

MOTOR INDUSTRY HAILS NEW FORD

Record Production Year Likely to Follow Renewal of Ford Activity—Heavy Advance Orders for New Model

WITH the introduction last week of the new Ford car, marking the return of Henry Ford as an energetic force in the automobile world and what is expected, to his former position as the largest producer of low-priced motor vehicles in the world, a condition of renewed optimism has been imparted throughout every branch of the automobile industry. This accelerated interest also has been manifested in the widespread personal enthusiasm with which the initial appearance of the new Model A Ford has been greeted.

The appearance of the new car also means a great deal to the general industrial activity of the country. It has also restored, to a large degree, the former normal situation of the labor market in Detroit, where, due to the great curtailment of production in the Ford plants during the last ten months, employment has been at a much lower ebb than was the case a year ago.

All of the business interests in Detroit are experiencing a greater feeling of optimism than has been apparent for several months. For the last few weeks there has been a gradual increase in labor employment at the Ford factories. Before the end of the year the factory force is expected to be materially enhanced as the resumption of quantity production is reached, which will also bring about a marked increase in the payroll expenditures.

Ford's Unique Position.

Nothing, perhaps, in the long career of Henry Ford as an outstanding factor in the automobile industry has illustrated the unique position which he occupies in that respect as the recent advent of the long-awaited "new Ford" following a period of months of inactivity at the Ford plants. No new car has ever before been looked for with such absorbing interest. This keen interest has by no means been confined to Ford car owners and prospective owners of the new model. It has been noticeable in all ranks and grades of motorists, many of whom never owned a Ford and to whom it was simply a "flivver" and nothing more.

This interest in what Ford is doing or is likely to do has permeated the entire automobile industry and has been especially in evidence among those makers who have been the closest competitors of Ford in the low-price field. The greatest

the founding of the Ford Motor Company, 195 cars were made. The year 1908 marked the appearance of the old Model T, the basic principles of which have been retained up to the recent introduction of the new product. The first year in which the Ford factory made more than 1,000,000 was in 1920, and until the present year the factory output was well over a million every year, reaching its peak with the 2,000,000 mark in 1920.

Early in 1921 the Ford factory had turned out a grand total of 5,000,000 cars. The second 5,000,000 came quicker, being made in three years and one month, from May, 1921, to June, 1924. The third 5,000,000 cars were made in one month less than three years, from June, 1924, to May 26, 1927.

Production Comparisons.

The unique position held by Henry Ford in the automobile world is also seen in the fact that had his factories been in their usual quantity production this year the total motor-car production record would in all probability have exceeded the record production of last year. The total production last year was 4,312,456 passenger cars and motor trucks.

For the first ten months of 1926 the production was 3,997,598, and the ten-month production this year is estimated by the Department of Commerce at 3,241,333, a drop of 756,265, about 19 per cent. decrease.

The fact that there were practically few Ford cars for sale this year has undoubtedly stimulated the sales volume of other cars close to the Ford price. This has been very strikingly seen in the Chevrolet production and sales. In the entire year of 1926 Chevrolet made a total of 732,147 cars. For the first ten months this year Chevrolet production has exceeded 900,000, and the goal set by the Chevrolet factory early in the year of closing 1927 with an output of more than 1,000,000 is virtually assured.

A curious and very interesting fact has been apparent in the survey of sales by the industry, and that is that the volume of sales in the low-price class has actually been many thousands less than would normally be expected. This condition has been attributed to the fact that Ford owners preparing to purchase a new car have been loyally waiting for the new Ford. As the announcement of the new Ford was definitely made more than six months ago,

and its arrival has been feverishly awaited ever since July, there is evidently considerable truth to this supposition.

If Mr. Ford follows his usual custom, he will probably find it possible to make reductions in the present prices of the new car, as increased production makes further manufacturing economies possible. Advices from Detroit indicate that probably not before March can the daily production can be brought up to 2,000, and patience will evidently have to be exercised by both the Ford dealer and the Ford public before the car is in supply to meet the demand.

It is known that close to 400,000 orders are actually on the Ford books, "sight unseen," and now that the car and its price are actually known this number is certain to be materially enhanced. It is only a matter of arithmetic to show that this number of orders cannot be filled immediately nor for many weeks.

Optimism for 1928.

It was evidently with the belief of a large Ford production in 1928, with a continued high demand for cars in the higher-class fields, that led John J. Raskob, one of the General Motors executives, to make his optimistic statement in this city a few days ago that the coming year would show an output of 5,000,000 motor vehicles. By some of the leaders in the industry this is felt to be too high. Even figuring all motor vehicles made in the United States and Canada, it would show an increase of close to 20 per cent. over the 1926 figures.

Strong reliance is made on the growing importance of overseas trade as an absorption factor in making a heavy 1928 production possible and wise. All companies active in this branch of sales are increasing their activities in the European, South American and Australian markets, and with continued betterment of business conditions abroad the export market is certain to produce a high yield in sales volume.

The Ford organization will not be alone in sales activity next year. Almost without exception manufacturers of cars and trucks have made important production expansion during the low point of the curve, and with the New York National Show only a few weeks away the public will be sold by every known method of highly developed and intensive salesmanship. Carefully made sales surveys of the entire country and the export market have well determined the number of potential customers in 1928. The effort will be to see what percentage in each price class the companies can secure. Development of the regional or zone plan of sales has been very marked within the last few months, and the biggest companies are ready with men and ammunition for the biggest sales campaign in the history of the motor business.