strictly adhered to in ads such as the following:

**YOUR TRUE CANADIAN IS A PIONEER: YOUR PIONEER IS A
PRECEDENT- BREAKER. AND YOUR FORD IS A TRUE
CANADIAN.¹⁶⁴**

**DON'T FORGET THAT WHEN YOU BUY A CANADIAN FORD YOU
ARE GETTING A CAR THAT IS "MADE IN CANADA" CANADIAN
MECHANICS BUILT IT IN CANADA'S BIGGEST AUTOMOBILE
FACTORY AND THE GREAT BULK OF MATERIAL THAT GOES
INTO IT IS PURCHASED IN THE DOMINION.¹⁶⁵**

¹⁶³ "Ford Booming—Made in Canada," The Evening Record, 12 November 1915.

¹⁶⁴ Ford Times, November 1915, 147.

¹⁶⁵ Ford Times, March 1916, 341.

MORE THAN SEVENTY THOUSAND CANADIAN FORDS HAVE BEEN SOLD THROUGHOUT THE EMPIRE. SURELY THIS TESTIMONY IS CONVINCING.¹⁶⁶

THE CANADIAN FORD IS A CANADIAN CAR — BUILT OF CANADIAN MATERIALS AND BY CANADIAN WORKMEN. AND LIKE ALL GOOD CANADIANS IT DOESN'T FAIL IN A CRISIS.¹⁶⁷

It was important for the company's marketing approach that its cars were **"MADE IN CANADA"** and not just built in Canada. As competition with American companies increased, campaigns stressed 'buy what you build'. An example of this theme appeared in the 1916 edition of the Ford Times:

Ford Cars are truly, 'Made in Canada,' and not 'Built in Canada' because they are made on this site from parts manufactured in Canada. The Ford is a Canadian made proposition through and through . . . made in every vital respect from Canadian made parts and material. It is not built or assembled from imported material.¹⁶⁸

The car made in Ford, Ontario was a product which was sold with guarantees of Canadian craftsmanship. A high percentage of materials used in the construction of Ford-Canada cars were of Canadian origin.

Ford cars sold in Canada are made in Canada, not only by Canadian labour, but also with Canadian material and parts. Therefore, the buyer not only saves the duty of 42.5 per cent on the finished product, but thereafter is relieved of all duty in the purchasing of spare parts.¹⁶⁹

¹⁶⁶ Ford Times, March 1916, 340.

¹⁶⁷ Ford Times, October 1915, 109.

¹⁶⁸ Ford Times, March 1916, 340.

¹⁶⁹ Ford Times, January 1916, 244. The actual tariff was 35% with an additional 7% war tax.

Promotion and sales went together and the Canadian company invested a great deal of time and money in publicizing its products. Songs were invented, movies filmed and publicity stunts staged to promote the Ford car. Many jingles and poems were written to praise Canadian Ford products.

The Car that Ford Built

This the Car that Ford Built.
This is the town of world renown
That turns out the car that Ford built.

This is the trainload of cars each day
Shipped from the town of world renown
That turns out the car that Ford built.

This is the factory that gives highest pay,
That ships a whole trainload of cars each day
From the Canadian town of world renown
That turns out the car that Ford built. Etc.

— James Fax, Toronto ¹⁷⁰

Reports which demonstrated the strength and reliability of Ford motor cars received equal press in the company paper, the Ford Times. Famed explorer Francis Brittle crossed Australia's harsh wilderness interior five times using his Ford car. Brittle travelled over 47,000 miles filming and taking pictures of remote areas never before photographed. ¹⁷¹ This represented a remarkable achievement as it had never had been done before. Prior to Brittle, an expedition led by Burke and Wills left to

¹⁷⁰ "The Car That Ford Built," Ford Times, October 1916, 82-83.

¹⁷¹ "Australian Desert Lore," Ford Times, March 1916, 343.

cross the Australian interior and were never heard from again. Brittles achieved world recognition and his Ford car offered solid testimony to the ruggedness and dependability of a Canadian manufactured car.

In 1925, Ed Flickenger did the impossible as the daring photographer crossed Canada using a Model T Ford. Starting on September 8, at the Atlantic ocean, Flickenger drove for 40 days until he reached the Pacific. It was an amazing feat as road conditions in Canada were very poor and for 835 miles he rode on the rails of the Canadian Pacific and Canadian National Railways. Flickenger made arrangements with the companies and substituted flanged wheels for tires so he could drive on the rails. Flickenger set the record for the first transcontinental automobile trip driving over 4,794 miles at a pace of 120 miles a day.¹⁷² A photo appeared in the July, 1916 issue of Ford Times depicting Ulric Leroux of Drummondville, Quebec driving 18 co-workers to the Aetna Chemical Plant. What appeared to be a publicity stunt turned out to be profitable shuttle service. The Model T which could seat five comfortably was loaded up with five times that many people. Leroux faced only one problem with his unusual shuttle service; riding to work became so popular that there was a competition for seats every day.¹⁷³

Aside from publicity stunts and magazine articles, perhaps the most successful form of advertising that Ford-Canada utilized was film making. The Ford Motor Company of Canada was the first company in the Dominions to incorporate a movie making department as an integral part of its organization. Six thousand feet of film were

¹⁷² "Flickenger Did The Impossible," The Windsor Daily Star, 14 August 1954.

¹⁷³ "Has Carried Twenty-Five Men," Ford Times, July 1916, 567.

developed into a story which showed how the Ford car was constructed. ¹⁷⁴ Beginning with shots of raw materials the film took the audience through the entire manufacturing process. The films were shown after factory tours and copies were sent to the international distribution agencies to help promote sales. Ford films produced in Canada featured current events, industrial developments and scenes of nature. In December 1915, signs read 'standing room only' for movie theatres showing Ford films in Ingersoll, Ontario. A local theatre in St. Thomas, Ontario drew over 4000 people to see a showing of a Ford film and after the last presentation of the films in Moosejaw, Saskatchewan, the local dealership sold its entire stock of cars. ¹⁷⁵

According to Ford Motor Company of Canada, the purpose of the Ford film was to ". . . disseminate the Ford Idea, and to instruct and entertain by showing the people current events and industrial scenes that they would be unable to see without travelling constantly. Nothing of an advertising nature is contained in the pictures themselves and the only reference to this company is made in the borders which contain the Canadian Ford trade-mark." ¹⁷⁶ Films were a powerful form of advertising as people associated entertainment with the Ford logo. Films were sent to hundreds of theatres across Canada and were also used as a form of entertainment for the troops fighting in Europe. The movies which often centered on nature and Canada's parks were

¹⁷⁴ In attempting to finish the film describing the Ford plant, two camera operators decided that it would be nice to finish the film with a panoramic shot of the entire factory. The two men went to the town hall which was across the street (Sandwich Street and Drouillard Road) from the factory. A gale wind was sweeping around the top of the town hall when the camera men climbed out onto the narrow edge of the bell tower and as one man held the camera steady, the other cranked the handle. During the filming, the men forgot the time and without notice, the bell clanged shaking the rafters. Luckily, no one was hurt, and the camera which was worth \$1200 was saved from falling to the ground. The motion picture field was very daring in the early 1900's. "Moving Pictures?," Ford Times, December 1915, 201-202.

¹⁷⁵ "Moving Pictures?" Ford Times, December 1915, 203.

¹⁷⁶ "Inside Information," Ford Times, February 1916, 295.

thought to have an inspirational effect on the battle weary soldiers. ¹⁷⁷ The motion pictures produced at Ford's film department proved to be an invaluable marketing tool.

Service Stations and Repairs

In the early years of the Ford Motor Company of Canada, the McGregor brothers, sold the cars that were assembled in the reworked Wagon Works facility. Although Gordon McGregor sold cars at the outset of the company's production, it was his brother, Donald, who made car sales his full time occupation. ¹⁷⁸ Donald teamed up with his brother-in-law, John Duck and established a Ford distributorship under name of The Universal Car Agency. ¹⁷⁹ The newly constructed sales agency prospered and extended into three counties, Essex, Lambton and Halton. The business grew at an alarming rate and within 10 years, the original 27 dealerships expanded into a network which employed over five hundred salesmen. The lucrative business continued to increase and by 1925, its sales network employed over 700 men.

Sales was not the only industry which sprung up overnight; service and repair stations followed closely behind. Early repairs were very costly and many car parts were custom made by hand. Few car repair shops stocked a good inventory of parts. Expensive cars of the early nineteen hundreds (1903-1912) were considered foolish investments partly because the repairs were so costly. If your car broke down, a

¹⁷⁷ "Inside Information," Ford Times, February 1916, 296.

¹⁷⁸ The first U.S. manufactured Ford car sold was to Dr. E. Pfennig, a dentist from Chicago. He paid \$850. Robert Lacey, Ford The Men and the Machine (Toronto, 1998), 74.

¹⁷⁹ Interview with Mrs. Leila Gwedolyn Pepper. John Duck was described by his niece as a very affluent businessman who was very family orientated. She recalled that he was a generous man and because he bought so many presents he adopted the nickname "wholesale."

motorist would be faced with at least a two to three week waiting period plus a large bill. Part of Henry Ford's sales philosophy included service. Customers were entitled to expect the manufacturer to repair any problems in the cars he produced.

The Company continues to have personal interest in that car [Ford] and the owner is privileged, without price or without coupons or other red tape, to bring in his car at any time for inspection, for adjustment or for minor repairs. Moreover, if it is obvious that a break-down has occurred through a defect in any part, a replacement is made free of charge. ¹⁸⁰

Ford altered the car repair market with the Model T and the availability of good interchangeable stock parts. Ford described the disreputable repairman as a menace to the country. ¹⁸¹ The success of the Ford organization was derived not just from the sale of the car, but from the high degree of service which extended to its customers. Initially, Ford serviced its vehicles but soon private entrepreneurs entered the growing automobile service market. In 1910, the Windsor Auto Sales Agency at 11 Pitt Street West reported profits from service as \$1500.00/month and from sales \$32,000.00. The business grew at an incredible rate as sales climbed to an excess of \$200,000.00 in only two short years. Ford kept pace with the growing demand of the early twenties, but by 1925-26 indications suggested that market was ready for a change.

¹⁸⁰ Ford Times, January 1916, 244.

¹⁸¹ Wilkins and Hill, 42.

Domestic Expansion from Coast to Coast

In 1911, with a capitalization of one million dollars, the Ford Motor Company of Canada exchanged its Ontario operating agreement for a Dominion charter. Since the introduction of the Model T in 1908, sales had increased from 324 vehicles to 2,805.¹⁸² In order to meet the growing demand for the new models, management adopted an aggressive marketing and expansion programme. Gordon McGregor guided the company through a phased plan which targeted Canada's metropolitan centers with new sales/assembly facilities and a modernization programme designed to further expand the Ford City manufacturing complex.

The initial response to increased demand was to improve the main assembly plant's manufacturing capacity. McGregor wanted a more self-sufficient operation and he began to allocate resources towards the establishment of a machining center capable of producing engines. Time would be saved and cost per unit lowered improving the marketability of the Canadian Ford products. The Canadian operation was dependent on American suppliers such the Dodge Brothers; and by utilizing its new capital, the company could manufacture many expensive components on site. By 1913, the plant expansion programme was well under way with a newly fitted machine shop and a six story assembly complex constructed along the banks of the Detroit River. Sales planning complemented the modernization plan and a drive was initiated to overcome the problems of a centralized distribution center.¹⁸³

¹⁸² See the table on Ford sales 1904-1930.

¹⁸³ There was a distribution center in Toronto which had been initially established by the American operation in 1904. McGregor would further expand the sales centers to cover Canada from coast to coast.

Gordon McGregor and A.N. Lawrence, company sales manager, were full of confidence when they opened a national campaign to establish assembly plants in Canada's major cities. By the summer of 1913, seven new sales outlets were opened in Montreal, Hamilton, London, Winnipeg, Saskatoon, Calgary and Vancouver. Continued growth in the Canadian operation financed the construction of five new assembly centers. New, modern buildings were constructed to assemble and service cars in Toronto, Montreal, London, St. John, and Winnipeg. ¹⁸⁴

All [were] of similar construction, being modern fire-proof buildings of brick and reinforced concrete trimmed with mat glazed terra cotta. The bases [were] of granite. The interiors [were] finished and fitted in accordance very best modern practice. ¹⁸⁵

The Toronto branch located at 672-682 Dupont Street employed over 150 people in a five story, 132,000 square foot complex. In Montreal at 119-139 Laurier Avenue East, a four story building which employed one hundred people was constructed for \$333,000.¹⁸⁶ In London at 680-690 Waterloo Street, a three story building was constructed at a cost of \$161,000. Due to an increased demand for cars in western Canada, a \$125,000 branch plant was established at the corner of Portage and Main in Winnipeg. ¹⁸⁷ Over \$1,724,000 was invested by Ford of Canada to increase its national sales market. The new construction programme elevated Ford to a new level of

¹⁸⁴ Expansion in Toronto consisted of a new assembly plant with 191,000 square feet of floor space. It was situated on a 15.5 acre tract of land along a Canadian National rail siding. The budget set for the project was \$9,000,000. ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company Of Canada Limited." October 22, 1923, Windsor Municipal Archives (RG9 BV/13), 2.

¹⁸⁵ "Canada's Prosperity," Ford Times, May 1916, 453. Hereafter cited as "Canada's Prosperity."

¹⁸⁶ "Canada's Prosperity," 453.

¹⁸⁷ "Canada's Prosperity," 453.

competitiveness. By establishing branch plants throughout Canada, a car's list price was reduced significantly through freight charge savings.¹⁸⁸

*Ford factory
Ford, Ont.*



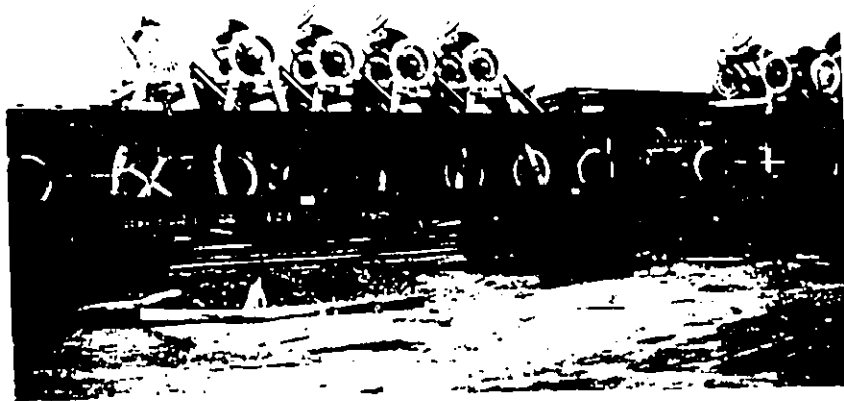
Ford Factory—Cars ready for shipping - circa 1916¹⁸⁹

As a result of the war in Europe, car backlogs and shipping problems multiplied. Furthermore, there were shortages of train cars and congestion caused by goods which were being transported to ports for shipment to England. The new

¹⁸⁸ See table B on freight expenses.

¹⁸⁹ Hiram Walker Historical Museum/ P5725 Ford Factory circa.- 1916.

domestic assembly plan served remote regions of Canada and eliminated time lost in shipping. The regional plants received 'knocked down' cars from Ford, Ontario and re-assembled and distributed them to their territorial dealerships.



Ford Cars on flat bed for regional shipments, Ford, Ontario ¹⁹⁰

Improved sales and stabilized production at the Ford City factory were results of Gordon McGregor's successful development of the Canadian car market. Aided by the growth in Canadian population and the slow improvement of roads and highways, McGregor's plan to reach the Canadian consumer succeeded. Freight costs were lowered and time lost due to railway congestion was reduced. In 1916, 35 train cars loaded with enough parts to construct 400 Ford automobiles were sent to Winnipeg.

¹⁹⁰ National Archives of Canada/PA-31235. Ford Motor Company of Canada Model T's for rail shipment.

Toronto, and Montreal to prepare for the spring rush orders. In a March edition of Ford Times, the new assembly plan was featured.

Record breaking demand this year, the Ford Motor Company of Canada, Limited have to put this plan into operation...to cut down the time in which cars are in transit from the factory at Ford, Ontario to their final destination. . . The strategic value of the new arrangement will be apparent when it is pointed out that this permits direct shipment from three¹⁹¹ conveniently situated territorial centers, instead of one central point for Canada as before.¹⁹²

Spring marked the beginning of new car orders for the Canadian operation as improved weather prompted sales. The new domestic sales plan improved customer delivery time, serviced remote areas of Canada and lowered freight costs; but it could not eliminate Canada's inclement winters. If the Canadian company was to remain productive throughout the year it was important to have a strong international sales connection and McGregor turned to the job of strengthening the export market.

¹⁹¹ At the time of the printing of this article, assembly plants at London, Ontario and St. John, New Brunswick were still under construction.

¹⁹² Ford Times, March 1916, 367.

**Table 7: FORD MOTOR COMPANY OF CANADA LTD.
SALES ¹⁹³**

YEAR	TOTAL SALES	DOMESTIC	EXPORT
1905	117	117	none
1906	99	73	26
1907	327	241	86
1908 MODEL T	324	212	112
1909	486	367	119
1910	1,280	797	483
1911	2,805	1,716	1,059
1912	6,388	3,711	2,677
1913	12,485	6,556	5,932
1914	14,401	9,973	4,428
1915	28,855	18,210	10,645
1916	33,676	24,441	9,235
1917	58,857	49,947	8,910
1918	39,638	29,254	10,384
1919	58,857	49,567	8,910
1920	48,240	31,805	16,435
1921	42,349	35,474	6,875
1922	50,298	33,497	16,801
1923	80,864	42,385	38,479
1924	71,394	37,812	33,582
1925	79,286	40,162	39,124
1926	100,668	61,150	39,518
1927	37,891	28,142	9,749
1928 MODEL A	75,292	37,828	37,464
1929	87,839	52,434	35,405
1930	70,280	45,144	25,136

¹⁹³ Wilkins and HM, 442. Cited from the general accounting and financial analysis overseas division, Ford-Canada.

Table 8: Freight Added to List Price of Cars when Purchased in the Following Principal Canadian Cities (August, 1915 Rates) ¹⁹⁴

City	Rate	City	Rate
Amherst, N.S.	\$33	Orilla, Ont.	\$18
Ayton, Ont.	20	Peterborough, Ont.	18
Berlin, Ont.	15	Port Arthur, Que	29
Blenheim, Ont.	10	Quebec City, Que.	29
Brandon, Man.	50	Ridgetown, Ont.	10
Branford, Ont.	15	Sarnia, Ont.	12
Calgary, Alta.	75	Saskatoon, Sask	65
Campbellford, Ont.	20	Sault St. Marie, Ont.	30
Chatham, Ont.	10	Shelburne, Ont.	18
Dundas, Ont.	15	Sherrbrooke, Que.	28
Dunnville, Ont.	15	Simcoe, Ont.	15
Edmonton, Alta	75	Stratford, Ont.	14
Galt, Ont.	15	St. Catharines, Ont.	15
Hamilton, Ont.	15	Ste. Hyacinthe, Que.	26
Ingersoll, Ont.	12	St. John, N.B.	33
Kingston, Ont.	22	St. Thomas, Ont.	12
Lindsay, Ont.	18	Tillsonburg, Ont.	12
London, Ont.	12	Toronto, Ont.	15
Madoc, Ont.	20	Unionville, Ont.	15
Medicine Hat, Alta.	75	Vancouver, B.C.	75
Midland, Ont.	20	Victoria, B.C.	75
Montreal, Que.	25	Waterford, Ont.	15
Moose Jaw, Sask.	65	Windsor, Ont.	Drive
New Market, Ont.	18	Wingham, Ont.	15
New Westminster, B.C.	75	Winnipeg, Man.	40
Niagara Falls, Ont.	15	Woodstock, Ont.	12
Ottawa, Ont.	25	Zephyr, Ont.	18

¹⁹⁴ Ford Times, August 1915, 45.

The Canadian Operation Extends into the Dominions

One of the primary merchandising concepts which Henry Ford and his Canadian counterparts adopted was a strategy of global marketing. It was this concept which expanded Ford's sales and established itself as a world leader in the automobile industry. The 1904 McGregor-Ford agreement to assemble cars in Canada was in line with Ford-U.S. marketing philosophy; securing sales territories through the utilization of tariff agreements with other countries. McGregor had realized the limitations of the Canadian car market and included an international market clause which prescribed international sales territories and conditions relative to those spheres of control.

This company will also be assigned any territory such as New Zealand, South Africa, or any of the colonies where we would have the benefits of preferential tariff, so that the Canadian company would have a large population outside of Canada to supply with machines.¹⁹⁵

In one brief paragraph, McGregor dealt with three critical issues vital to the future success of his organization -- the tariff, a larger consumer market and a market in countries which had a warm climate. The national protective tariff enabled the Canadian operation to construct automobiles more cheaply than if they were manufactured ten miles across the border in the United States of America. Even if many components were imported, vehicles manufactured in Canada were less expensive than an American import. The imperial preferential tariff was an added plus for Canadian export marketing as it opened Canadian products to favoured trading status with countries of the British Empire. In 1904, South Africa extended a preferential tariff to Canada which paved the way for similar arrangements of economic exchange throughout the British Empire. Not only could McGregor market Ford cars produced in

¹⁹⁵ McGregor's 1904 plan, 1.

Canada more cheaply than his American counterpart, he could also take advantage of tariff arrangements with countries such as South Africa, India and Australia. The attraction of an international market was heightened by the Canadian climate, the poor condition of its roads and its small national consumer base. Roads and weather were sales obstacles which the export market would nullify. Early roads were muddy in the spring and the cars functioned poorly in the winter.¹⁹⁶ Cars sank in the rutted muddy roads and without heaters or winter travel aids, the Canadian car market remained a seasonal one. Most early cars were of the open variety, but northern weather conditions demanded a change in design. By 1925, closed models accounted for 40% of the Canadian product line making all-weather driving possible.¹⁹⁷ The British Dominions provided a large, warm climate market which supported the Canadian factory when winter conditions blocked roads and restricted national sales. McGregor laid the groundwork for a strong export market within the British Empire and for a time, it even appeared as if his company might secure the British Isles.

In 1904, a group of politicians led by Joseph Chamberlain struggled to implement a tariff for free trade England. If successful, a preferential trade agreement similar to those existing with the rest of the Empire seemed assured. In the meantime, the American parent company had already established an agreement with an English automobile sales agent¹⁹⁸ giving his company sales rights for Ford products in

¹⁹⁶ In Windsor, conditions were unbelievable at times. A contemporary description of Ouellette Avenue relates how impossible it was to draw any load up the hill from the river, and even with the truck empty, horses were often stuck. Dry weather in the summer brought the opposite extreme and dust clouds on the streets were very irritating. Neil Morrison, Garden Gateway to Canada, 168.

¹⁹⁷ Ian Drummond ed. Progress without Planning, 216.

¹⁹⁸ The sales agent was Henry Blakiston, founder of the American Motor Car Agency and the Central Motor Car Agency.

England and Ireland until December 1, 1907.¹⁹⁹ McGregor's 1904 agreement with Henry Ford left open the possibility that the contract with Blakiston would not be renewed. If England followed its imperial partners into a form of preferential trade (Imperial preference), the Canadian company could make a strong case for supplying the mother country as well. Unfortunately, England chose not to adopt a tariff on automobiles. That decision deprived Ford-Canada of any potential trade advantage and opened the door for U.S.-Ford market penetration.

In 1909, the U.S.-Ford Company decided to set up a separate English branch and it selected Percival Perry to manage the development of the British Isles' market. Perry had previously sold cars for the Central Motor Car Agency with Blakiston and other investors. He was very interested in Ford cars and even visited Henry Ford to discuss the possibility of a Ford branch in England.²⁰⁰ When the U.S. operation decided to expand its interest in England Perry was the logical choice to manage the new overseas investment. Ford-Canada passed a resolution shortly thereafter waiving its rights to export cars to England and Ireland. In a letter written to W.R. Campbell, then secretary of the Canadian company, Henry Ford thanked the Canadians for supporting the American interest in England. McGregor had foreseen the potential opportunity of expanding into England if a protective tariff were adopted, but given its absence and the strong American interest, the Canadian company waived its rights inferred in the 1904 agreement with Great Britain and Ireland.

In 1905, the Canadian company initiated production by manufacturing 117 cars, all of which were sold domestically. The following year sales were down, yet out of the

¹⁹⁹ Wilkins and Hill, 19.

²⁰⁰ Perry's visit and ideas were reminiscent of McGregor's 1904 meeting with Ford.

99 units sold 26 were sold in foreign countries. A lack of consumer knowledge, repair shops and mechanics were major obstacles to early car sales and this was especially evident in countries such as South Africa and India. As the automobile became more affordable, an international expansion of support industries began which complemented the export market. Early Canadian export statistics indicate a gradual growth in international sales marked by a rapid increase after the introduction of the inexpensive Model T in 1908.²⁰¹ In 1909-1910, the Canadian operation began to further explore international sales potential. Gordon McGregor had established a foothold in the Australian market in the early years of the company's life and with increased manufacturing capacity, he engaged in a careful plan of international market expansion.²⁰² The Australian company was the first owned and directed international subsidiary of Ford Canada. The Canadian market was only as strong as its roads and highways and with its harsh winters, the foreign market was a welcome outlet for car sales. Australia, New Zealand, India and South Africa formed the foundation of a strong international sales network; other East Asian markets followed in Malaya and Burma.

International sales were initially directed through export houses. Arkell and Douglas represented Canada's African sales, Markt and Hammacher the Eastern Asian outlets and Peabody & Company, India. Distributors for these areas employed agents and set up sub-dealer networks to sell cars within their sales territories. These companies set up marketing subsidiaries of their own and covered large consumer territories. Canadian Fords were available from Ceylon to Singapore, but the best

²⁰¹ Refer to Table 7 Ford Motor Company Sales 1905 to 1930. Wilkins and Hill, 442. Cited from the general accounting and financial analysis overseas division, Ford-Canada.

²⁰² Appointed to the position of Sales Manager, A.N. Lawrence helped to guide this programme.

outlet was Australia which had five agencies and ordered the most cars. Gordon McGregor personally guided Australia through its initial operations, travelling to Melbourne in 1903 to establish an Australian sales agency. With the establishment of a central Canadian owned and directed sales outlet in Melbourne, the export houses now had limited access to marketing Ford products in Australia. The Australian division prospered with the appointment of R.J. Durance, previously of Dunlop Tire Company. Durance was a good manager and led the Australian branch through its initial organizational phase and into a strong sales market. In fact, in the first three years Durance sold 2000 Canadian made vehicles.²⁰³ Australia was Canada's foreign success story as export sales jumped from 26 to 86 in 1906-1907. Sales would continue to grow in the export division accounting on average for more than 30% of Ford Canada's total sales from 1908 to 1930. Export sales played a major role in the Canadian operation and provided a valuable resource for the allied troops fighting in Europe.

When Great Britain declared war in the summer of 1914 the world faced a new kind of mechanized military. Cars, ambulances, troop transports, as well as sections of the Eagle boats were manufactured for export to Europe's western front, to India and the Middle East.²⁰⁴ Canadian exports were instrumental in winning the first world war, a war dependent on mechanized transportation. When the war ended in 1918, the Canadian operation returned quickly to regular production but its international markets lagged. Sales peaked in 1919 with 58,857 units sold, but only 8,910 cars resulted from export sales. A reorganized approach was needed to improve the international market.

²⁰³ Wilkins and Hill, 46.

²⁰⁴ Eagle boats were anti-submarine destroyers.

By 1922, the Ford Motor Company was beginning to feel the effect of diminished sales and the work force was cut world wide. Ford had to cut back everywhere and plush sales offices were exchanged for modest sales facilities. The once open automobile market was becoming increasingly competitive as rival car companies adopted many of the same sales and manufacturing concepts as Ford. The greatest single threat to Ford was General Motors which began to shadow sales markets where Ford had been well-established. G.M. increased its competitive pace in 1923 under the direction of its new president, Alfred P. Sloan Jr., who reorganized the company to compete directly with Ford. G.M. executive, James D. Money prepared a plan to compete with Ford in Europe as well as with the new small, inexpensive French cars released by the Peugeot and Renault Automobile industries. By the 1920's, the world had become a much smaller place and automobile competition had intensified.

The Canadian Company maintained a good level of productivity and had a strong modern operation with five assembly plants and four sales outlets. The Ford City facility employed over 3400 men and secured 75% Canadian content in their vehicles. The company which had grown from a small wagon assembly shop to the largest automobile factory in the Dominion was a testimony to the hard work and dedication of Gordon McGregor. On March 11, 1922, tragedy struck the Canadian operation when McGregor passed away in a Montreal hospital.²⁰⁶

McGregor opened the international market for Canada and Wallace R. Campbell cultivated it. Campbell joined the company in 1905, rose to the rank of

²⁰⁶ Gordon McGregor died in the Royal Victoria Hospital, Montreal following a series of operations to cure his intestinal trouble, an ailment which resulted from a railroad accident a few years prior. The Windsor Daily Star, 11 March 1922.

assistant manager and with McGregor's death, took control of the entire operation. Campbell had grown up with the company and even before he assumed the presidency in 1929, he ran the company. In describing the personalities of Campbell and McGregor, Wilkins and Hill wrote that although McGregor appeared the more approachable and amiable character, and Campbell more austere and autocratic,²⁰⁶ both men were energetic leaders in their own particular ways.²⁰⁷ McGregor was a cautious man who preferred to expand in a series of measured steps. Campbell was bold and more assertive than his predecessor, but he differed more in management style than in concept.

With a goal of reducing the overall cost of auto production, Campbell began a bold plan of expansion. In 1922, land was purchased and ten million dollars was set aside for modernization. A power plant, a machine shop and a heat treatment plant were constructed. Modelled after the Rouge development in Michigan, the Canadian company employed all of the latest innovations in machinery and factory construction. With his production manager, George Dickert, Campbell created facilities which by the mid-twenties were ready to supply a huge market. Campbell believed that the international market was an untapped resource and that previous Ford sales were just a small percentage of what Canada could supply. H.S. Pritchard, the successor to A.N. Lawrence, joined Campbell in a policy of aggressive international expansion.

The international market had always been managed by export companies, but Campbell challenged this second party involvement. Campbell wanted to exercise

²⁰⁶ Interview with Mrs. Lella Gwendolyn Pepper. During many of W.R. Campbell's inspections of the plant and machinery he wore white gloves. Many people mistook the reason for the gloves describing Campbell as an unapproachable manager. Mrs. Pepper believed that the reason Mr. Campbell wore gloves on the factory floor was that he was allergic to oil.

²⁰⁷ Wilkins and Hill, 116.

more control over the sales and distribution of the cars and trucks manufactured in Canada. Profits were consumed in second tier marketing and distribution, profits which could just as well be transmitted to Canada. Campbell embarked on a plan of action to solidify his control over the foreign markets in the British Dominions by eliminating the middle man, or the export houses.

Campbell not only wanted to build a 'Canadian River Rouge' complex, but to establish foreign branch assembly plants as well. South Africa was the target of his first foreign assembly plant. If successful, it would set a precedent for the other countries where Canadian made Fords were sold. Naturally this policy ran counter to the profits of the export houses which would be cut out in the reorganization of branch plants in the various countries of the British Empire. Arkell and Douglas, a major export house which had done a considerable amount of business with the Canadian plant and which had helped to set up an extensive network of foreign distributorships, was Campbell's first target. Campbell was concerned about his company's own prices set by the export houses as well as the after market remodelling which he felt misrepresented the product originally produced in Canada. Prices were reset upwards, cars were modified and monies were channelled inappropriately throughout the sub-dealer networks. Further to the pricing problems, many of the foreign car distributorships marketed other cars which competed with Ford sales. Such practices would not be tolerated. By the summer of 1923, the services of Arkell and Douglas were discontinued and the African distributorships were dismantled.

During the year we embarked upon a more active development of our export territory. Our principal activities so far in this connection have been confined to South Africa. We have already shipped a large amount of assembly material to Africa and expect to have an assembly plant in operation not later than January first

next . . . Therefore it has been our practice to deal in some instances direct with indent representatives in various countries and in other instances to deal through export brokers located in New York, but we believe that conditions now warrant closer connections with our customers in foreign territories and as conditions warrant, it would appear incumbent upon us to place our own organization in these foreign territories to stimulate business, and reduce the cost of our product in those territories.²⁰⁸

Campbell would set up an assembly operation in a rented warehouse in Port Elizabeth and embarked on a bold reorganization programme. The Board of Directors of Ford-Canada on October 1, 1924, resolved to authorize the capitalization of the Ford Motor Company of South Africa with 200,000 British pounds and appointed W.R. Campbell and P.W. Grandjean as Directors.²⁰⁹ Port Elizabeth would serve as the hub for all Ford cars sold in Africa. In the course of five months Campbell had established an African network of forty-two dealerships and an assembly operation in Port Elizabeth. The branch plant and its dealerships which had replaced the export houses and their sales organizations, was owned by the Ford Motor Company of Canada.

The operations of the Ford Motor Company of South Africa, Limited, have resulted in a net profit by that Company for the year of \$289,381.36. The surplus above referred to, which has been created by the Ford Motor Company of South Africa, Limited arises from the activities of that Company in the assembly and sale of FORD products in the Union of South Africa.²¹⁰

²⁰⁸ **ANNUAL SHAREHOLDERS MEETING:** "Ford Motor Company Of Canada Limited," 22 October 1923, Windsor Municipal Archives (RG9 BV/13), 4.

²⁰⁹ **RESOLUTIONS OF THE BOARD OF DIRECTORS:** "Ford Motor Company of Canada Limited," 1 October 1924, Windsor Municipal Archives (RG9 BV/19), 1.

²¹⁰ **ANNUAL SHAREHOLDERS MEETING:** "Ford Motor Company of Canada Limited," 26 October 1925, Windsor Municipal Archives (RG9 BV/19), 3.

With Africa successfully established and reorganized, Ford cars could be sold in a controlled market which received its policy and pricing directives from Canada. Campbell remarked to his shareholders meeting in 1923 that ". . . it is our intention to develop other portions of our export territory along similar lines as conditions warrant and our experiences in South Africa will very largely govern our future policy."²¹¹ Campbell moved from Africa to Australia, a larger, more established sales market with plans of repeating the African experiment. The imperial connection that Canada had with South Africa meant that Ford-U.S. faced less anti-foreign concern than it did elsewhere and Campbell recognized that relationship. Ford-Canada possessed an imperial edge over the parent operation in the pursuit of export sales abroad. Trade agreements favouring other goods opened the door for improved auto sales within the British Empire.

Australia had developed as a rather uncontrolled appendage of the Canadian operation. As a result of the war, Australia tightened its control on imported products and shielded its local industry with a high protective tariff. Car bodies came to be manufactured domestically. There were five sales distributorships and they all used various local body designs to increase the market appeal of their cars. In 1924, Campbell remarked:

For a number of years past, the tariff in Australia has been very arbitrary and as the duty on bodies is practically prohibitive, the consequence has been that each of the five distributors has set up for himself a small body making plant. These bodies are inefficiently made and the cost is inordinately high, which causes the anomalous situation of the price of the body controlling the price of the car in that territory. The distributor structure as such has not

²¹¹ **ANNUAL SHAREHOLDERS MEETING:** "Ford Motor Company of Canada Limited," 22 October 1923, Windsor Municipal Archives (RG9 BV/19), 4.

been inefficient but it has been entirely inadequate to our needs . . . we feel that we can no longer delay the proper development of the Australian territory. ²¹²

Such deviations ran counter to Ford policy which held that the original Ford design was to be maintained. In 1925, Ford of Canada had created some minor cosmetic changes to the Model T in order to promote the made in Canada aspect of their model. In Australia, however, local body manufacturing companies changed the body design which violated the Ford policy of uniform appearance. Ford once said ". . . that a customer can have any color he wanted in a car just so long as it was black." Changing the entire body was an issue of serious concern as it effected the sales and production levels of the Canadian plant and threatened the reliability and integrity of the Ford design.

Campbell was outraged with the Australian distributors' deviation from the policy of uniformity. Drawing on his South African experiment, Campbell wanted to insure that the original mandate of a utilitarian, uniform, and inexpensive car was maintained throughout the Canadian International distributorships. Cars manufactured in Canada would follow the policies prescribed by the Canadian offices. Pricing would be set and profits channelled to their rightful sources. When Campbell discovered that the sub-dealerships were not receiving adequate commissions for their sales from the export houses, he acted to disband the entire system. ²¹³

The Ford Motor Company of Australia was capitalized with an investment of approximately \$7,000,000; it would be responsible for the management of body

²¹² **ANNUAL SHAREHOLDERS MEETING:** "Ford Motor Company of Canada Limited," 27 October 1927 Windsor Municipal Archives (RG9 BV/19), 4.

²¹³ **Wilkins and Hill**, 126.

construction and the marketing of all Ford products in the country. In a 1925 shareholder's meeting, Campbell justified his actions: "The establishment of a factory for the manufacture of our own bodies in Australia was found to be absolutely imperative on the account that Australia maintains a protective tariff on the body making industry which is practically prohibitive, with the consequence that practically all motor car bodies used in Australia are manufactured locally." ²¹⁴ On March 31, 1925, the central assembly company was incorporated with operations to begin in Geelong. Sub-operations were established throughout the country's major population centers: Granville, Adelaide, Fremantle and Brisbane. Knocked down cars from Geelong in Victoria were transported to the Ford assembly centers for re-assembly. Campbell had repeated the African experiment.

The final phase of the international reorganization plan was the Canadian takeover of the car agencies which had been established in East Asia. This sales territory included India, Ceylon, Burma, Malaya and Singapore.

At the present time [Oct 1925] our export business to India is handled on a distributor basis. We believe that this territory offers a tremendous field for development and it has been decided that we will initiate a move which will ultimately result in the establishment of one or more assembly depots in British India. With this in mind the nucleus of an organization is proceeding immediately to India for a survey of that territory and the establishment of a sales office. A definite location has not been determined but we will immediately take supervision of sales activities under our own jurisdiction and as occasion warrants will proceed from this activity into further activities which, as

²¹⁴ **ANNUAL SHAREHOLDERS MEETING:** "Ford Motor Company of Canada Limited," 26 October 1925, Windsor Municipal Archives (RG9 BV/13), 3.

stated above, will in all probability mean the establishment of assembly operations in India. ²¹⁵

Campbell sent R.S. Milliken to survey and coordinate this last sales market. This mission was the most difficult to complete, as not only was there was a great deal of territory to cover, but Milliken had to contend with poor roads and in many cases, an absence of rail service. Despite inconvenient conditions and rough terrain, Milliken managed to set down the foundation for Ford of India and Ford of Malaya. Ford of India was incorporated on July 31, 1926 and Ford of Malaya on November 19, 1926. The Board of Directors,

Resolved that the action of the officers in incorporating under the laws of British India, a company known as the Ford Motor Company of British India, Limited, having an authorized capital of Rs.2,500,000 and in subscribing on behalf of Ford Motor Company of Canada, Limited ...and in appointing W.R. Campbell and P.W. Grandjean as Directors of said Company, together with the necessary directors in India be the same is hereby ratified and confirmed. ²¹⁸

By the end of 1926, Campbell had tightened up his sales network and secured the international market bolstering Canadian productivity. The investment in the foreign based operations proved successful and at a 1928 meeting of the Board of Directors the reported gold currency received to December 31, was \$1,182,837. The Canadian company was already strong domestically and under Campbell's new international reorganization plan, a profitable Canadian-directed international market was established.

²¹⁵ ANNUAL SHAREHOLDERS MEETING: "Ford Motor Company of Canada Limited," 26 October 1926, Windsor Municipal Archives (RG9 BV/13), 4.

²¹⁸ RESOLUTIONS OF THE BOARD OF DIRECTORS: "Ford Motor Company of Canada Limited," 30 August 1928, Windsor Municipal Archives (RG9 BV/19), 1.

CHAPTER VI

LABOUR

The Four Dollar Work Day

On April 16, 1915, a special announcement was made to the employees of the Ford Motor Company of Canada. Subsequent to a policy meeting in Detroit with Henry Ford, Gordon McGregor announced that Canadians would receive a wage increase to \$4.00 a day.²¹⁷ The ten hour work day was shortened to eight and a new wage increase system was introduced. In future, salary decisions would be less dependent on the recognition by the foreman, and length of employment or seniority was to be considered. In 1915, \$4.00 a day was a considerable amount of money for unskilled labour. Considering that rent for a three bedroom apartment was \$9.00 a month and that the cost of living was relatively low, a Ford worker could live quite comfortably.²¹⁸ When Henry Ford introduced the \$4.00 day, he wrote, ". . . there is nothing to running a business by custom --- to saying: I pay the going rate of wages."²¹⁹ The four dollar day broke custom and challenged old pay practices. Ford felt that it should be the employer's ". . . ambition, as leader, to pay better wages than any similar line of business, and it ought to be the workman's ambition to make this possible."²²⁰ Ford contended that if men were justly rewarded for their hard work they would perform

²¹⁷ The wage increase was seen as 'absurd' by other manufacturers. Ford's average pay rate had been 30 cents an hour for a ten hour work day and that was considered unusual. A manager of an Erie, Pennsylvania Iron Works commented to a reporter from the Evening Record that Ford's wage increase was ". . . anarchy, discontent . . . and the work of a bomb thrower." Windsor Star, 14 August 1954.

²¹⁸ "Lab Employee Recalls Early Days with Ford," The Windsor Star, 14 August 1954. In 1916 it was estimated that any person with an income of \$1200 could own a car. Ford Times, March 1916, 342.

²¹⁹ Henry Ford, My Life and Work (Garden City, 1922), 116.

²²⁰ Henry Ford, My Life and Work, 117.

better than just getting by. "What ought the employer pay?," Ford asked. "What ought the employee receive?" More importantly, "What can the business stand?" Ford provided a candid answer:

Wages and salaries are a sort of profit-sharing fixed in advance, but it often happens that when a business of a year is closed, it is discovered that more can be paid. And more ought to be paid. When we are all working together, we all ought to have some share in the profits—by way of a good wage or salary, or added compensation ...There is a definite demand that the human side of business be elevated to a position of equal importance to the material side. ²²¹

The Ford Motor Company had strong desire to create a stable family life. Family structure was linked to successful production; and good efficient happy workers, free from union threats could only develop from a stable family wage. ²²² Ford wanted to provide a wage which would not only ". . . supply a man with the basic needs, but also to give him a margin of comfort to enable him to give his boys and girls their opportunity and his wife some pleasure in life, then his job looks good to him and he is free to give it of his best." ²²³ Assembly work was boring and alienating and by establishing a wage rate which was twice the amount available to unskilled workers, Ford provided a ". . . strong stimulus for workers to tolerate the most stressful conditions in the factory." ²²⁴ By 1918, Ford achieved an employment turnover rate

²²¹ Henry Ford, *My Life and Work*, 117-118.

²²² Martha May, "The Historical Problem of the Family Wage: The Ford Motor Company and the Five Dollar Day," *Feminist Studies*, Summer 1982: 414-415. "A worker was eligible for the Five Dollar Day [U.S.] only after he had been with at Ford for six months, and had to fall into one of three categories: All married men living with and taking good care of their families; all single men, over twenty-two years of age, proven of thrifty habits; and men under twenty-two years of age and women who are sole support of some next of kin or blood relative."

²²³ Henry Ford, *My Life and Work*, 120.

²²⁴ Martha May, "The Historical Problem of the Family Wage," 413.

reduction of 46 percent, the lowest in Detroit's history.²²⁵ The four dollar day effectively dealt with management's two key problems: it stabilized production through a reduction in employment turnover and it suppressed union activity.

Henry Ford wrote in his book, Today and Tomorrow, that "We have no crafts in our industries, and although we are not opposed to unions, we have no dealings with them, because there is nothing that they can furnish to aid us in our amusement. We pay higher wages than any union could demand from its members generally, we have steady employment, and we are not interfered with."²²⁶ Ford recognized the source of labour unrest and hoped to combat it with a good wage system. Workers wanted a say in industry and Campbell, Ford and Percival Perry, who headed Ford Motor Company of England, felt that good wages and a good working environment would satisfy the needs of the auto workers. As far as the Canadian president was concerned, Wallace R. Campbell was described as an employer who had a contracted base of management. "He shared high authority with no one, but rather hugged it himself, becoming an autocrat and making decisions unilaterally."²²⁷

Ford Motor Company was anti-union and it focused on the concept of paternalism and the idea that a good day's work was rewarded with a good wage. The position of the 'company man' was highlighted in the October, 1915 issue of Ford Times which featured the rise of a Scottish immigrant worker through the ranks of the company. A hard working man known as 'Duncan McDonald', was given an opportunity to work for Ford Canada and through diligence and honest hard work

²²⁵ Martha May, "The Historical Problem of the Family Wage," 413.

²²⁶ Henry Ford, Today and Tomorrow (Garden City, 1926), 264.

²²⁷ Wilkins and Hill, 299.

advanced in the company. McDonald began with the company as a sweeper and worked his way up to the position as the official 'movie man', a position responsible for 165 men and the coordination of the receiving department. The job and company loyalty were the central theme: ". . . this was the biggest and most important job one could imagine. His sole aim was to do his work so well each day that each night he could go home with the consciousness of having done his best."²²⁸ The article highlighted the apartment where the McDonald's had lived and compared it to a photo of a new house which he purchased as a result of his hard work and honest living made with the Ford Motor Company. Ford Times provided a candid example of the paternalistic management position which was prevalent during the early twentieth century. This management perspective extended to the work force in an experimental language school.

Production Workers Learn English

The 1920's were a period of rapid population expansion for the Ford City community; from 1921 to 1929 the population grew from 5,800 to 17,000 residents. In eight years the small town had reached city status. This growth can be attributed to the large numbers of immigrants entering Canada and the availability of good paying employment. Ford Canada was a large employer and had on its payroll a large diversity of ethnic immigrants. Faced with the challenge of improved productivity Ford Canada started an experimental English language school. The pressure for 'Canadlanization' was central to English instruction as improved communication aimed at lessening accident rates, bolstering productivity and reducing ethnic tensions.²²⁹

²²⁸ Ford Times, October 1916, 113.

²²⁹ MeMn Holl, Dynamic Detroit 1900-1945 (NewYork, 1976), 121.

An article featured in the February, 1916 issue of the Ford Times, revealed that the foreign workers were eager to learn about English and Canadian customs. Beginning in 1914, Ford conducted an English school for foreign employees. The article lauded the school as it rendered ". . . a great service to the Europeans and other foreigners at the Ford factories at Ford."²³⁰ Many of the men were eager to learn English as it would help them to improve their life in the company as well as the community. Furthermore, most of the foreign employees were quite enthusiastic about continuing with their English studies. A Polish employee, J. Kolodribski, wrote the following letter to the director of the English school inquiring about future classes.

First of all, I excuse ones self that I dare to write you such a letter. I would like to know all about School. Will you have some more night classies or not? If yes, let me know when? That is all I inquire of it, for if not, then I may look for some School, because I wish to know and understand what do the English people say and talk of any thing. Excuse bad writing or mistake.

Yours Thankfully,

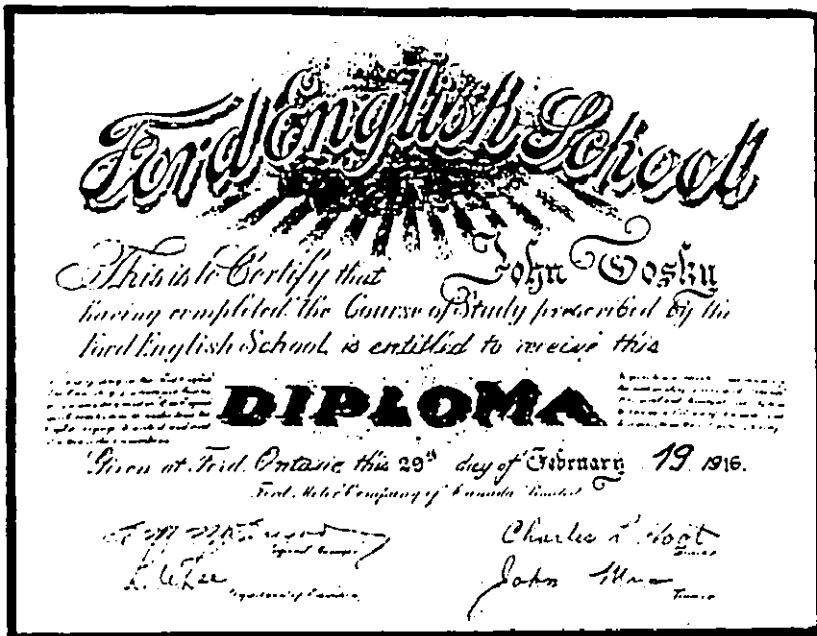
J. Kolodribiski²³¹

The courses continued and graduates had to study 75 lessons and pass a final examination. Upon graduation each student was awarded a diploma signed by the administrators of the school, as well as the instructor. The English classes had many immigrant nationalities: Poles, Russians, Roumanians, Lithuanians and other European groups. In 1916, the school represented eighteen different nationalities and

²³⁰ "Getting a New Start," Ford Times, February 1916, 321. Hereafter cited as "Getting a New Start."

²³¹ "Getting a New Start," 321. The letter was written by an employee who, a few months prior, had not known a single word of the English language.

enrolled over 200 men.²³² The final examination was challenging as it asked questions concerning the Ford plant, the town, the local and federal governments.



FORD ENGLISH SCHOOL DIPLOMA - 1916²³³

The main objective was to teach functional English and to train an individual to write and to read the newspaper. The classes were instructed from 5:00 p.m. to 6:30 p.m. and all the books, pencils and paper were supplied free of charge by the company.²³⁴ The teachers provided their services free of charge and as repayment the company sponsored a banquet at the end of the school year. In some cases, the English school

²³² "Getting a New Start," 324. Classes were held in mathematics. Four classes instructed employees simple division to high school percentage calculations. Ford would later develop trade schools to supply skilled tradesmen to their operations.

²³³ "Getting a New Start," 322.

²³⁴ Additional classes were also held for Canadians who could not read or write. Many employees simply used an 'X' to sign for their pay cheques.

provided workers with a means to pursue even higher levels of English study through private or municipal educational institutes. Further to improving their own English skills, many workers hoped to learn so that they could help their children.

Union Activity: Paternalism Breaks Down

Ford's early policy towards employees revolutionized many work practices in the manufacturing sector---a higher wage scale, shorter working hours and an improved working environment. During the first years of automobile production, paternalistic management was successful and high wages appeared to be enough to maintain a loyal work force. Money, however, was not enough to ensure a positive working environment. Although the wage structure and work day were good there still remained serious problems about job security and employee input about their work environment. The company would often manufacture as many cars as it needed followed by long periods of layoff. Employment was not maintained throughout the year, a slow-down in car orders meant an immediate layoff of workers. Men were not informed about the future of their work status. As one worker said, ". . . We never knew until the night before whether there would be work the next day. The foreman would simply say ". . . no work tomorrow boys."²³⁵ These lay-offs undermined the security of the workers and even though the hourly rate appeared high, it was the yearly income which mattered with the workers.²³⁶

Unions attempted to organize, but the unskilled autoworkers fell into undefined categories. The unskilled autoworker belonged to no identifiable craft and given that

²³⁵ Robert Dunn, Labour and Automobiles (New York, 1929), 108.

²³⁶ Robert Dunn, Labour and Automobiles, 102.

they were paid extremely well, unions had difficulty attracting members. The Canadian Ford worker as his American counterpart would remain unrepresented through the teens and mid-1920's. Early automobile unions had a very limited effect on the Canadian industry.

Early Attempts at Unionization

A large amount of labor unrest comes from the unjust exercise of authority by those in subordinate positions, and I am afraid that in far too many manufacturing institutions it is really not possible for a workman to get a square deal.²³⁷

The labour movement of the early twentieth century was just starting in the auto industry and it was very disorganized. The car was a new manufactured product, and the early workers in the auto industry were included in the A.F. of L.'s Carriage and Wagon Workers International Union in 1911.²³⁸ Within two years, jurisdictional disputes with International Association of Machinists caused the A.F. of L. to rescind the merger.²³⁹ The Carriage and Wagon Workers International Union refused to stop organizing the autoworkers and the A.F. of L. expelled them. After 1913, the autoworkers union was to grow under the name of United Automobile, Aircraft and Vehicle Workers of America. The U.A.A.V.W. grew rapidly during the first world war,

²³⁷ Henry Ford, My Life and Work, 93.

²³⁸ The Carriage and Wagon Works of North America was an industrial union which was affiliated with the Knights of Labour, 1893-1895. The Knights of Labour was formed December 26, 1869 in Philadelphia by a section of the garment cutting industry. The group grew and expanded throughout the U.S. and Canada. For more see: Robert Martin, Radical Politics and Canadian Labour 1880-1930 (Kingston, 1968), 19. For earlier information on this group see: Douglas Kennedy, "Knights of Labour in Canada," Master's Thesis, University of Western Ontario, 1966. A Windsor chapter of the K of L was strongest in 1887 with 816 members, 122.

²³⁹ James R. Prickett, "Communists and the Automobile Industry in Detroit Before 1935," Michigan History, 1973, 42-46.

but like so many other unions it fell apart during the prosperity and open shop drive of the twenties.²⁴⁰

Irving Abella in The Canadian Labour Movement 1902-1960, listed many factors which worked against the establishment of automobile unions. Trade unions such as the A.F. of L. had ". . . neither the power nor the resources, and worst of all, not even the will to organize most of these workers...unions were weak, few in number and not recognized by most employers."²⁴¹ In addition to internal organizational problems, governments feared unions and sided with the large manufacturers. Concepts of worker protection and legislation designed to secure worker's rights ran counter to the government's desires to foster business expansion and economic development. Also, the government directly and indirectly encouraged the influx of a low wage, compliant immigrant labour force. "As early as 1922, Henry Ford estimated that 85% of the workers in his plants needed less than two weeks of training and that 43% of the workers could be working efficiently in less than a day."²⁴² The immigrant work force was difficult to organize. Since most automobile workers were engaged in semi-skilled machine and assembly work, they required less training time, wages could be compressed and production increased thereby further complicating unionization. Not until 1928, when workers at G.M.'s Oshawa plant staged a bold strike, did management recognize their union.

²⁴⁰ James R. Prickett, "Communists and the Automobile Industry in Detroit Before 1935," 187. The U.A.A.V.W. established local 28 in Windsor but it lasted only a year with a membership of 40 in 1920 and 36 in 1921.

²⁴¹ Irving Abella, The Canadian Labour Movement 1902-1960, Canadian Historical Society Historical Booklet, No. 28, Ottawa 1976.

²⁴² Eli Chinoy, Automobile Workers and the American Dream (Garden City, 1965), 19.

On March 30, 1928, General Motors Canada announced a 30 percent wage reduction. Despite the fact that it was reporting record profits, management opted to further streamline its operations with wage cuts. The pay reduction sparked a wild cat walk out by 300 men of the trimmer department who wanted a return to the old standard. Management's response to the walkout was swift; the men's employment was terminated and scab labour was hired to fill their places. G.M.-Canada maintained the paternalistic line that the strike was ". . . unduly influenced by a small group who have rather radical ideas . . . ," but the massive dismissal generated sympathy; by the next day workers from all of the departments walked out on strike. From this decisive action, a new union leader, A.C. Phillips, emerged.

The General Motors workers attended rallies and warned management that they would not return to work unless their previous wage was reinstated. Management was not able to come to terms with the employees and four days into the strike, 3000 of G.M.'s 5000 workers were out.²⁴³ To complicate matters, S.A. 'Slim' Phillips supported the All Canadian Congress of Labour, while another body of workers favoured the larger U.S.-based union A.F. of L.. The majority of G.M. workers voted in support of the A.F. of L. and organized themselves as a local of the International Automobile Workers Industrial Union. The G.M. strike was resolved when a committee involving Peter Heenan, Minister of Labour, M.S. Campbell, Chief Conciliation Officer of the Department of Labour, James Simpson, V.P. of the Trades and Labour Congress of Canada and Slim Phillips came to agreeable terms with G.M. management. The men who were fired were reinstated and the previous wage standard was returned. The strike ended. The important consequence of the strike was to establish the I.A.W.U. The Oshawa chapter 18011 with 3,774 members, was the largest union to be

²⁴³ James A. Pendergest, "The Attempt at Unionization in the Automobile Industry in Canada, 1928," 247.

organized in the Dominion at one time. Other chapters opened in Tilbury, (18027) and in Windsor, (18023) but they never developed any real strength.²⁴⁴

During the early years of automotive unionism there was a great deal of communist activity and Phillip Raymond and Anthony Gerlach, two prominent leaders in the A.W.U., were also functioning as leaders in the Communist party. Under the leadership of Phillip Raymond, the Automobile Workers Union developed from an independent apolitical body to a ". . . self proclaimed 'revolutionary union' affiliated with the Communist trade union federation, the Trade Union Unity League."²⁴⁵ A summer edition of the union's newspaper, The Auto Workers News, featured a bold headline which announced the seven-hour work day for Ford workers in the Soviet Union and in a subsequent issue, it printed, "When you vote, let it be class against class—VOTE COMMUNIST."²⁴⁶

From 1929 to 1936, the communists attempted to build revolutionary unions in general industries such as the textile and automobile companies. "The first experiences of a number of organizers and the first contacts with Communists for many industrial workers occurred during those years, [1929-1936]." The target of the Communist International focused on the creation of units of workers within a single factory. The organization sought to establish the factory or shop nucleus; the basic organizational structure of the party. The international suggested the publishing of

²⁴⁴ James A. Pendergest, *The Attempt at Unionization in the Automobile Industry in Canada, 1928*, 262.

²⁴⁵ Prickett, "Communists and the Automobile Industry in Detroit Before 1935," 190.

²⁴⁶ Prickett, "Communists and the Automobile Industry in Detroit Before 1935," 190. Raymond and Gerlach were instrumental in organizing several important strikes such as the Fisher Body plant strike in 1930.

shop papers or newsletters which addressed concerns of the workers. This was a mechanism to encourage organization and a vehicle to address the political concerns of the workers. The Detroit auto plants published papers such as the Ford Worker, Packard Worker, Hudson Worker, Dodge Worker, and the Fisher Body Worker,²⁴⁷ The same literature was encouraged in the Canadian operations. The Ford City production workers did not possess the organizational ability to make a strong union impact within the industry. Managers of the Ford plant in Canada, Gordon McGregor and Wallace Campbell in particular maintained strong anti-union stances. Robert Dunn in Company Unions, Labor Spies and in Labour and Automobiles investigated union activity in the late 1920's and, as with Abella, presented a picture of a poorly organized movement faced with uncompromising management labour practices. Any attempts to organize were dealt with quickly. Leaders and work force agitators were arbitrarily dismissed and with the aid of labour spy agencies " . . . recalcitrant workers were brought into line with company policies."²⁴⁸

In 1927, Louis F. Bunde, editor of the Labour Age described the state of the union movement in the automobile industry:²⁴⁹

In present day America industry there are a tremendous majority of companies which are in the stages prior to the

²⁴⁷ James R. Fricke, "Communists and the Automobile Industry in Detroit Before 1935," 187.

²⁴⁸ Robert Dunn, Labour and Automobiles (New York, 1929), 1.

²⁴⁹ Dunn defined a company union as one which can be represented in any of three forms: a committee form, an industrial democracy and an employee association. A committee form is an elected body of workers which meets with management in a joint council. An industrial democracy or an elaborate union modelled after the U.S. government with a house, senate and cabinet. An employee association is composed of a card holding membership which elects members to confer with management under a management-devised plan. Robert Dunn, Labour and Automobiles, 10.

company union stage. Their managements are the undisguised autocrats. They do not bother with worker committees even in the informal sort. The boss issues orders. No workers group of any kind is even consulted. What is sometimes called the 'old fashioned employer' is usually of this type and many big modern, mass production corporations such as the United States Steel Corporation, and the Ford Motor Company are opposed to any plan whereby even the most showdowly powers might be granted to a worker's committee.²⁵⁰

As much as Detroit was referred to as the home of unionism by 1927, automobile manufacturers had not developed company unions. In Canada, W.R. Campbell refused to allow the entrance of any union activity. It was only during the massive organizing effort of 1941-42 at Ford-Canada that company unions were considered.²⁵¹ This was too late. The Ford Motor Company of Canada was not able to answer the protests of the automotive workers and as the speed of productivity mounted so did grievances.

Labour practices were outdated as the assembly process used man power as an expendable commodity. Alfred B. Chandler wrote in, The Giant Enterprise, "... by the mid-1920's Ford's name was already becoming synonymous with many of the most notorious labour practices, such as speed up of work, the dropping of older, higher paid men, and arbitrary discharges"²⁵² Ford workers had no avenue of compensation and no guarantees of employment. There were no unions for the auto

²⁵⁰ Robert Dunn, Labour and Automobiles, 3.

²⁵¹ David Moulton, "Ford Windsor 1945" in On Strike ed. Irving M Abella (Toronto, 1974), 131.

²⁵² Alfred B. Chandler, The Giant Enterprise. Ford General Motors and the Automobile Industry (New York, 1964), 194; Robert Dunn, Labour and Automobiles, 194.

workers and there was a problem in creating a union of largely unskilled labour. The American Federation of Labour, represented the craft unions and it could not even begin to organize the areas of the automotive industry. A.F. of L. president, James O'Connell suggested in 1925, ". . . the automobile industry was so highly and scientifically specialized as to produce a jumble of jurisdictional claims and disputes that would almost be unravelling."²⁵³ Financial problems and poor organizational efforts of early unions could not match the strength of the automobile companies. This combined with resistance from internal associations such as the International Association of Machinists, meant that the auto workers would go unrepresented throughout the twenties.

²⁵³ Alfred B. Chandler, The Giant Enterprise, 196.

CHAPTER VII

THE END OF AN ERA

The Model T

Ford's business was an absolute success from the introduction of the Model T in 1908 to the 1920's. Orders came in from all over the world. Ford pioneered new production methods in order to keep up with the increasing sales demands. The moving assembly line, introduced in 1913, reduced assembly time of a car from 12 hours and 20 minutes to 2 hours and 38 minutes.²⁵⁴ Technological advances in the moving assembly line process continued and by the spring of 1914, production was up to 1000 units a day with car construction time of 1 hour and 33 minutes per unit. Ford had virtually assured himself the position of leading businessman in the automobile market with his inexpensive Model T. Targeting manufacturing improvements through facilitated production processes, Ford was able to reduce the production cost per unit through grouped assembly processes and facilitated line operations. Consequently, the reduced production costs allowed for Ford's ultimate strategy, a utilitarian vehicle which was affordable. Price reductions through practical innovations were central considerations as Ford's major sales market was Canada's largest industry, agriculture.

The Ford Car, "The Farmer's Friend"

The largest market for car buyers in Canada were farmers. Early campaigns targeted farmers and their sons who could keep the family farm together. The car provided the farm boys with a social remedy; although town was far, it was still

²⁵⁴ Alfred B. Chandler, Giant Enterprise, 27.

accessible. The Ford car provided a sound means of transportation, but the greatest selling feature was its price. A Ford Model T was affordable at \$500.00, and its operational costs were also reasonable. A cost breakdown of a Model T revealed that it could make deliveries quicker over longer distances more effectively than a wagon and a team of horses. The economics made sense to the pragmatic farmer. A twenty-five mile journey would cost as little as fifty cents and forty cents a day would cover the maintenance if the vehicle was properly cared for. In 1915, it was calculated that the monthly cost of owning and operating a car was \$5.40 per week. Comparatively, a horse required feed and rigging not to mention shoes and occasional veterinary care. The Ford was affordable and tough; it wasn't a fancy European import. It could take the punishment that an unpaved country road offered.

An article published in the Canadian edition of the Ford Times, described how a company had saved money by using Ford cars instead of a team of horses. The Brown Brothers of the St. Lawrence Market in Toronto purchased two motor cars and used them over a two year period. At the end of that period, they listed the business costs involved in owning and operating cars as opposed to horses. The Brown brothers calculated that for every twenty-five mile journey, there was an average cost of 25 cents for gas and oil. An additional 40 cents per day would take care of the car maintenance, if it were properly loaded. Therefore, the cost per week for one car was \$5.40 or \$10.80 for pair. Comparatively, a horse required feed, shoes and rigging repairs which could cost anywhere from \$13.50 to \$15.00 per week. This was \$3.00 more expensive than the cost of two cars, exclusive of veterinary and stable fees. The brothers commented that the cars did as much work as three horses and were more economical as they didn't ". . . eat when they were idle."²⁵⁵ J.A. Brown of St. Mary's,

²⁵⁵ "The Man Who Cares for His Car takes Care of It," Ford Times, August 1915, 5.

Ontario wrote a letter to the Ford Times, explaining that he could run his car with "...less expense than he could feed a horse and he could cover a good many more miles."²⁵⁶ Popular consensus was that the car was more economical than the horse and more enjoyable than a carriage or buggy.

The Ford product had a dramatic effect on Canada's rural communities. The Ford car was affordable and helped to reshape the family farm. Articles featured in newspapers such as the Windsor Daily Star, described the Model T as saving the break up of the Canadian farm. One such article entitled "Model T kept boys on the farm, Answer to Dad's Alarm," highlighted the fact that the once impatient son who wanted to leave the farm to explore his fortune in the city could now experience greater freedom with a car at his disposal. The affordable Model T offered the rural youth a means to socialize in the cities. The Moore Brothers of the Fertile Valley Farm in Huntington, Quebec purchased a Ford despite their parents skepticism, only to find out that "... they want to ride around in it, and they say there is nothing like a Ford."²⁵⁷

Between 1901 and 1910, city populations grew 62.5% compared with only 17.6% in the rural areas. The Model T was hailed as the answer to the problems facing the break up of the family farm. The Ford became an integral part of farm life. Not only did the Model T resolve social concerns, but it greatly improved harvesting and deliveries. A farmer from Paris, Ontario praised his Ford for saving his crops. Apparently, the farmer was behind schedule in the autumn harvest of his grain crop and as night approached, it began to rain. Charles Meggs used the headlights of his Ford to work at night and he managed to save part of his crop. Not only could he

²⁵⁶ Ford Times, August 1915, 45.

²⁵⁷ "Value Of Testimonials," Ford Times, February 1916, 325.

operate at night, but he did so quickly as the vehicle was light enough that it would not sink into the soft ground of his wet fields. A team of horses and wagon would have been much less effective; they would have taken longer to prepare and would have bogged down.²⁵⁸

The Ford car was the center of many stories and articles concerning the modern Canadian farm. Canadian farm journals featured illustrations of well maintained Canadian farms and wherever they found a prosperous farm, they simply could not keep a Ford out of the picture. They were always parked in a conspicuous place.²⁵⁹ Ford cars and trucks became important tools for the modern farmer and were used throughout the agriculture industry. A Bloomington creamery received 9,000 pounds of cream and out of the 162 suppliers, 97 had used Fords to transport their product.²⁶⁰ Canadian farmers discovered that the car was an indispensable part of a successful farm.

The reliable automobile has become a farmer's necessity. It is no longer a luxury on the farm any more than it is in the city. In fact, it has far more opportunities to demonstrate its utility—its time, labor and money-saving possibilities—on the farm than in the city. As a matter of fact I know you can get as much practical, dollar-and-cents use out of an automobile as you are now getting out of your plows and self binders . . . With a car the farmer becomes as much at home in the city as any man; he learns to know his neighbors forty miles away; his church suddenly becomes accessible . . . there are [also] a thousand and one social features added to life that never

²⁵⁸ "Hard Roads Are Easy, Long Roads Are Short, To a Man in a Ford," Ford Times, December 1915, 198.

²⁵⁹ "Into The Heart Of The Canadian People, The Ford has Grown because its Reliable, Economical and Enduring," Ford Times, September 1915, 53.

²⁶⁰ "Into The Heart Of The Canadian People," Ford Times, 53.

did and never could exist without the automobile. The automobile is adding much to profit, peace and contentment of thousands of farmers and their families and this is why I would like to see every farmer in the Dominion own his own car. -----A Farmer. ²⁸¹

Advertising

The Ford vehicle had been traditionally sold as a utilitarian product, a reliable form of transportation. Advertising of the early 1900's reflected the Model T as a real workhorse, a car which would improve farm productivity, heighten businesses, and expand markets. Consumers targeted for the vehicles were business farms and families. Specific markets were identified as the car made the transition from a luxury item to a necessity. By the mid-twenties however, women were targeted as a sales market and ads reflected changes in consumer demands. Cars were not merely transportation; people wanted style, colours and speed. Brought about by increased competition with other car companies, Ford abandoned his traditional marketing preference and adopted one which alluded to an illusion of luxury. Henry Ford disliked the advertising approach which created a distinct class hierarchy; ". . . cars sold to satisfy the consumption ethic;" but he could not ignore the signs of the times. ²⁸² Operational choices and life-styles were very important to the new consumers.

Ads in a 1925 edition of Maclean's Magazine targeted the two car family, women and the luxury appeal. The first ad features two vehicles parked in front of a large Tudor style home associating the image of luxury with the ownership of two Fords. The second ad features two women in the countryside portraying the Ford car

²⁸¹ Ford Times, November 1915, 149-150. A two page letter written to the editor lauding the advantages of cars and an improved farm life.

²⁸² Stephen Davis, "Marketing a Dream: Automobile Advertising of the Late 1920's," McMaster University, A paper presented to the CHA, 1988, 4, fn 6.

as reliable and easy to handle. The Ford automobile of 1908 was not the Ford of 1925; the market was changing and consumers were offered a wider selection of cars. Ford was the early leader in the automotive manufacturing industry as the light weight, inexpensive Model T supplied the public with cheap, reliable transportation. Combining mass production with a large distributor network, Ford was able to effectively create a market for his cars.²⁶³

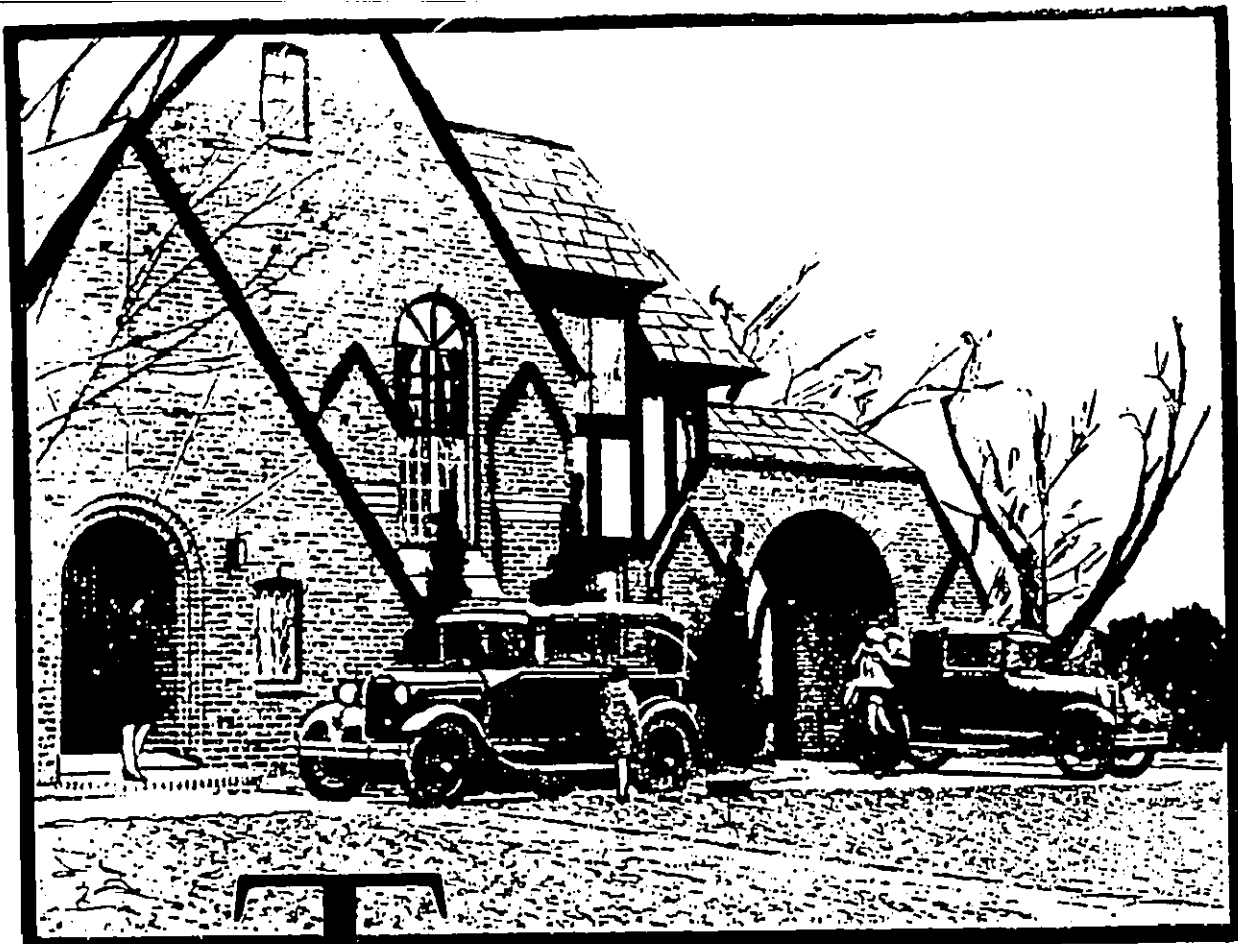
The 1920's brought new major obstacles for automobile manufacturers. Markets leveled off and consumers demanded more than simple transportation. By mid-decade, most people who could afford to buy a car had already purchased one. The twenties were captured by the new brand of marketing and management techniques of the General Motors Corporation. General Motors placed a great deal of energy into marketing and development of an extensive product line, whereas Ford maintained that a utilitarian vehicle met the needs of the market. Henry Ford's strategy, the production of an affordable car priced under one thousand dollars, coupled with expansion through a network of distributors, had given the innovative engineer an early leading position in the automotive industry. In the mid-twenties, G.M. outpaced Ford by capitalizing on trade-ins, financing and massive advertising campaigns.²⁶⁴ The Model T, the cornerstone of the Ford Motor Company, had over extended itself by 1924. It failed to keep pace with the changing market. Ford faced a new competitive challenge of General Motors and Chrysler. Ford had a head start when it came to engineering, but the company could not adapt quickly enough to the rapid changes in the buying public. Ronald Edsforth, in his book, Class Conflict and Cultural

²⁶³ Ford's partner, James Couzens, directed the establishment of the sales force and by the spring of 1913, the distribution network had reached thirty-one American and fourteen foreign cities.

²⁶⁴ Alfred B. Chandler, Giant Enterprise, 16.

Consensus, correctly described Ford's dilemma when he wrote: "in the late 1920's, Henry Ford's refusal to fall in line with the new marketing strategy cost his company the leadership of the American car market."²⁶⁵

²⁶⁵ Ronald Edsforth, Class Conflict and Cultural Consensus, the Making of a Mass Consumer Society in Flint Michigan (London,1987). By post-World War II era, approximately one-fourth the total purchase price of the American made automobiles was going into annual styling modifications that made virtually no significant technological improvements in the basic machine.



TWO FORD CARS

— *Economy and Convenience*

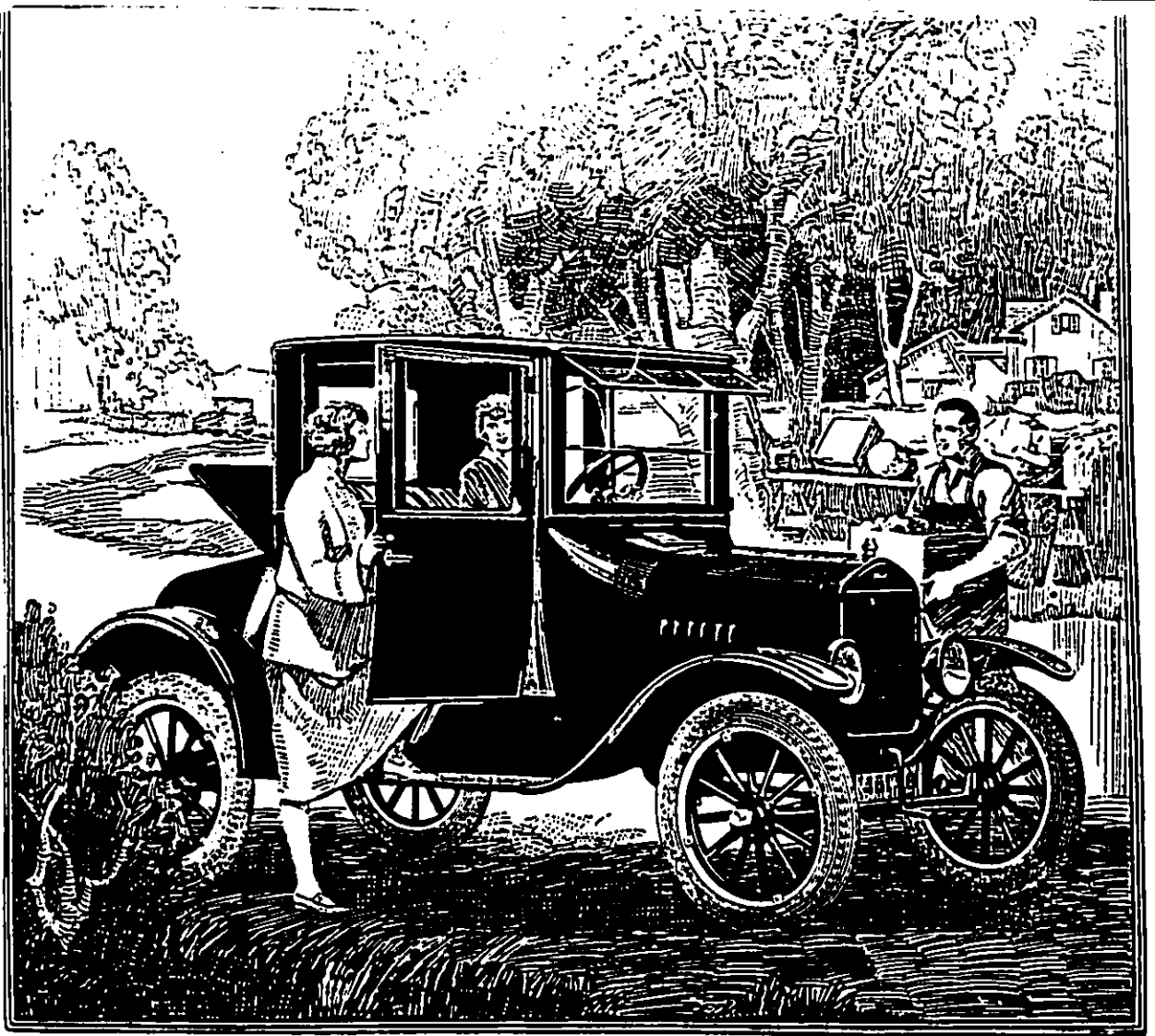
THE low initial cost and running expense of the Ford car, together with its smart appearance and enduring performance, has set a new fashion—two-Ford-car ownership. The Coupe is at the disposal of the business man all day, while the Fordor Sedan belongs to the rest of the family. People everywhere are being won over to the advantages of two-Ford-car ownership, both for its economy and unlimited convenience.



FORD MOTOR COMPANY OF CANADA, LIMITED, FORD, ONTARIO

Two Ford Cars Advertisement-1925 ²⁶⁸

²⁶⁸ MacLeans Magazine, 1 June 1925.



Every woman who loves Nature—
and what woman does not!—should
enjoy all the "rare days" of this
perfect month in the open air.

With a Ford car at her disposal she
can revel in June air and scene to
her heart's content. Distance is

covered and her time and strength
conserved.

For not only is a Ford car pre-emi-
nently dependable and easy for any
woman to handle, but its economy
prevents all worry as to expense—
either of original cost or upkeep.

*Your nearest Ford dealer will gladly demonstrate
any model at your convenience and without charge*

Ford
CLOSED CARS

Women in the Countryside Advertisement-1925 287

287 *MacLearns Magazine*, 1 June 1925.

The Model A

The Model T, Henry Ford's story of success, was launched in 1908 and became the company's sole product line until 1928. The versatile Model T had dominated the car market, but by the mid-twenties declining sales forced the engineering of a new car. A vehicle was required to compete with the faster and more comfort-oriented vehicles of the competition. New car designs combined with bold marketing approaches of the G.M. and Chrysler captured large shares of the automotive consumer market and in order to remain competitive, Ford was forced to introduce a new car.²⁶⁸ Consequently, the Model T was withdrawn from production in 1927 and with it went the end of an era.

The Model A was a new generation Ford which replaced the Model T. Unveiled in December of 1927, this new car was given the same low price and quality assurances as its predecessor. The new model was very much superior to the old one in that it was equipped with four wheel brakes, shock absorbers, a shatter proof windshield,²⁶⁹ a 40 horse power engine, two new body styles, a conventional gear shift, as well as new ignition and lubrication systems.²⁷⁰ The Model A was a true engineering innovation which incorporated the genius of the Ford Motor Company. The car was pleasing to the consumer's taste and was easier to service than its

²⁶⁸ The emphasis on quick model changes and new designs gave General Motors success. The basic design of the car changed little and by capitalizing on quick model changes and producing low priced 'stylish' cars G.M. penetrated the North American car market.

²⁶⁹ The Model A featured new safety glass because of an accident which occurred during the test runs. Harold Hloks, engine development design engineer, was hurt when during a test run he crashed through the windshield of the car.

²⁷⁰ The new Model A possessed many new features that the Model T did not have. In 1929, shortly after its exhibition, E.T. Brown published a manual entitled, *The New Ford Car*, London, England 1928. The manual described, in detail, the engine; drive system; lubrication system; electrical system; brake system as well as steering and linkage.

competitors. It was constructed of over 40 different kinds of steel alloys and assembled using electrical welding on an all steel body.²⁷¹

The new car design had been given a great deal of consideration. Ford was constantly experimenting with different body, chassis and engine blueprints. The project leader of a unique 'x' engine design was the chief engineer and designer of the Fordson tractor, Eugene J. Farkas. Farkas helped to pioneer the Model A, but it was not until after many failures that a final design was settled upon. Experiments were conducted as early as 1920, when Farkas tried a unique engine concept design. "The new engine design was an 'x' eight cylinder engine which resembled two 'v' four blocks joined together, one right side up and the other upside down forming an 'x' cylinder layout."²⁷² The engine project was dropped after six years of testing when exposed spark plugs caused problems and its weight proved too heavy for a conventional chassis. Declining sales spurred the engineering departments to create an innovative product but, Henry Ford demanded a car which would have the same societal impact as the Model T. When on May 25, 1927, the fifteen millionth Model T rolled off the assembly line at the Rouge River Complex, Henry Ford did not have a car to replace it. Upon retiring the Model T, Henry Ford said to his chief engineer, "Now Gene, we've got to do it."²⁷³ Production was suspended throughout the Ford corporation and work was channelled to complete a car which not only was fast and comfortable, but exhibited innovative stylish contours. The new Model A debuted in

²⁷¹ Electrical welding was really pioneered with the Ford Model A. Other cars utilised bolts and rivets to hold their vehicles together through a process which lent itself to the possibility of parts shaking apart on rough roads. The new assembly process held the body together in a revolutionary and stronger resistant welding process which prevented the body from coming apart. The new electrical welding system made all bolting procedures obsolete. George P. DeAngelis, Edward P. Francois, Leslie R. Henry, Ford Model A-As Henry Built It (Ann Arbor, 1971), 11.

²⁷² George P. DeAngelis et al., Ford Model A, 11.

²⁷³ George P. DeAngelis et al., Ford Model A, 12.

1928. It was very competitive and propelled Ford back into a leading world position. The president of the Canadian operation, Wallace Campbell was very enthusiastic about the new project. In the 1927 shut down over \$3 million dollars was spent on retooling the factory for Model A production.²⁷⁴ The Model A marked the beginning of a new age of automobile production and by utilizing the newly designed vehicle Ford-Canada was able to meet the consumer needs of the Imperial and Canadian markets.

²⁷⁴ Wilkens and HM, 159.

CONCLUSION

Production of the Ford automobile in Canada had a dramatic impact on the Border Cities. The company piloted by Mr. Gordon McGregor not only manufactured a product, but it also provided a nucleus for the growth and development of an entire community—Ford, Ontario. Attracting other automobile producers and suppliers, the area became known as the auto capital of Canada. And for a time, utilizing its charter prerogatives, Canadian tariff arrangements and imperial preference in the British Empire, the Ford Motor Company of Canada and its subsidiaries represented one of the largest manufacturers of automobiles in the world.

Gordon McGregor and those who supported his venture established a company which had strength and staying power. McGregor may have not been president designate of the Ford Motor Company of Canada, but he ran the company. His successor, Wallace R. Campbell, managed the Canadian operation with a similar degree of independence. When John Gray died in 1907, Henry Ford assumed the title as president of the Ford Motor Company of Canada, but he did not actively engage in business affairs across the Detroit River. Indeed, the American president did not attend a single Canadian business meeting for nearly seven years until the death of Gordon McGregor in 1922.²⁷⁵ In a 1920 interview, a question arose concerning the management of the Canadian Company. A reporter asked, "Aren't you the president of the Canadian Company?" To this Ford replied "I don't know."²⁷⁶ Henry Ford may

²⁷⁵ Henry Ford did not attend a single meeting from the summer of 1915 to the spring of 1922. Wilkins and Hill, 114.

²⁷⁶ Wilkins and Hill, 114.

have maintained his title as president of the Canadian company, but it was in name only. McGregor ran its day-to-day operations.

The Ford Motor Company of Canada was not a foreign-directed branch plant operation; it operated under an autonomous charter and developed through independent management. "it is important to recognize that no directives went from Detroit to Windsor. Ford-Canada personnel, unlike the European and Latin American managers never received general letters in sales, accounting, traffic and service. Instead the relationship was always informal and cordial." ²⁷⁷ W.R. Campbell, McGregor's successor, adopted the founder's management style and exercised his own judgement in directing the affairs of the company. Indeed, ". . . although the Canadian organization followed the policies of the Ford Motor Company of Dearborn, Michigan, there was always present a distinctive Canadian touch." ²⁷⁸ Campbell expanded domestic operations and strengthened the international market by establishing foreign branch plants. By assuming the title of President of Ford-Canada in 1929 and by broadening Canadian participation among the company's stockholders, Campbell more accurately represented the reality of his company's relationship with Ford-U.S..

In many instances, the two Canadian managers did not accept positions of the U.S. company or its founder if they ran counter to the best interests of their operation. In 1915, Henry Ford's outspoken opposition to the Anglo-French war loan sparked a patriotic boycott of Ford products in Toronto. Seeking to control the damage to sales

²⁷⁷Wilkins and Hill, 116.

²⁷⁸Windsor Star, 11 August 1947; Ford Motor Company Scrapbook Collection, Windsor Public Library, 67.

and the company's reputation, McGregor distanced himself and Ford-Canada from its U.S. counterpart. Henry Ford's position was dismissed as his personal opinion. McGregor made it very clear that Ford-Canada's position was not necessarily that of Ford-U.S..

Wallace Campbell faced a similar crisis in the 1926 Liberal tariff reduction. Henry Ford, a strong advocate of free trade, was in complete agreement with the Canadian government's tariff reduction on automobiles, even publicly calling it a move in the right direction. Campbell and his staff supported the opposite position and continued to lobby the Canadian government for a return to the 35% tariff barrier. Henry Ford eventually capitulated to the Canadian company's entreaties for silence, and Campbell united with other automakers to convince R.B. Bennett's Conservative government to return to the earlier protectionist levels.

It was the intention of this thesis to question the popular interpretation that ". . . from its genesis the Canadian company was effectively controlled from Dearborn."²⁷⁹ Such a cursory declaration distorts both the intentions of the original founders and the reality of the day-to-day operations. A careful reading of the 1904 McGregor-Ford agreement openly states the conditions under which Ford-Canada would operate. Without denying its reliance upon Henry Ford's design and engineering genius, Ford Canada produced as much of its automobile in Canada as possible and moved toward the goal of self-sufficiency. In modelling itself after the American company in design, product, and manufacturing techniques, Ford-Canada made no mistakes. Neither the

²⁷⁹ In his article on the 1945 Windsor Ford strike, David Moulton expressed the literal interpretation of the 1904 McGregor-Ford agreement. "From its genesis the Canadian company was effectively controlled from Ford Dearborn." This advocates a U.S. transplant model. David Moulton, "Ford Windsor, 1945", in *On Strike*, Irving M. Abella ed. (Toronto, 1974), 154, fn 3.

Model T or Ford production techniques which led the automotive world gave cause for complaint. Both the car and the company fulfilled the needs of the Canadian public.

APPENDIX I
John Stodgell and the Ford Motor Company of Canada

As of August 14, 1954, a then, still surviving original stockholder of the Ford Motor Company of Canada Ltd., Mr. John Stodgell (90 years) related his involvement with the car company. Mr. Stodgell and his brother, Charles J. Stodgell each purchased five shares of Ford stock for \$500. John Stodgell held onto his stock until the depression and then, due to the financial pressures caused by a rapid drop in the price of real estate, he was forced to sell his stock. He paid \$500 for his stock in 1904 and received \$10,000, had he kept the stock, it would have been worth over \$125,000 in 1954.²⁸⁰

²⁸⁰ "People who held stock in the Ford Motor Company (U.S.A.) and who kept it until 1919, realised a return of about 355,000 percent— for every one dollar invested a \$3,550 return." E. D. Kennedy, The Automobile Industry, The Coming of Age of Capitalism's Favorite Child (New York, 1941).

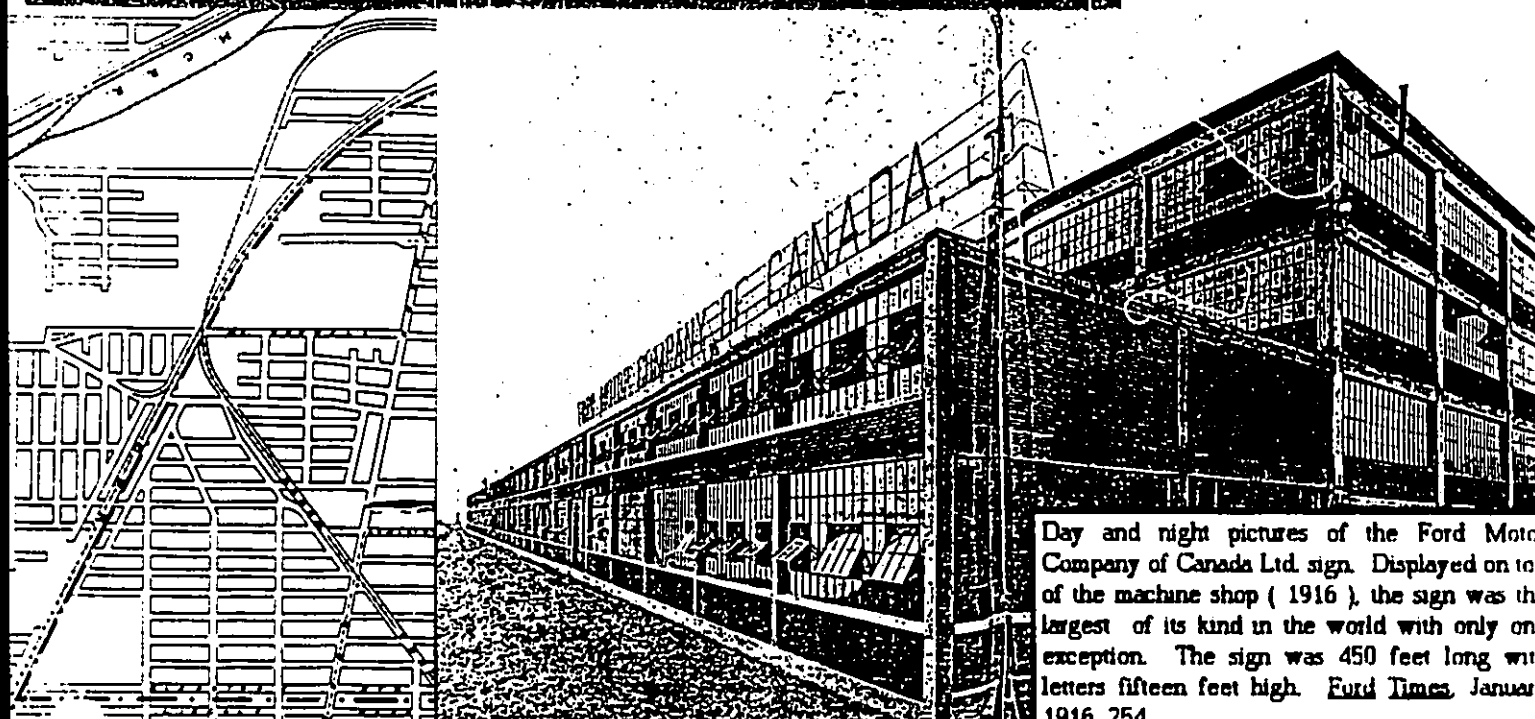
APPENDIX II Shareholders of the Ford Motor Company of Canada

Andrew D. Bowlby	William Gray	Malcolm McGregor
Edgar M. Barlet	R.A. Holland	Henry B. Parsons
Col. Kemmes Betty	Dr. C.W. Hoare	Arthur Robinson
John Curry	Charles Hackett	Col. Sidney Robinson
Alfred B. Cameron	J.H. Ludford	William F. Robinson
Mrs. Lulu V. Cameron	Elmer Ludford	Mrs. M. Robinson
Wallace R. Campbell	C. A. Lansperry	Charles Stodgell
Dr. P.A. Dewar	Joseph Maw	John Stodgell
F.I. Fox	Donald W. McGregor	Hon. Justice Sutherland
James Gow	Walter L. McGregor	Mrs. Augusta E. Walker
Robert Gray	Gordon M. McGregor	C.M. Walker
	J.O. Reaume	Homer Walters

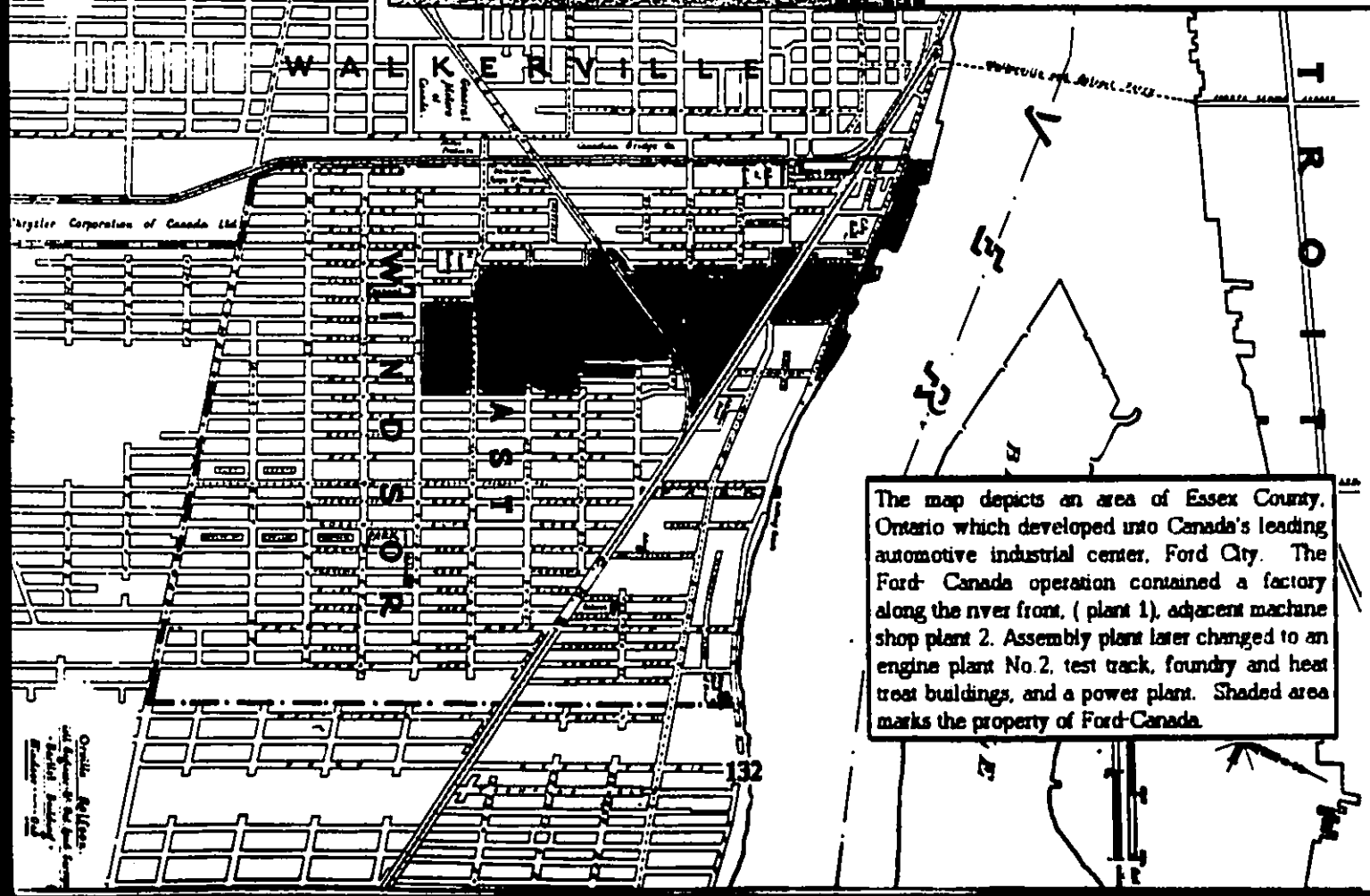
APPENDIX III
Letters from the Ford Motor Company of Canada

APPENDIX IV
Map of Sandwich Township

FORD MOTOR COMPANY OF CANADA, LTD.



Day and night pictures of the Ford Motor Company of Canada Ltd. sign. Displayed on top of the machine shop (1916), the sign was the largest of its kind in the world with only one exception. The sign was 450 feet long with letters fifteen feet high. *Ford Times*, January 1916, 254.



The map depicts an area of Essex County, Ontario which developed into Canada's leading automotive industrial center, Ford City. The Ford-Canada operation contained a factory along the river front, (plant 1), adjacent machine shop plant 2. Assembly plant later changed to an engine plant No.2, test track, foundry and heat treat buildings, and a power plant. Shaded area marks the property of Ford-Canada.

Orville A. Miller
 City Engineer of the City of Windsor
 Windsor, Ontario, Canada

APPENDIX V
The Draft of the 1904 Agreement

THE FORD MOTOR COMPANY WALKERVILLE, ONT.

It is proposed to incorporate an automobile Company for the manufacture of automobiles, etc., in the premises formerly occupied by the Walkerville Wagon Company.

The Company is to be incorporated with a capital stock of \$125,000. Of this amount \$68,000 is to be assigned to the Ford Motor Company of Detroit, for which they will assign all their Canadian business to this company, also their patent rights, a complete set of patterns, drawings, and a **personal supervision of the management and manufacturing.**²⁶¹ Mr. Henry Ford being one of the most successful and practical men in the business and the management of the Detroit concern having been highly successful, the benefits of such an arrangement will insure this Company an article which will give entire satisfaction at a minimum of cost and relieve this Company of any experimenting, which has been the downfall of many smaller concerns.

The Ford Motor company of Detroit is to relieve this Company from the necessity of conducting an experimental department. This department costs the Detroit concern about \$36,000 per year. The Detroit Company will not only give personal supervision but will arrange for competent men in the various departments to make good article at low cost. This Company will also be assigned any territory such as New Zealand, South Africa, or any of the Colonies where we would have the benefits of preferential tariff, so that the Canadian Company would have a large population outside of Canada to supply with machines. The balance of stock, viz. \$62,000 is to be subscribed as follows: \$5,000 of stock to the owners of the building as first consideration for its purchase and the balance in cash for working capital, viz. \$ 57,000.

The buildings and lands of the Walkerville Wagon Company to be used have a river frontage of 350 feet with a dock 140 feet, a main building (brick) three stories, 85 x 133, Blacksmith Shop (brick), 45x90, two warehouses, metal clad, 45 x 90 warehouse 80 x 40, metal clad, and several other smaller buildings, also a brick power house 25 x 40, a 90 ft. brick stack, and G.T.R. Sliding. Plant includes engine, boilers, dynamo, electrical fixtures and elevator. The purchase price of the building is \$30,000; \$5,000 in stock as first consideration and \$5,000 per annum with 5% till paid. Buildings are in good repair and will be ready for immediate occupation so that with a start by August or September first, machines should be ready for the market by January first. It is

²⁶¹ Within the second paragraph of the original agreement the bolded section clearly indicated what position Gordon McGregor had with respect to the management and supervision of the proposed manufacturing project. The fact that McGregor specified this line indicates a more independant management relationship between the Ford-U.S. operation and the Canadian one.

proposed to rent space and power to a local concern who will build gas engines on contract. The Ford Motor Company of Detroit was incorporated June 16, 1903. They have paid dividends as follows: December 1903, 2%; January 1904, 10%; February 1904, 30%; June 16, 1904 (their anniversary of incorporation), 68% or a total return to stockholders of their capital stock, of which they allowed Mr. Ford for his patents and supervision at its incorporation, 51%: practically the same proportion as made to this concern.

In addition to this the Detroit concern has to-day sufficient available capital out of its profits to provide for the payment of a new factory 56x450, three stories, brick, which will cost them \$115,000. The present output of the Detroit concern is about fifteen automobiles per day, which will be greatly increased once they are in their new building, now nearing completion. The terms on automobiles are 20% cash with order, and balance sight draft attached to bill of lading. The estimated profit per machine is \$200 each net, after deducting all expenses, so that if this Company can make four hundred machines, which we expect to build in the first year, we should have a very handsome return to the stockholders of this Company. Even should the quantity be reduced, we could still declare very handsome dividends.

Detroit is without exception the automobile centre of the world, and Walkerville being situated directly across the river is only a half hour's journey to almost any of the Detroit concerns. This firm would be in direct touch and would lead the productions of automobiles in this Country. At the present time there are about one hundred and fifty Fords in this Country so that with the reputation in the States and its establishment in Canada, it already has a reputation which will create a demand long before the machines are ready to ship. The dealers in Canada have been unable to get enough Ford machines to supply the demand as the factory in Detroit is several hundred machines behind their orders at the present time. Walkerville is fortunate in having a great many concerns which will reduce the cost and facilitate the construction of automobiles.

It is proposed to purchase the Frames from the Canadian Bridge Company; malleable from Walkerville malleable Iron Company; Brass Parts from Kerr Engine Company; Gas Engines from the Canadian Typograph Company; Wheels: Springs; Axles and Bodes, probably from Chatham. These are minor points, but of considerable consequence in locating a factory. Mr. Ford has personally visited all these factories and while no estimate of cost is given, he states the cost here will be about 10% in excess of the Detroit concern, inasmuch as some parts will have to be imported from the United States. It has not been determined but the retail price may be slightly advanced over the present prices in Detroit to meet the increased cost. the present retail price of the Ford in Detroit is \$800 for runabout and \$900 with tonneau. The same machines sell in Toronto at the present time for \$1,000 and \$1,100 respectively.

The above priced machines we consider will meet the popular demand with the Canadian trade, and will be the most profitable style to manufacture. We will begin with the manufacture of the Ford 1905 model. The Detroit Company has just finished a model of the touring car which will be on the market next year. This machine has cost in experimenting \$10,000. At present time there are none of the standard make of the American automobiles made in this Country, so that this Company getting an early start, will head off any other projects contemplated and for a considerable time will undoubtedly have a margin of from \$150 to \$200 per machine under the price of American makes, which will have to be imported and duty paid thereon.

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P7788/ Aerial view looking west at the construction of the Ford dock with the Ford plant in the background. Riverfront at the base of Drouillard Road.

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VITA AUCTORIS

Peter McCormack Jr. was born in West Germany and raised in Tecumseh, Ontario. After graduating in 1986, from the University of Waterloo, with a B.A. in Political Science, he continued to study at the University of Windsor for a degree in History. Once he completed an honours B.A., he began to work in the automotive industry for Chrysler Canada as a quality engineer. In 1988, he went to work for the municipal government of Kitakyushu, Japan as a consultant to their Board of Education. Returning to Canada in 1989, he worked as a sales/project engineer dealing with the Japanese automobile transplant industries. The work in the automotive industry served as inspiration towards the study of **The Ford Motor Company of Canada**. Presently, he is acting as chairman for the City of Windsor's International relations sub-committee for Japan.