

**STARTING IRELAND ON THE ROAD**

**TO INDUSTRY:**

**HENRY FORD IN CORK.**

**VOLUME 1.**

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NUI MAYNOOTH  
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**STARTING IRELAND ON THE ROAD TO  
INDUSTRY: HENRY FORD IN CORK**

**IN TWO VOLUMES**

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**VOLUME ONE**

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## ABBREVIATIONS

<b>AIFTA</b>	Anglo-Irish Free Trade Agreement 1965.
<b>AMB</b>	Agricultural Machinery Branch.
<b>BFRC</b>	Benson Ford Research Center, Dearborn, Michigan.
<b>CIDA</b>	Cork Industrial Development Association.
<b>CIO</b>	Committee on Industrial Organisation.
<b>EEC</b>	European Economic Community.
<b>FIC</b>	Fiscal Inquiry Committee.
<b>FPD</b>	Food Production Department.
<b>IDA</b>	Industrial Development Authority.
<b>ITGWU</b>	Irish Transport and General Workers Union (SIPTU).
<b>MOM</b>	Ministry of Munitions.
<b>NAI</b>	National Archives of Ireland.
<b>NH, vol. I</b>	A. Nevins, (With F. E. Hill), <i>Ford: the times, the man, the company</i> .
<b>NH, vol. II</b>	A. Nevins and F. E. Hill, <i>Ford: Expansion and Challenge 1915-33</i> .
<b>NH, vol. III</b>	A. Nevins, and F. E. Hill, <i>Ford: Decline and rebirth 1933-62</i> .
<b>NLI</b>	National Library of Ireland.
<b>NPC</b>	National Prices Commission.
<b>WH</b>	M. Wilkins, and F. E. Hill, <i>American business abroad: Ford on six continents</i> .

## Summary

Henry Ford's innovations revolutionised personal transport and manufacturing processes in the early twentieth century. Following his accomplishments in the United States, Ford, the son of an immigrant Irishman, conscious of Ireland's backwardness, was keen to assist with the industrial development of the land of his ancestors. This thesis examines the outcome of that aspiration, the origins and history of Ford production operations in Cork from Henry Ford's visit in 1912 to the plant's closure in 1984.

Ford's Cork factory, though originally designed to manufacture tractors in support of Britain's war-time food needs, did not commence production until mid-1919, by which time the required tractors had been supplied from the United States. Subsequently, Ford of Cork produced tractors for Britain and Europe until 1922 when market downturns forced the company to convert the plant into a supplier of Model T parts for Ford's Manchester car factory. In 1929, tractor production was reinstated and Cork became the company's sole tractor facility, supplying its global requirements. With the final removal of tractor production in 1932, tariffs forced Ford to assemble motor cars for the Irish market. The relative stability provided by this protection ensured that for the following half century Ford remained a major employer in Cork city and of significant importance to the economy of the city and its hinterland.

This thesis investigates the decision-making that led to Ford's choice of Cork, as well as his continued support for the operation of the plant despite the considerable difficulties and significant financial losses incurred. It examines internal company operations, the effectiveness of local management in controlling production costs and quality against the background of a changing Irish political and economic scene.

# **STARTING IRELAND ON THE ROAD TO INDUSTRY:**

## **HENRY FORD IN CORK**

### **Introduction**

The development of the first motor cars at the end of the nineteenth century led to an explosion of motor manufacturing enterprises in Europe and America. Of the hundreds of companies that started, comparatively few survived. For example, in the United States, of 502 motor manufacturing companies formed between 1900 and 1908 more than three hundred dropped out in the same period.<sup>1</sup> The early development of motoring in Britain and Ireland lagged behind the rest of Europe until 1896 when the so-called ‘emancipation act’ was passed allowing speed limits to be raised to 14 miles per hour and progress to commence. Within a few years, wealthy Irish individuals were importing a variety of models and services began to emerge to support these pioneering motorists. A handful of small Irish carmakers also appeared, some were originally coach makers, while others came from an engineering background. Of the handful of attempts at producing an Irish car, only one was even modestly successful. For a decade before World War I, Chambers & Company manufactured motor cars in their Belfast motor works. They produced and sold a variety of models, proudly advertising their vehicles as the ‘All Irish Car’.<sup>2</sup> The company went into decline after World War I and disappeared a decade later.

In contrast, the company that Henry Ford founded in 1903 was so successful that in the years following the 1908 introduction of the Model T in the United States, Ford’s innovative engineering, production systems, and social ideas, revolutionised personal transport and manufacturing methods there. This led to reduced car prices, improved

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<sup>1</sup> Robert Lacey, *Ford: The men and the machine* (London, 1986), p. 62.

<sup>2</sup> John S. Moore, *Chambers Motors, 1904-1929* (Garristown, 2000), p. 7.

reliability and simplified design, transforming the motor car from a rich man's toy, into an accessible and affordable transportation for the masses. Ford, the son of an immigrant Irishman from County Cork, following his remarkable success, and with his company already exporting cars into Britain and Ireland, visited Europe in 1912 to investigate the state of the motor business there. During the trip, conscious of his Irish ancestry, he made a brief tour of Ireland. Having seen the backward plight of the region, he determined to kick-start its industrial development and subsequently went on to introduce what was to become the country's most substantial motor manufacturing facility.

Following the purchase of the Marina site in Cork, Henry Ford & Son, Ltd. was formed and work began in 1917 on a large-scale manufacturing plant from which, by 1919, tractors were being exported to many parts of Europe. During the subsequent six and half decades, the firm's focus changed a number of times. Recession in the wake of World War I led to a decline in tractor sales which forced Ford to convert the plant to Model T parts production for their British motor car factory in Manchester. Tariff barriers introduced between Britain and Ireland following Irish independence undermined the competitiveness of this parts business and threatened the Irish company's survival. Henry Ford's restoration of tractor manufacturing in 1929, expanded to meet the company's global requirements, seemed to offer salvation, but within two years this project also had failed. The depression of the early 1930s decimated demand for the Fordson tractor, forcing Ford, in 1932, to make the decision to discontinue manufacturing in Cork and turn the Marina into a distribution centre. Before the decision could be implemented the recently formed Fianna Fáil government introduced tariffs which forced Ford not to terminate manufacturing operations completely, but instead to assemble cars for the Irish

market. This smaller, protected car assembly industry proved a more stable and enduring business and provided the city of Cork with substantial employment while supplying the Irish market with home-assembled motor cars up to the time of its final closure in 1984. Thus, the history of Ford in Ireland is the chronicle of Henry Ford's attempt to bring engineering industry to the country. It is an account of two separate failed attempts, about a decade apart, to produce tractors for export to international markets. In both cases, the attempts were frustrated by international factors and economic depressions. Despite these failures, Ford's assembly plant was the largest employer in Cork and of significant importance to the economy of the city and its hinterland.

Henry Ford and his enterprise, the Ford Motor Company, both hold a fascination for writers and much has been written about them, mainly in the United States. Henry Ford & Son Ltd., Cork represents a tiny part of the operations of the company and as such has received little attention. For example, even Charles E. Sorensen, who directed Irish operations for over twenty years and was in constant communication with the local management and made regular visits to the plant, never mentioned Cork in his memoirs.<sup>3</sup> The three-volume history of Henry Ford and his company written by Allan Nevins and Frank Hill is arguably the most respected history of the company, while the subsequent work of Mira Wilkins and Frank Hill on the development of Ford as a multinational enterprise, is also highly regarded.<sup>4</sup> Nevins and Wilkins relied principally on the documents available in the Ford archives, at the Benson Ford Research Center (BFRC) in

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<sup>3</sup> C. E. Sorensen (with Samuel T. Williamson), *Forty years with Ford* (London, 1957).

<sup>4</sup> Allan Nevins (with F. E. Hill), vol. I, *Ford: The times, the man, the company* (New York, 1954); vol. II, *Expansion and challenge 1915-33* (New York, 1957) and vol. III, *Ford: Decline and rebirth 1933-62* (New York, 1963), (henceforth abbreviated as NH, vol. I; NH, vol. II and NH, vol. III) and Mira Wilkins and F. E. Hill, *American business abroad: Ford on six continents* (Detroit, 1964), (Henceforth abbreviated as WH).

Dearborn, Michigan, as primary source materials. Both, particularly Wilkins, devote some of their investigation to the Cork operation. Inevitably, given the breadth of their work, their coverage is far from comprehensive. Most other works available pay scant attention to the Irish operation. Typical are two recent works: firstly, a broad-ranging history of Ford in Europe entitled: *Ford, 1903–2003: The European history*.<sup>5</sup> It consists of twenty-nine papers delivered at a conference in Bordeaux to commemorate the centenary of the Ford Motor Company and includes papers by Steven Tolliday which deal with the development of Ford in Britain.<sup>6</sup> Tolliday's work touches briefly on some aspects of the Cork plant, mainly where it impinges on the British operation. A second book produced for the Ford centenary, *Wheels for the world*, is a comprehensive retelling of the story of Henry Ford and his company but contains little on the Irish plant.<sup>7</sup>

In Ireland, Henry Ford's contribution to industrial Ireland has been largely overlooked by general works of history, while only a handful of documents have appeared devoted to events at Ford's Marina plant. Bob Montgomery, curator of the Royal Irish Automobile Club archive, has produced a series of monographs on aspects of motoring history, including one on the history of Ford.<sup>8</sup> This document in turn draws much of its content from *Ford in Ireland: the first sixty years*, published by the Ford's public relations department.<sup>9</sup> The Ford document offers a succinct but uncritical overview of the company up to 1977. Both are short documents, hardly more than pamphlets. Two other works have been identified which attempt, in different ways, to record the history

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5 Hubert Bonin, Yannick Lung, and Steven Tolliday (eds) *Ford, 1903–2003: The European history* (2 vols, Paris, 2003).

6 Steven Tolliday, 'The rise of Ford in Britain: From sales agency to market leader, 1904-1980' in Bonin, Lung and Tolliday (eds), *Ford, 1903–2003*, ii, 7-72. (<http://beagle.u-bordeaux4.fr/ifrede/Ford/Content.htm>) ( 22 Mar. 2007).

7 Douglas Brinkley, *Wheels for the world: Henry Ford, his company, and a century of progress, 1903-2003* (New York, 2003).

8 Bob Montgomery, *Ford manufacture & assembly at Cork 1919-1984* (Garristown, 2000).

9 Henry Ford & Son, *Ford in Ireland: the first sixty years, 1917-1977* (Cork, 1977).

and development of the motor industry in Ireland and which deal with Ford to a greater or lesser degree. Published in the early 1980s they are John O'Donovan's book *Wheels and deals*, which was written at the request of the Society of the Irish Motor Industry, and John Moore's book *Motor makers in Ireland* which originated as an M.A. thesis.<sup>10</sup> O'Donovan's book, which is subtitled 'People and places in Irish motoring', concentrates mainly on events in the Republic of Ireland and deals with the personalities involved in the motor trade. O'Donovan also looked at the evolution and early history of motor organisations and motor racing as well as trade issues and the emergence of trade representative bodies. His brief section on Henry Ford appears to rely on *Ford in Ireland: the first sixty years* and draws little from primary source material. Moore, on the other hand, concentrates on the motor industry located in Northern Ireland, particularly around Belfast, so, while Chambers, Fergus and more recently, De Lorean are well covered, there is little about Henry Ford & Son of Cork. Moore's book is written largely from an engineering perspective and includes a wealth of technical information on the cars discussed, going so far as to provide detailed technical drawings of parts and functions.

In an unpublished thesis completed in 1981, David S. Jacobson investigated the motoring industry, particularly Ford's manufacturing operations and the effects of protectionism and tariffs, from an economist's point of view.<sup>11</sup> He covered the origins of the Irish motor industry as well as issues relating to coach building and the evolution of protectionism. His section on Ford dealt with the company's early moves towards internationalism, the decision to build at Cork and the financial issues relating to that decision. Issues which may have played a part in attracting Ford to Cork, such as

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<sup>10</sup> John O'Donovan, *Wheels and deals* (Dublin, 1983) and John Moore, *Motor makers in Ireland* (Belfast, 1982).

<sup>11</sup> David S. Jacobson, 'A political economy of the motor industry in Ireland' (Ph.D thesis, University of Dublin, 1981).

comparative wage rates between Cork and Britain, were also examined. Jacobson analysed the use of tariffs and the reaction of Henry Ford & Son to them. He considered the financial issues which underpinned Fords attempts at producing tractors. Finally he examined the changes in trading regulations affecting motor assembly and considered the company's future in the light of free trade. Written shortly before Ford closed Cork in 1984, in fact, Jacobson's thesis is the most significant work on Henry Ford & Son up to that time. His thesis concentrated on the economic aspects, but is limited insofar as he did not examine documents in the BFRC, relying on Wilkins and Nevins as his main source of information on Ford. As the foregoing literature review shows, the history of the motor industry in Ireland, while not totally neglected, has had scant scholarly treatment and no comprehensive historical analysis. When Moore and O'Donovan's books, were reviewed by Jacobson he expressed his disappointment that 'both books...leave much ground to be covered'.<sup>12</sup> Writing of the motor industry in 1985, Jacobson stated that 'there has been no full-length publication on any aspect of its history, development or structure'.<sup>13</sup>

More recently, Miriam Nyhan has produced an M. Phil. thesis on Henry Ford & Son, Ltd., Cork which has been published under the title *Are you still below? The Ford Marina plant, Cork, 1917-1984*.<sup>14</sup> Nyhan's thesis sets out to examine Ford's role in changing the economic landscape of Cork and bringing prosperity to its citizens. While part of the work documents operational and political issues, the main thrust of Nyhan's thesis draws on oral testimony based on the recollections of Ford workers. The thesis paints a picture of life in the plant in the latter years of its existence, covering the

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12 David Jacobson, 'The motor industry in Ireland' in *Irish Economic and Social History*, xii (1985), pp 109/15.

13 Ibid., p. 109.

14 Miriam Nyhan, 'Henry Ford & Son Limited: A history of the Cork plant, 1917-1984' (M.Phil. Thesis, University College Cork, 2004) and Miriam Nyhan, *Are you still below? The Ford Marina plant, Cork, 1917-1984* (Cork, 2007).

migration of Cork workers to Dagenham as well as their recollections of conditions in the Cork plant. The opening chapter, under the title ‘Why Cork?’ deals with Ford’s decision to locate in Cork and examines the state of the city at that time as well as speculating on Ford’s motivation for his action. Entitled ‘From a green field to a great factory’, the second chapter examines events in the early years of Ford’s presence in Cork as the company became established. It briefly outlines events from the end of World War I to the 1930s. Nyhan describes the conditions imposed on Ford in the purchase documents and the subsequent conflict with Cork Corporation over the Marina lease. She examines aspects of the development of the factory against the background of the War of Independence and the Civil War. The death of Tomás MacCurtain, the walkout of Ford employees to attend masses for the dying hunger striker, Terence MacSwiney, and the burning of Cork by the Black and Tans are included. On a lighter note the success of the Fordson football team is covered.

The following two chapters use oral interviews with Ford workers to provide an insight into the workings of Henry Ford & Son as seen by a section of their employees. Chapter three, entitled ‘The nearest place that was not Cork’ depicts the migratory patterns of Ford workers between Cork and Ford’s British operations.<sup>15</sup> Employees’ memories of their working lives, work and the operations of the company are described in chapter four, ‘Are you still below’.<sup>16</sup> The last chapter, under the title ‘The final epoch’, recounts the economic circumstances which lead to the closure of the assembly plant in

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15 In Nyhan’s work, *Are you still below?*, this chapter is entitled ‘*The Dagenham Yanks*’, p. 65.

16 In Nyhan’s *Are you still below?*, it is entitled ‘*Memories of the Marina*’, p. 76.

1984, as well as the emotional impact on the people of Cork at the loss of such a long standing and crucial industry.

In my thesis I intend to explore the decision-making and management actions of Ford, one of the earliest multinational enterprises to locate in Ireland, as they dealt with politics and economics on both sides of the Irish Sea, while being directed and controlled, often irrationally, from its headquarters in Detroit. Within a chronological framework I propose to record and to re-examine the traditionally fulsome view of Henry Ford and his Cork subsidiary from the time of his visit in 1912, up to the plant's closure in 1984. Where appropriate, issues will be dealt with thematically. I will utilise mainly research materials examined personally in the BFRC in Dearborn. As the main repository of Ford's archive material, the BFRC holds a substantial number of records covering all aspects of Ford's business. While, according to BFRC archivist Peter Kalinski, some British and Irish records were lost during shipment from Britain to Dearborn, nonetheless the records available in BFRC offer a wealth of material providing many new insights into Ford manufacturing operations in Ireland. In addition to written documents the archive holds reminiscences of persons involved in the company business. These records form part of a Ford oral history project as well as records of interviews by both Allan Nevins and Mira Wilkins. The interviews were carried out in the period from the mid-1950s to the early 1960s, many years after the actual events, and consequently must be treated carefully as they often contain inaccuracies as well as telescoping of events. For example, B. R. Brown in his reminiscences reported being first sent from the United States to England in October 1916, but later states that: 'I was in Ireland during the Easter

Rebellion.’<sup>17</sup> Whereas access to all BFRC records in Dearborn was generously permitted, Henry Ford & Son Cork, who retain a small number of production records, were reluctant to permit access to these. Other sources consulted include government papers in the National Archives, records in the Cork City and County Archive and the National Archives of the United Kingdom in Kew as well as local and national newspapers.

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Even as the first tractor emerged from Ford’s partially completed plant, in July 1919, the War of Independence was already underway. Ford management found themselves at the centre of conflicts on a number of occasions. This thesis will document and analyse the company’s internal operations, politics and issues against the background of changing Irish political and economic circumstances. The role played by Percival Perry and his Dearborn superior, Charlie Sorensen, as well as local managers Edward Grace and E. L. Clarke, all key figures in the development and management of the Marina plant, will be documented. Ford’s production activities during the period will be examined and this work will address more fully some of the issues discussed by Nyhan in chapters one, two and five of her thesis. It will expand on her account of issues such as Ford’s dealings with local organisations in the purchase of the Marina site, the disagreements which occurred when Ford prevented its workers from attending a mass for the hunger striker, Terence McSwiney, and the later confrontation between the company and Cork Corporation when they threatened to eject Ford because of the company’s failure to comply with the labour stipulations laid down in the lease. It will examine the roots of the decision to locate the business in Cork as well as Henry Ford’s

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<sup>17</sup> Reminiscences of B. R. Brown Snr., July 1955 (B.F.R.C. Acc. 65, Box 9), pp 15 and 18.

continued support of the operation, despite the considerable difficulties and significant financial losses incurred, and will examine whether this was an altruistic gesture or a shrewd business move on Henry Ford's part. While these issues have been considered by both Nyhan and Jacobson, I will introduce new information gleaned from BFRC. For example, in her first chapter Nyhan reiterates the question 'why Cork?' originally posed by David Jacobson in his thesis. Both acknowledge Ford's sentiment for the land of his forebears, suggesting that the difficulties of war hastened the decision to locate in Cork and asserting that the decision was based primarily on economic factors, such as the relatively cheap land, lower wages, less contentious labour relations than in Manchester and the absence of tariffs due to Ireland's location within the British Empire. Documents consulted in BFRC, particularly a survey and report in 1913 by Ford's English manager Percival Perry, cast additional light on Ford's attitude and his decision to locate in Cork. Thus, while he was not unaffected by the economic factors and quite prepared to conclude his Irish experiment when economics dictated, this thesis will argue that Ford's sentimental, desire to bring industry to Cork largely outweighed the economic factors.

In addition to expanding on existing works, I will address a range of other issues not discussed elsewhere, for example, Cork's relationship with the Manchester plant. Throughout its existence, the Cork plant's fate was intertwined with, and affected by events in the Ford Motor Company of England. Cork's role as a parts supplier to Manchester and the effectiveness of its local management in controlling production efficiency, costs and product quality were significant factors in that relationship. The introduction of import tariffs by Britain soon after Irish independence, increased costs on parts shipped by Cork to Manchester, threatened the viability of the Cork plant, and

created unforeseen and insoluble difficulties for the Cumann na nGaedheal government. At all stages, Ford's managers fought to get the best deal possible from the British and Irish governments, but were wary of getting involved in politics and particularly careful not to make long-term commitments or promises. These issues, as well as relations with the Cumann na nGaedheal government and the attempts to woo Henry Ford, will be explored, as will the production and quality problems created by the thousands of untrained, 'green' workers employed in the late 1920s. This thesis will also examine both Ford's decision to abandon production in Cork in 1932 and the Fianna Fáil government's introduction of an aggressive tariff regime which caused Ford to pull back from converting the site into a distribution centre and instead led to the plant being adapted to motor car assembly.

Other issues which will be looked at include the threats from the Irregulars during the Civil War and Grace's use of a firearm to protect himself from striking dockers; the involvement by Ford's local management in housing projects and their attempts to find replacement work in times of slackness. Grace, and later Clarke's, struggles to cope with the myriad of challenges encountered will be analysed as will the events which culminated in their being forced out of the company. I will examine the restrictions caused by World War II on Ford's operations and their assembly operations from then until the factory closed in 1984.

Finally, an extensive range of appendices has been included. These form an important part of the thesis providing a statistical context to the main work, illustrating the scale and rapid expansion of the Ford company both in the United States and overseas during the pre-World War II period. Other appendices record production output, exports

of tractors and parts, employment figures and wage rates. Appendix 8, for example, records the number of workers employed by Ford at its peak and shows the company's significance as an employer in Cork during 1929/1930, while appendices of early wage rates also reveal the range of skills employed in the Cork plant from the outset. Data derived from Irish government statistics has been extracted and collated to document the scale of Ford's export business and the effect of government tariffs and quotas.

## CHAPTER ONE

### Development of the Fordson tractors:

#### Ford as an international firm up to World War I (1903-1916)

Within a short number of years after the appearance of the first motor car, the motor industry changed from being a backyard business to a mass production system. In April 1901, the Royal Dublin Society invited all of the motorists of Ireland to take part in a parade of motor cars to be held as part of their annual cattle show. Twenty seven cars took part in the display. This turnout represented the majority of the cars in the country at that time. Anti-motoring legislation had retarded the development of motor manufacturing in Britain, which left France as the major car-producing nation up to 1906, when the United States of America overtook them. In France, the number of private vehicles in use had risen from 1438 in 1899 to 17,358 by 1906.<sup>1</sup> In the same year, an estimated 20,000 vehicles were manufactured in the United States. Much of this increase was down to the genius of one man, Henry Ford, who in 1906 produced 8,729 cars.<sup>2</sup>

From childhood, Ford had been interested in engineering and inventing. He had built his first car in 1895 and started a second in 1896. By August 1899, he was ready to quit his job with the Edison Company to go into the business of building motor cars full-time. Since he had no capital, he was obliged to turn to speculators to finance him, but after three years he resigned, determined, as he said, 'never again to put myself under orders'.<sup>3</sup> His financiers had proved to be interested only in extracting the most money possible from each car sold, but not in Ford's idea of making better cars for the public at

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1 Encyclopaedia Britannica (11th ed., 29 vols, London, 1911), xviii, p. 920.

2 WH, p. 436.

3 Henry Ford (in collaboration with Samuel Crowther), *My life and work* (London, 1922), p. 36.

large. The company, originally named the Henry Ford Company, after his departure, was renamed the Cadillac Automobile Company and continued in business, later becoming part of the General Motors Corporation.<sup>4</sup>

Before long, Ford was talking to Alex Y. Malcomson, an enterprising coal merchant he had met during his days in Edisons, and on 20 August 1902 they signed a partnership agreement under the name Ford & Malcomson Ltd., with the aim of producing a passenger car.<sup>5</sup> Ford needed publicity and was swayed into entering a specially built car in a race at Grosse Point, near Detroit, in 1903, despite his reservations about motor racing, ‘the manufacturers had the notion that winning a race on a track told the public something about the merits of an automobile-although I can hardly imagine any test that would tell less’.<sup>6</sup> The car won the race by a half mile and according to Ford ‘advertised the fact that I could build a fast motor. A week after the race I formed the Ford Motor Company’.<sup>7</sup> Ford went ahead to design his new car and put his innovative ideas into operation. According to himself, Henry Ford’s scheme was to produce ‘a small, strong, simple automobile, to make it cheaply and pay high wages in its making’.<sup>8</sup> The car, called the Model A, went into production in mid-1903. The first example was sold to a Chicago dentist, Dr Ernst Pfenning, on 15 July 1903. Within months the demand for the car was outstripping Ford’s capacity to build it and even an extension to the factory proved inadequate. Early the following year, plans were drawn up to build a new factory

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4 Lacey, *Ford*, p. 61.

5 *Ibid.*, p. 68.

6 Ford, *My life and work*, p. 50.

7 *Ibid.*, p. 51.

8 Henry Ford (in collaboration with Samuel Crowther), *Today and tomorrow* (London, 1926), p. 1.

at Piquette Avenue. By the beginning of 1905 it was producing 25 cars a day.<sup>9</sup> Thus, the concept of simplicity and reliability proved to be a successful formula for Ford.

Even while the business was still in its infancy, Ford was prepared to expand manufacturing outside the United States. The first step in the internationalisation of the company, logically, was into Canada. In 1903, Gordon McGregor, the director of a declining Ontario coach-building firm, founded the Ford Motor Company of Canada. Fifty one per cent owned by Ford-U.S., McGregor gained the exclusive rights to manufacture and sell Ford cars in Canada and other British dominions. By February 1905 the first Ford had emerged from his factory on the Canadian side of the Detroit River. About the same time, Percival L. D. Perry, who was to become the pivotal figure in the development of the Ford business in Britain and Ireland, made his first visit to Henry Ford, seeking Ford's support for his nascent Ford dealership.<sup>10</sup> Until 1911, when the British assembly plant in Manchester came into operation assembling Fords, cars were imported from the United States.

In the years that followed, the Ford empire expanded inexorably, with production or assembly facilities located close to their markets in order to avoid trade tariffs and to minimise transportation costs. By 1920, Ford vehicles were being manufactured in nine countries, including Ireland. By 1930 there were manufacturing operations in twenty countries.<sup>11</sup>

When Ford launched the Model T, his car for the masses, in 1908, it introduced motoring to a totally new market and on a scale unforeseen up till then. The sales figures

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9 Lacey, *Ford*, p. 74. Note: In 1927 Ford also used the title 'Model A' on its new car.

10 NH, vol. I, pp 357/8.

11 David S. Jacobson, 'The political economy of industrial location: the Ford motor company in Cork 1912-26', in *Irish Economic and Social History*, iv, pp 36-55 (1977), p. 38, see Appendix 7.

were staggering. To quote Ford himself: on ‘1 October 1908 we made the first of our present type small cars. On 4 June 1924 we made our ten millionth. Now in 1926, we are in our thirteen millionth’.<sup>12</sup> From its launch, Ford was inundated with orders for the new car. To meet the demand a huge new factory was built at Highland Park. It opened in early 1910. Yearly production output doubled from 32,054 in 1910 to 69,762 cars the following year and then to 170,068 in 1912.<sup>13</sup> The ever-increasing sales demand necessitated speeding up of output, increased efficiency and above all manufacturing innovation. By 1913, the motor car was no longer an experimental novelty. While in the area of brakes, tyres and other ancillaries there were considerable improvements to be made, and also refinements to the motor car itself, yet the main features of the motor car were well developed and accepted.<sup>14</sup> Now the focus of innovation switched to production. The public’s seemingly insatiable demand for personal transport and Ford’s response to it was about to transform the motor industry.

As well as building a larger factory, a totally new system of production was required to meet sales demand. On 1 April 1913, Ford began his first tentative steps at a mass production assembly line. According to Ford: ‘the idea came in a general way from the overhead trolley that the Chicago packers used in dressing beef’, he took this idea and applied it to building flywheel magnetos.<sup>15</sup> Once that line established the efficiency of the method it was applied to the rest of the operations. ‘The assembling of the motor, formerly done by one man, is now divided into eighty-four operations-those men do the

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12 Ford, *Today and tomorrow*, p. 1., the car continued until 26 May 1927, when, after driving the fifteen millionth example off the Highland Park assembly line, Edsel and Henry Ford announced that manufacture of the Model T would soon be ceasing (Lacey, p. 297).

13 See Appendix 1.

14 T. R. Nicholson, *Passenger cars 1913-23* (London, 1972), p. 4.

15 Ford, *My life and work*, p. 81.

work that three times their number formerly did.’<sup>16</sup> Allied to this was the process of analysing operations to improve costs and efficiency by identifying and removing waste labour and materials. Ford’s other weapon in the drive for efficiency was the concept of standardisation of parts and components, so that interchangeability and setting out of work to sub-contractors was facilitated. These processes succeeded in improving productivity to hitherto unrealisable levels. As the efficiencies cut costs, Ford reduced the price of his Model T, thus ensuring that the greatest number of people could benefit from his vision of cheap personal transportation.

The new method of manufacturing made it possible to cope with the huge increases in demand by dividing the process of making cars into its most elementary steps, and as each task was in itself quite simple, new recruits could be introduced directly into the assembly system and begin work immediately and efficiently with minimal training. Ford said later that: ‘As the necessity for production increased it became apparent not only that enough machinists were not to be had, but also that skilled men were not necessary in production.’<sup>17</sup> In effect, skilled mechanics were employed to develop the machines and the systems, simplifying tasks and making it possible for ordinary unskilled operators to carry out the work. With the majority of the physical effort removed from the process, Ford hired men regardless of their physical size or background, as there were jobs for all types and talents, or none at all, in his words: ‘The rank and file came to us unskilled; they learn their jobs within a few hours or a few days. If they do not learn within that time they will never be of any use to us.’<sup>18</sup> Ford’s success

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16 Ford, *My life and work*, p. 81.

17 *Ibid.*, p. 79.

18 *Ibid.*, p. 77.

in supplying the demands of the marketplace eliminated the need for skilled craftsmen in the making of the car and replaced them with automatons performing the same monotonous tasks endlessly.

Ford had the foresight, not alone to develop and design a successful motor car, one which satisfied the man in the street in terms of simplicity of use and ease of repair, but also to create the manufacturing system necessary to reduce costs to a point which could make it possible for him to buy it. The revolutionary idea that the workers could afford a car that came from their plant was at the heart of Ford's thinking. The significance of the Ford Motor Company in defining modern manufacturing systems is immense; Ford played a decisive role in shaping the organisational systems which underpin much of modern mass production. Ford's revolutionary process gave rise to the term 'Fordism' defined as the 'the progressive development of specialised machinery operated by closely supervised, deskilled labour to mass produce a standardised product, to stable homogenous mass markets'.<sup>19</sup> Ford was responsible for introducing an environment where continual cost cutting ruled and the conveyor belt was tantamount to a deity. Initially the Ford system was a source of awe and wonder, but inevitably, as the plight of the masses of workers became clear, Ford's methods drew criticism from many quarters. Instead of the formerly skilled jobs, where men had some degree of control over their actions and could take professional pride in their work, they were replaced by harassed operators, endlessly performing anonymous, monotonous tasks. The workers truly were cogs in the huge machine. According to Winfried Wolf:

With Ford's car plant, capitalism had reached that reversal of the relationship between the worker and the machine already analysed by Marx. In previous social formations, as in

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<sup>19</sup> Ken Starkey and Alan McKinlay, *Strategy and human resources* (Oxford, 1993), p. 15.

the early capitalist period, the machine was ‘an extension of the human hand’; now the worker became an extension of the machine. The maximum exploitation of labour was now possible.<sup>20</sup>

While the new mass production system allowed the Ford Motor Company to cope with the increasing demand for motor cars, it could also be adapted to the manufacture of any complex product, improving efficiency and facilitating the transfer of the process to a new location. It changed the nature of manufacturing industry generally. In Europe, motor car manufacture did not benefit from this new system until the 1920s and motor cars continued to be produced by skilled craftsman, with all the limitations that that implied. Chief amongst these was the shortage of skills to perform the work, variability of quality and of course, higher cost, which kept the car as a toy for the rich. The outbreak of World War I interrupted the development of cars in Europe, while in the United States, Ford continued to increase his outputs and refine his systems with few interruptions. By war’s end, America’s motor industry was thriving and well placed to dominate world markets.

The Ford Motor Company expanded its distribution systems very rapidly in its first decade. To minimise transport costs, assembly plants were opened at strategic points throughout the United States followed by Canada, then across the Atlantic to Britain. Ford’s Model N appeared in Ireland at the Irish Motor Show in 1907, and though Ford was the biggest car manufacturer in the United States, in Ireland sales were slow. R. J. Mecredy, the editor of the *Motor News*, was an enthusiast from the start, impressed by the quality of engineering and design which belied the Ford’s apparent simplicity.<sup>21</sup> At the

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<sup>20</sup> Winfried Wolf, *Car mania: A critical history of transport* (London, 1996), p. 72.

<sup>21</sup> Mecredy had founded the *Motor News* magazine in January 1900.

same time, Ford's Model N, was the subject of ridicule from the agents of the more sophisticated European marques, who were 'misled by the simplicity and unconventionality of the car's design, condemned it as "spidery", "sprawny", "too light for Irish roads" adding as a scathing afterthought "it won't fit the ruts on byroads".<sup>22</sup> This last point was a significant issue in an era of poor roads, dominated by horse-drawn carts and it was to exercise R. W. Archer, who signed up as a Ford dealer at the motor show. Archer said that:

This last fallacy proved one of the hardest of the lot to scotch. It was absolutely untrue, but nine out of ten enquirers persisted in this idea in spite of denial and offers to prove by demonstration that the car did fit the ruts made by country carts. They were too fixed in their prejudices.<sup>23</sup>

Even when the car demonstrated its capability at a number of Irish Automobile Club Reliability Trials and other events, sales were still sluggish. All this changed dramatically with the arrival of the Model T in 1909. When Archer was introduced to the car, newly imported from America, and invited to take a run in it, he stated that: 'I quickly realised that my prophecies were fulfilled to the uttermost and that the good time had come'.<sup>24</sup> As in the United States, the Model T was an immediate success and quickly became market leader in both Britain and Ireland, doubling and redoubling sales so that in 1913, some 600 were sold throughout Ireland.<sup>25</sup>

The success of the Model T in Europe was due not alone to its engineering innovations and competitive price, but also to the enthusiasm and drive of Ford's English

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<sup>22</sup> Ford & Son, *Ford in Ireland*, p. 6.

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid.*, p. 7.

<sup>25</sup> *Ibid.*

manager, Percival Perry. Perry followed Ford's American practice of curtailing transport costs by establishing local plants to assemble cars from Detroit-produced engine and chassis kits. He found a suitable site for his English assembly operation at Trafford Park, to the south of Manchester. The site, a disused tramcar factory, had direct access to the sea by the Manchester Ship Canal and rail access to the rest of Britain. Local manufacture also had the advantage of avoiding or minimising tariffs, as according to Tolliday, 'tariffs were in the air, even though Britain remained a free trade country at this time'.<sup>26</sup> The Ford Motor Company (England) Ltd. was established on 29 March 1911. Six months later, on Monday, 23 October in Trafford Park, Manchester, the first of many British-built Fords was assembled. According to Burgess-Wise:

Chassis were built up on trestles until the wheels were fitted, then pushed into the final assembly shop for the coachwork to be added. Manchester started building its own bodies—more suited to British taste—in 1912, when a local coachbuilder was taken over by the company.<sup>27</sup>

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Combining business with pleasure and accompanied by his wife Clara, his only son Edsel, and Clara's brother Marvin Bryant, Henry Ford paid an extended visit to Europe in 1912. The party was met at Plymouth on 20 July by Percival Perry, who took them on a tour of England in a Rolls Royce. As well as visiting the new Ford assembly plant in Manchester, they visited Clara's mother's home in Warwick. Henry and Edsel inspected Ford dealers and a number of car factories in the English Midlands, including

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<sup>26</sup> Tolliday, 'Ford in Britain', p.10.

<sup>27</sup> David Burgess-Wise, *Ford at Dagenham: The rise and fall of Detroit in Europe* (Derby, 2001), p. 14.

Rolls Royce and Ford's main competitor at the time, Wolseley.<sup>28</sup> Later, they made a brief trip to Ireland, ostensibly to visit Ford's ancestral home in Cork.<sup>29</sup> Ford's forebears on both sides of his family came from Ireland. His paternal grandfather, John Ford, had left Cork in 1847 during the Great Famine, travelling with his family to join his brothers who had already emigrated in 1832 and had settled in Dearborn, near Detroit, Michigan. John's eldest son, William, born in 1826, worked for a period on the Michigan Central Railway before he found employment on a farm owned by another Cork immigrant, Patrick Ahern.<sup>30</sup> The youngest of Ahern's family was a young adoptee named Mary Litogot. Soon after William and Mary met they were married and moved onto a farm of their own in Dearborn. Henry Ford, the eldest of their children was born to them on 30 July 1863.<sup>31</sup>

By the time of Henry Ford visited Ireland he was already wealthy and well-known in the United States, but less so in Europe, consequently his visit to Ireland provoked little attention and he made his Irish tour practically unnoticed. His reputation in the United States was enhanced by matters other than motor car production. For instance, his campaign against the notorious Selden patent which had forced motor manufacturers to pay a royalty of 1.25 per cent on all cars produced was publicised as a David and Goliath struggle with Ford in the role of the underdog. Ford had obstinately resisted this payment and fought a long court battle to have it overthrown. When, on 9 January 1911, the courts ruled in his favour the victory inspired an avalanche of public acclaim not just amongst

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28 WH, p. 48.

29 Benson Ford Research Centre (BFRC), Dearborn, Michigan; the Archive is the location for the bulk of Ford papers, archives are organised into Accessions, containing a variable number of boxes. References will quote the Accession and Box numbers. European trip, Edsel B. Ford diary, 1912 (BFRC, Acc. No. 1, Box 106-2).

30 Nevins uses the spelling 'O'Hern', see NH, vol. I, p. 22.

31 Ford R. Bryan, *Clara: Mrs Henry Ford* (Dearborn, 2001), p. 20.

the ordinary public, but also amongst the other manufacturers who were happy to be relieved of the financial burden. The positive effects of the victory lasted for years. Even as late as 1935 W. J. Cameron Ford's spokesman at the time was to say that Ford had liberated the entire industry to the benefit of the American people. The victory raised his profile and status and combined with the increasing success of his Model T elevated him to the status of folk hero.<sup>32</sup> Ford's later announcement of the 'five dollar day' in January 1914 would astonish the American public and add further to his reputation.<sup>33</sup>

Though Ford attracted huge publicity and attention he was a shy man not keen on public speaking. With two or three people he spoke freely, but with more than this he fell silent. He disliked large gatherings and, for example, when asked to say a few words at the dinner to celebrate the millionth Model T he reluctantly stood up and said: 'Gentlemen, a million of anything is a great many' and immediately sat down leaving his audience bewildered.<sup>34</sup> Despite limited formal education he possessed great vision in mechanical engineering design and development, but according to Sorensen, who worked with him for almost forty years, Ford was incapable of making a sketch or reading a blueprint and his ability to read and write were poor. Sorensen claimed never to have seen him write or dictate a letter.<sup>35</sup> Ford himself said 'I don't like to read books...they muss up my mind'.<sup>36</sup> His lack of general education was publicly revealed when he sued the *Chicago Tribune* who had labelled him an 'anarchist' and an 'ignorant idealist'.<sup>37</sup> The libel trial began on 12 May 1919, and while he won his case, his lack of knowledge on

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32 Steven Watts, *The people's tycoon: Henry Ford and the American century* (New York, 2005), pp 162/6.

33 Ibid., p. 178.

34 Ibid., p. 174.

35 Sorensen, *Forty years with Ford*, p. 13.

36 William Greenleaf, *From these beginnings The early philanthropies of Henry and Edsel Ford, 1911-1936* (Detroit, 1964) p. 27.

37 D. L. Lewis, *The public image of Henry Ford* (Detroit, 1976), p.104.

issues such as history and semantics was exposed during cross examination when he was forced to admit that it was difficult for him to read.<sup>38</sup> His secretary, Ernest G. Liebold looked after his mail and prepared replies which Ford rarely read and only infrequently signed.<sup>39</sup> Apart from occasional interviews with reporters, often when displeased or angry with events, Henry Ford's ideas and instructions and were usually articulated by Liebold or Sorensen.

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Arriving in Cork from Fishguard aboard the *Inniscarra* on 9 August 1912, Henry Ford paid a brief visit to the city as well as to his old family home in Ballinascarty.<sup>40</sup> Edsel recorded in his diary: 'We arrived in Cork at 9.30, had breakfast at Metropole Hotel. Walked about town. Father walked off alone. Waited for him till 11 then drove out to Blarney Castle.'<sup>41</sup> Edsel may have been uninterested in his surroundings, but Henry was keen to find information about his ancestors. It seems that during this walk, he met and spoke with 'Reverend O'Connor of St Mary's Cathedral and left a gift for the Sisters of the Assumption'.<sup>42</sup> He asked Rev. O'Connor to search for information on his foster-grandfather Patrick Ahern. In a follow-up letter on his return to the United States Ford explained:

My grandfather Patrick Ahern, lived here in Dearborn Mich. in 1841, but sometime prior to that resided at Fair Lane, and it would appear to me if your clerk would institute a search among the Ahern families who resided there during earlier years, some trace of

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38 D. L. Lewis, *The public image of Henry Ford*, p. 107.

39 Sorensen, *Forty years with Ford*, p.13.

40 The *Inniscarra* was later sunk in May 1918 by a German torpedo while en route from Fishguard to Cork with a loss of 28 lives. See Mary Leland, *A history of the Cork Harbour Commissioners* (Cork, 2001), p.137.

41 European trip, Edsel B. Ford diary, 9 Aug. 1912 (BFRC, Acc. No. 1, Box 106-2).

42 Bryan, *Clara*, p. 133.

them might be found.<sup>43</sup>

O'Connor replied: 'I shall certainly endeavour to do all I can to trace any members of the Ahern family that may be still living in or about Cork. Fair Lane is quite near the cathedral so there will be no difficulty'.<sup>44</sup> Subsequently, an advertisement was placed in the Cork papers which produced a flood of replies, but which when screened added little information.<sup>45</sup>

Following his interview with Rev. O'Connor, Ford would have made a tour of the area; no doubt, he visited Fair Lane (since renamed Wolfe Tone Street) and the adjoining streets. His grandfather, John and family, were believed to have lodged in the home of his in-laws who lived there, prior to sailing for America.<sup>46</sup> In his brief excursion, Ford no doubt saw the poverty, squalor and deprivation which existed in the area and may have been moved to do something about it. He was also influenced by the street name, Fair Lane, as he later named his own residence after it, while in 1955, the name Fairlane appeared on a glamorous new car model.<sup>47</sup> Over the next couple of days Ford's party toured the south, visiting Blarney, Clonakilty, Bantry and Killarney. Just outside Clonakilty, they stopped in Ballinascarty. According to Edsel they 'found Aunt Ann's house' and took some pictures.<sup>48</sup> Henry wanted to buy the family homestead and ship it back to America and rebuild it near his home, but apparently the asking price was too high. 'Eventually Mr Ford bought the hearthstones, which were incorporated in his

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43 Bryan, *Clara*, p. 133.

44 *Ibid.*

45 *Ibid.*, p. 134. One lady, Mrs Anne Barry, wrote purporting to be the oldest living inhabitant in Fair Lane. Ford sent her £5 at Rev. O'Connor's suggestion.

46 'Henry Ford's roots' (<http://archiver.rootsweb.com/th/read/IrelandGenWeb/2003-05/1052811602>) (1 Sept. 2006).

47 NH, vol. III, p. 381, Fairlane became one word.

48 European trip, Edsel B. Ford diary, 9 Aug. 1912 (BFRC, Acc. No. 1, Box 106-2).

house, Fair Lane, at Dearborn.<sup>49</sup> Following their overnight stay in Killarney, they set out on the morning of 11 August to drive to Dublin where they stayed overnight in the Shelbourne. The Ford party sailed for Holyhead at midday on the following day.

Despite the fleeting nature of the visit, the origins of his later actions are rooted in this, his only trip to Ireland. Ford seems to have come to a decision to assist the people of Cork. It is arguable whether he envisaged a viable business opportunity or whether his reasons were purely his oft stated nostalgic reasons, but for Ford the idea of building a factory in Cork became a significant objective. On his return to America, Ford instructed Perry to carry out an investigation into conditions for setting up a motor car factory in Ireland. Perry, who preferred to locate in Southampton, did not reject the suggestion outright but sought to steer Ford towards his choice.<sup>50</sup> Perry was not convinced that Cork was a viable option, due to its remoteness from the British market, its lack of skilled labour and relatively poor infrastructural facilities. Perry was an ambitious, dynamic man who had seen the growth of the motor car, particularly in the United States and was clear that this growth would soon be replicated in Europe. He dismissed the Manchester site as a temporary location, limited in its scope for expansion, remote from the European market and saddled with militant trades unions and related industrial relations difficulties. His ambition was that the company should be based on a large site, with a suitably imposing plant, capable of manufacturing for all of Europe. While Henry Ford agreed with his opinion of Manchester, they differed on the preferred alternative location, with Ford keen on Cork, while Perry clung to his choice of Southampton.<sup>51</sup>

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49 Ford & Son, *Ford in Ireland*, p. 10.

50 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59).

51 WH, p.58.

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Percival Perry was a car enthusiast, involved in the British motor industry from its beginnings. For almost half a century he was to play an important role in Ford of Britain, as well as in Ford's business in Ireland. Born in 1878, he joined Harry J. Lawson's firm at eighteen years of age. Lawson was a notorious promoter who operated the Great Horseless Carriage Company and had aspirations to control the British motor industry by acquiring all available 'master patents'. With some useful experience gained, 'Perry left the already crumbling Lawson empire in 1898 to set up as a motor accessory dealer'.<sup>52</sup> Within a year of the foundation of the Ford Motor Company in Detroit, Ford's cars were exhibited at the Cordingley Automobile Show in London, in March 1904. They were seen there by Aubrey Blakiston, who promptly ordered a dozen Model A's and set up as the British sales agent for Ford cars, based at Long Acre, London, already a centre for the motor trade. Blakiston attracted a number of wealthy associates into the business and expanded it under a new name, the Central Motor Car Company. Perry, as a result of his earlier motor experience acquired with Lawson, was regarded as something of an expert and was invited by Blakiston and his colleagues to make a technical report on the American Ford, which had not been selling well. Perry went on to join them in the new dealership and when Blakiston resigned from the firm in the summer of 1906 Perry became managing director.<sup>53</sup>

Demonstrating initiative and a pro-active approach, Perry, soon after his appointment, travelled with his wife to Detroit. His aim was to meet Henry Ford and seek

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<sup>52</sup> Burgess-Wise, *Ford at Dagenham*, p. 11; see also H. C. G. Mathews and Brian Harrison (eds), *Oxford Dictionary of National Biography* (60 vols, Oxford, 2004) (<http://www.oxforddnb.com/view/article/48100>) (6 Mar. 2009).

<sup>53</sup> Tolliday, 'Ford in Britain', p. 9.

his assistance for the dealership. While Ford was not prepared to help financially, Perry gained something which, in the long run, would prove just as valuable. He and his wife were invited to stay as guests at the Ford family home in Harper Avenue for the remainder of their trip.<sup>54</sup> Ford was impressed with Perry and the two struck up a rapport and became good friends. With the exception of a period from 1919 to 1928, Perry was to maintain a personal relationship with Henry Ford, such that Ford's wife, Clara commented in her diary on arrival at Plymouth, on having being met by 'Mr Perry, our friend from Manchester'.<sup>55</sup> According to Sorensen, Perry was one of only two Ford staff members who ever spent a night with the Fords, Sorensen himself being the other.<sup>56</sup> This intimacy was to benefit the conduct of business over the coming years. On occasions, Percy addressed important letters to Mrs Clara Ford, thus ensuring that they got Henry's attention. Despite this relationship, Ford dismissed Perry in 1919 and again in 1943.<sup>57</sup> The other significant achievement of the visit was that Gordon McGregor, head of Ford of Canada, who held the exclusive rights to make and market Ford motor cars within the British Dominion and Colonies relinquished his claim to the United Kingdom market.<sup>58</sup>

Over the next few years, difficulties and disagreements continued at the British Ford dealership. In early 1907, the company was restructured, with two new backers, forming a new company, Perry, Thornton and Schreiber. In October 1908, the new Ford Model T went into production in Detroit and eight of the first batch were shipped to

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<sup>54</sup> Percival Perry married Catherine Meals of Hull in 1902; he was appointed CBE in 1917, promoted to KBE in 1918 and raised to the peerage in 1938. He died on 17th June 1956 and as there were no children, the peerage became extinct.

(<http://www.perryfoundation.co.uk/lord.html>) (4 Apr. 2007).

<sup>55</sup> European trip, Clara M. Ford diary, 20 July 1912 (BFRC, Acc. No. 1, Box 106-1).

<sup>56</sup> Sorensen, *Forty years with Ford*, p. 12.

<sup>57</sup> For details of the dismissal in 1919 see chapter eight; for 1943 see Sorensen, *Forty years with Ford*, p. 247.

<sup>58</sup> WH, p. 39.

Britain to be displayed at Perry, Thornton and Schreiber's stand at the London Olympic Motor Exhibition. Further disagreements eventually led to Perry's departure in early 1909. Again Perry travelled to Detroit.<sup>59</sup> By now, the Model T was selling in ever increasing numbers in the United States and its potential in Britain was obvious to both Ford and Perry. Perry had corresponded with Henry Ford, continuing to promote himself as the man to sell Ford motor cars in Britain.<sup>60</sup> Ford, impressed by Perry's enthusiasm and lacking confidence in the existing agency, despatched James Couzens, Ford company secretary, to examine the situation in Britain and to develop marketing there. Arising from Couzen's findings, the Ford agency was removed from Thornton and Schreiber and in October 1909 Perry was asked to head up a new British branch of the Ford Motor Company with offices at 55-59 Shaftesbury Avenue. Perry had his wish, control of the new branch with solid support from Henry Ford and clear title to operate in the British and Irish markets, without interference from Ford of Canada. While the salary of \$3,000 per annum agreed in his contract was relatively small, it was augmented by a bonus structure which ensured that for annual sales of over \$175,000 value he was paid a bonus of two and half per cent. A stipulation of the contract was that he 'devote his entire time and attention to the interests of the company'.<sup>61</sup>

The English Ford company was so successful that by the time Henry Ford visited in 1912, Perry was struggling to keep up supplies and was critical of the parts supply from Detroit. He sought a contact in Detroit to assist with Manchester's difficulties. Subsequently, Charles Sorensen was appointed by Henry Ford to oversee operations. For

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59 WH, p. 39.

60 P. Perry to Henry Ford, 15 Apr. 1909 (BFRC, Acc. 2, Box 30).

61 Branch manager's contract, 1 Oct. 1909 (BFRC, Acc. 140, Box 1), for further details see Appendix 16.

the next thirty years Ford production operations in Britain and Ireland were to be controlled directly by Sorensen. His role as overseer and mediator would be crucial for the British operation and also for Henry Ford & Son Ltd. of Cork. Sorensen's first challenge came in early 1913 when labour problems became an issue. With output at full speed, Perry started to encounter resistance from the unionised workforce. The Manchester area was largely organised into trades unions and Ford's methods and pressure led to a series of strikes, which cut production. Perry was particularly upset by these actions and wrote to Detroit for assistance:

Ever since September last we have at the present works been subjected to a series of small strikes and have been in continuous labour troubles...at the present moment we have our sheet metal workers on strike and the sheet metal workers on the body works are also on strike...I personally hate the place and would be glad to get out of it and recent labour disputes have almost broken my heart.<sup>62</sup>

This plea led to Charlie Sorensen's first visit to Britain in July 1913.<sup>63</sup> A former trade unionist himself, he lived up to his name as 'Cast-Iron Charlie' when he ended the dispute and broke the power of the unions in the plant 'by assuring strategically placed workers of both job security and high wages'.<sup>64</sup> He bought out the offending body-plant and on his next visit in April 1914 boasted that it had developed into 'the best building plant that I have seen yet'.<sup>65</sup> Labour problems too had disappeared and he claimed that 'we are the only company in the vicinity who are absolutely free and independent'.<sup>66</sup>

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62 P. Perry to Henry Ford, 26 Feb. 1913 (BFRC, Acc. 62, Box 59).

63 He stayed from July 1913 to 13 Oct. 1913, see Reminiscences, C. E. Sorensen, (BFRC, Acc. 65, Box 67).

64 WH, p. 49.

65 C. E. Sorensen to Henry Ford, 3 June 1914 (BFRC, Acc 62, Box 59).

66 Ibid.

Standards of quality and output had also improved significantly.<sup>67</sup> Ford had no time for trades unions and, as in America, resisted pressure to unionise his plants. He believed that by paying top wages and implementing good working conditions, he could prevent unionisation. However, the pressured environment and the monotonous repetitive work, together with rigid supervisory discipline led to increasing dissatisfaction on the part of workers. Ford was eventually forced to concede union recognition in Britain during World War II.<sup>68</sup>

Percival Perry worked tirelessly to promote and develop the Ford Motor Company in Britain. In order to achieve sales a well organised and motivated dealer network was crucial. As A. P. Sloane acknowledged: ‘Dealer salesmen and service representatives are normally the only “public face” of a car company and, as such, carry a large share of responsibility for the image and reputation of the manufacturer and his product’.<sup>69</sup> Perry, explaining how he built up the Ford agency stated: ‘There was a time when I knew everybody in the country who had a motor car. Being enthusiastic, I tried to keep in touch with all the people who were interested’.<sup>70</sup> He identified that motor dealers came from two groups of tradesmen, namely, coach builders and cycle dealers. Knowing his geography he would pick out the best situated coach builder or cycle trader in any town and offer him the Ford dealership. He ensured that Ford motorists were provided with the best possible service for the time, as well as a ready availability of spare parts. To this end, he encouraged dealers to carry a comprehensive range of spare parts

which we divided into three different categories. That would be like a cylinder casting

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<sup>67</sup> Ibid.

<sup>68</sup> Burgess–Wise, *Ford at Dagenham*, p. 93.

<sup>69</sup> Alfred P. Sloan, *My forty years with General Motors* (London, 1986), p.xxi.

<sup>70</sup> Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), p. 38.

which you rarely wanted, and a radiator which was more often wanted, and a piston ring, valve or bearing, which you would be likely to want more frequently.<sup>71</sup>

He encouraged dealers to carry ample stock at all times, in the knowledge that they were not carrying any financial risk, as they had an undertaking from Ford that the parts could be returned at any time.<sup>72</sup> After-sales service was virtually unknown before World War I and Perry claimed to have introduced the concept to help build up Ford sales, however the word ‘service’ apparently got him into trouble, as the understanding of the word related only to ‘use of the male animal with the female animal to carry on the species’. Nobody thought of service in any other context, but Perry persisted with ‘Ford service’ until it became a household word.<sup>73</sup>

Ford’s British output soon overshadowed all other manufacturers. By 1913 Manchester, producing 6,138 cars, was the largest car-producing factory in Europe while Peugeot and Renault, producing about five thousand cars apiece, were the largest on the continent. The nearest British competitor was Wolseley producing some three thousand cars per annum.<sup>74</sup> The following year Ford dominated the British market to the extent that annual production was 8,300 cars and the Model T outsold the next five biggest British marques combined.<sup>75</sup>

Like Ford’s American branch plants, Manchester received complete engine and chassis kits from Detroit while the bodies were built locally. Other parts too, were sourced locally if the quality and cost conformed to Ford’s standard. To cope with the demand, Manchester installed the powered chassis assembly line shortly after the

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71 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), p. 16.

72 Ibid.

73 Ibid., p. 38.

74 Tolliday, ‘Ford in Britain’, p.11.

75 Burgess-Wise, *Ford at Dagenham*, p. 15.

installation of the assembly line in Detroit, giving it an advantage over Ford's other plants, which were designed for static assembly and thus limited in output.<sup>76</sup> In 1914, the moving assembly line improved the efficiency of operations in Manchester increasing both output and profits. Later, in 1915, local manufacture would become even more attractive, avoiding the tariffs imposed under the McKenna duties.<sup>77</sup> As a result of Ford's escalating sales demand the Manchester plant, with a capacity of about 15,000 cars per annum, was becoming increasingly inadequate, particularly when compared to the American plants where the Canadian plant's capacity was 25,000 cars a year, and Detroit's was about a quarter of a million.<sup>78</sup> Manchester's lack of development potential meant that it would soon be unable to satisfy the expanding British market, not to mention continental Europe and perhaps part of the British Empire. This impending capacity problem would have been clear to Ford when he visited it in its first year of operation. Perry's solution, a site in Southampton, geographically central to both Britain and the continent, was a promising answer, but did not satisfy Ford's wish to bring industry to Cork.<sup>79</sup>

On Ford's return to Dearborn after his 1912 European trip, according to Sorensen, he was singing Percival Perry's praises.<sup>80</sup> Perry had used his position as the American party's tour guide to impress Ford with his ideas. Later, when Ford, in reaction to the squalid living conditions he encountered in Cork, felt moved to help the city acquire a manufacturing business, he delegated the investigation to Perry. Although there is no

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76 Tolliday, 'Ford in Britain', p. 10.

77 Jacobson, 'Motor industry in Ireland', p. 136.

78 WH, p. 49.

79 Ibid., p. 58.

80 Oral reminiscences of C. E. Sorensen (BFRC, Acc. 65, Box 67-5).

written record of what Ford encountered on his stroll, the census figures for 1911 showed that there were 4,653 houses of 2 rooms or less in the city, while 1,511 families, comprising 3,646 persons, occupied one room tenements.<sup>81</sup> The poor condition of the housing stock and the level of overcrowding indicated a degree of poverty and squalor which would have been very evident to Ford.

Ford instructed Perry to investigate conditions for the erection of a motor car factory along the lines of the Canadian plant, under the headings of labour, location and water power. To compile the report Perry travelled extensively and consulted with the officials of 'certain Irish Industrial Development Associations, with large employers and others'.<sup>82</sup> One of the most active of these associations was the Cork Industrial Development Association (CIDA), which had been established in 1903 and had later been copied by associations in Limerick, Dublin and Belfast.<sup>83</sup> Implicit in Perry's report was the view that the proposed factory would replace Manchester as the primary producer of motor cars for Britain and Ireland.

Though Perry was at pains to summarise the information, his final report to Ford was quite extensive. In its content and approach it resembles a modern evaluation by a multinational company and suggests that while Henry Ford was keen to assist Ireland, the project was to be carried out in a business-like manner. Perry devoted considerable time and attention to investigating labour conditions in Ireland. He discussed the issue with a range of people including Mr Cleaver of Robinson and Cleaver who employed six thousand people producing Irish linen; John Redmond leader of the Irish Parliamentary

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81 *Census of Ireland, 1926*, vol. vi, Table 12 A, p. 48, and Table 13 A, p. 52.

82 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p.1

83 E. J. Riordan, *Modern Irish trade and industry* (London, 1920), pp 266/7.

Party and George Crosbie, proprietor of the *Cork Examiner*. There was unanimous agreement amongst the people he spoke to that Irish labour compared favourably with British, but as there were no large industrial developments outside Ulster, comparisons were difficult. However, the Guinness brewery which he described as ‘probably the most financially successful in the United Kingdom’, employed four to five thousand workers and Guinness management declared their labour to be ‘eminently satisfactory’.<sup>84</sup> Perry discovered that skilled labour was very scarce, which meant it would be necessary to import trained men from England and while wages were about the same as in Manchester, the trade union influence was not as strong. Unskilled labour, on the other hand, was plentiful, but with lower wages and a lower standard of living than in England, he suggested that it would be necessary to improve their standard of living to get the best out of workers. He was concerned that if the Irish workers were paid well they would be wasteful due to their lack of inexperience in handling money. He suggested that workers should be paid only the rate they had been used to, while the company should ‘devote the difference between such wages and adequate wages to providing facilities for raising the standards of living’.<sup>85</sup>

It is not clear what he had in mind with this comment, but around that time John R. Lee was examining the causes of worker dissatisfaction in Ford’s Dearborn factory, in an attempt to reduce the company’s problem with labour turnover.<sup>86</sup> Amongst the more obvious causes of discontent, such as low wages and long hours, he identified ‘bad housing conditions, wrong home influences, domestic trouble, etc.’ as sources of

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84 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59 ), pp 6/7.

85 Ibid., pp 5/6.

86 Lee established the sociological department in 1914 to administer the new ‘five dollar day’ wage; see Stephen Meyer III, *The five dollar day* (New York, 1981), pp 108 and 114.

workers' inefficiency.<sup>87</sup> These ideas were later incorporated into the 'five dollar day' scheme which came into operation in January 1914.<sup>88</sup> During the Ford party's stopover in Fishguard en route to Ireland, Perry had exchanged views with Henry Ford on their respective attitudes to workers' remuneration.<sup>89</sup> Presumably therefore, Perry was aware of the American thinking and Lee's work, and his wages proposal reflected this.

In this investigation of Irish labour, Perry also considered the conventional view which charged Irish labourers with drunkenness, laziness, lack of application or discipline and subservience to the Roman Catholic clergy. He was informed that Irish labour was maligned by these accusations, that:

It is probably true that low-grade Irish labourers drink more than they should. The cause of this, however, is attributed to lack of regular employment, with its accompanying evils of loss of ambition, enterprise and industry. I found it generally conceded that when an Irish working man has regular work, a decent home and something of an object in life, he is sober and temperate as the average man.<sup>90</sup>

This observation mirrored Henry Ford's own views. Vehemently against alcohol, he believed that steady work would allow workers to improve their habits and behaviour.<sup>91</sup>

Remarking on worker's attitude and behaviour, Perry said: 'from superficial observation and casual acquaintance there would seem to be no doubt that Irish labourers generally are more than ordinarily lazy and lacking in power of concentration and application'.<sup>92</sup>

He attributed some of the blame for this situation to the social, political and educational

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87 Meyer, *The five dollar day*, pp 100/1.

88 *Ibid.*, p. 109.

89 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), p. 20.

90 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59 ), p. 6.

91 NH, vol. I, p. 489.

92 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59 ), p. 6.

history of Ireland over the previous century. He accepted the explanation given to him that self-government, home rule, would completely change the situation ‘by increasing the self-respect and independence of the people and by removing many undoubted hardships’.<sup>93</sup> He accepted that irregular or casual work undermined men’s discipline as well as their powers of application and concentration. Whereas, when men were in regular work employers had no such complaints, however, he had some misgivings and wondered if Irish employers accepted lower standards from their employees since their factories, on superficial inspection, compared unfavourably with American or even British standards. Dismissing another shibboleth that the ‘damp, heavy humid climate induces laziness’ he instead attributed the cause to a ‘change of social environment rather than climatic conditions’ and concluded that there was ‘no reason why in factory employing some thousands of workers, if the standard of efficiency is set high, it could not be maintained’.<sup>94</sup>

His most serious concern with Irish labour was the charge that since most of the population was Roman Catholic they were ‘subservient to the influence’ of the clergy. He dismissed this view as being ‘greatly exaggerated’ and suggested that the influence of the priests was the same the world over and that Ford himself must have encountered the issue in Detroit and formed an opinion on the extent of the problem. Without specifying the problem, Perry said he had been informed that priests do not interfere or exert influence in the ‘temporal domain’ between employers and employees and that the source of such views was ‘the frequent and notorious labour riots and troubles in north

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93 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59 ), p. 6.

94 Ibid., p. 7.

Ireland'.<sup>95</sup> In dealing with the issue of religion Perry was being very guarded, in effect referring the issue back to Henry Ford whose views on formal religion were open-minded and unbiased. Dean Marquis stated that Ford was 'not an orthodox believer according to the standards of any church I happen to know. His religious ideas as he states them are somewhat vague'.<sup>96</sup> So Perry was being careful to highlight the issue but not keen to offer a clear opinion. However, later in his life he was more forthright when he claimed that 'the difficulty there in the Southern Ireland was that they were Roman Catholics and very much priest-ridden. They were inclined to ask the priests whether they should come to work'.<sup>97</sup>

In his evaluation of Irish labour conditions Perry's greatest concern was for the calibre, competence and diligence of the available workers while wage rates were clearly of less concern. He noted that existing unskilled wage rates might be lower than Manchester, but there is a clear suggestion that Ford would be paying higher rates, in some form. Overall, the issue of wages as a cost factor was not emphasised by Perry and he made no comment on either additional costs or benefits which would accrue to the company, which suggests that labour costs were not a significant factor in either his or Ford's thinking.

Aside from labour issues, the decision as to where any potential plant should be located was central to the decision-making process. In appraising sites for a car factory Perry had obtained estimates from shipping companies which suggested that sea transportation would cost \$15 for every car, so in order to confine freight expense to

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95 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59 ), p. 7.

96 Samuel S. Marquis, *Henry Ford* (Detroit, 2007), p. 92. Henry Ford attended Dean Marquis's Church, Marquis later headed the Ford Motor Company's sociological department from 1915 before resigning in frustration from the company in 1921.

97 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), pp 19/20.

‘bare ocean transportation’ Perry had completely ignored any site that could not ship the materials and cars from ‘the very factory itself’. He summed up his conclusions:

I am of [the] opinion from present information that the most desirable location for a big automobile factory having a sales output as we have, is in the city of immediate neighbourhood, on the River Lee, of Cork. The reason why I have come to this conclusion is that the facilities for transportation of goods both inwards and outwards must be the governing factor in the choice of a location for a factory in Ireland.<sup>98</sup>

Later Perry got Sorensen’s approval for his choice of site. According to Sorensen’s recollection he and Perry travelled through the west of Ireland, along the Shannon and down to Killarney, finally arriving in Cork. Sorensen claimed to be sold on the Cork location as soon as he saw the site recommended by Perry. He also deemed it the ideal location due to its excellent deep water channel and shipping facilities.<sup>99</sup> In this they were at one with Henry Ford who insisted that his factories be located close to deep water.<sup>100</sup>

Perry’s report claimed that in arriving at his decision he had investigated factory sites, locations and transport facilities in Dublin, he said, ‘without troubling you with these details ask you to accept my statement that in my opinion Cork has got Dublin beaten from almost every standpoint’.<sup>101</sup> To dismiss Dublin, the country’s main port, so perfunctorily despite its excellent port facilities and relative proximity to Britain seems implausible, but even stranger was that he also overlooked Belfast, which in that period had one of the largest shipyards in the world, employing tens of thousands of men and

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98 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 2.

99 Reminiscences of C. E. Sorensen (BFRC, Acc 65, Box 68), p.33. These comments are included in remarks about 1917 and while it is not clear which year he is referring to, more than likely it is 1913 or 1914.

100 WH, p. 207.

101 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 3.

had recently produced some of the largest vessels in the world, namely, the *RMS Olympic*, launched on 20 October 1910, and its sister ship, the ill-fated *RMS Titanic*, which began its maiden voyage on 10 April 1912.<sup>102</sup>

In contrast, Perry claimed that Cork offered plenty of potential factory sites along the River Lee. Dismissing rural areas he preferred the city as it provided ‘electric light, gas, drains, water and housing facilities’.<sup>103</sup> He proceeded to promote the benefits of the Cork City Park site and particularly an area of about one hundred acres which ‘is let on short lease to a syndicate which is running [it] as a race course’.<sup>104</sup> Highlighting the site’s easy access to ship and rail as well as its established steamship lines to British ports, he estimated that rent for the site, which would have to be negotiated, would nonetheless be a lot cheaper than Trafford Park.<sup>105</sup> The existence of efficient transportation facilities was crucial since ninety per cent of Ford sales were in Britain and because there were few local suppliers of either raw materials or finished products, these too would have to be shipped in. Another potential advantage of the Cork port was its established link with the continent of Europe, with existing services to Antwerp and Rotterdam, and the possibility of opening up services to Treport (France) and Hamburg.<sup>106</sup>

In order to obtain the information that he required Perry had taken officials of the city of Cork and the CIDA into his confidence, however, he made it clear to them that he was ‘conducting merely an abstract investigation’ and since it was unlikely anything

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102 Richard Howells, *The myth of the Titanic* (London, 1999), pp 15 and 21.

103 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 3.

104 *Ibid.*, p. 3.

105 *Ibid.*, p. 4.

106 *Ibid.*, p. 5.

would come of it he requested that everything he said be treated in strict confidence.<sup>107</sup>

When he discovered that the corporation was about to agree a thirty five year lease with the race course syndicate, he pressured the city solicitor and Sir Edward Fitzgerald, a member of the corporation, to have the land let subject to a 'short termination notice'.<sup>108</sup> By preventing a long-term leasing of the site he ensured that it would be available to the Ford Motor Company at a reasonable cost. No doubt this action also alerted members of the authority to the seriousness of his enquiries, despite his earlier comments.

While Perry conducted his labour investigations meticulously, his evaluation of potential locations in Dublin or Belfast seems scant and inadequate. No doubt the Cork City Park was an excellent site, but it seems unlikely that no other site in the country could match it. Perry claimed to have investigated a large number of locations, but provided no information on them, because he said: 'it would be a very lengthy matter to intelligently report the pros and cons of each situation'.<sup>109</sup> He seemed very confident of his choice and went on to say that 'this particular location is so outstanding...that I cannot imagine any other location which would be more suitable'.<sup>110</sup> His confident assertion suggests that he was confirming Cork as a choice rather than proposing it as an option. Undoubtedly, Perry was aware of Ford's wishes from their earlier conversations, so the preference for Cork was more than likely a foregone conclusion, particularly since Perry would hardly have made so many commitments in Cork if he did not have at least Ford's tacit agreement.

Perry's investigation of sources of water power which was required for generating

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107 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 4.

108 Ibid., p. 5.

109 Ibid.

110 Ibid.

electrical current for the factory led him to the conclusion that there was no water power available worth considering for his purposes. Strangely, he claimed that the only water source capable of producing about 2,500 horsepower, was to be found adjacent to Killarney, but this was out of the question as it was dependant on rainfall and also was too far from any port.<sup>111</sup> Perry envisaged that any factory would have to be self-supporting, probably for years to come, as no reliance could be placed on the stagnant Irish commercial sector and its poor labour conditions.<sup>112</sup> For example, the unavailability of local supplies posed problems which required that the company carry adequate emergency stocks of any materials which it was likely to require, while coal, a key material, would have to be imported, though he thought that the cost could be held to Manchester prices.<sup>113</sup> Communications infrastructure, such as telephone and telegrams, presented problems. Since ninety per cent of Ford's combined British and Irish car sales went to Britain, an adequate long-distance telephone service was indispensable. Unfortunately the existing service was expensive and so poor as to be practically unserviceable, with the result he claimed, that no one used the system. Even as he reported this, Perry had already written to the British government demanding they improve the service. The telegraphic service, on the other hand, he said was good, but slow, taking two or three hours longer to transmit a message from Cork to London than from London to Manchester.<sup>114</sup>

Since the object of the report was to investigate the setting up of a factory to manufacture at least 15,000 motor cars per annum, Perry took for granted that service

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111 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 1.

112 *Ibid.*, p. 3.

113 *Ibid.*, p. 7.

114 *Ibid.*

operations would also be located in Cork.<sup>115</sup> This increased the distance between Ford servicemen and the vast majority of Ford owner's, consequently the company's renowned service was likely to suffer. Postal delays as well as slower parts delivery would downgrade the traditional service, while the practice of sending an expert to carry out repairs and overhauls at car owner's residences would be almost unworkable.

Summarising his findings, Perry listed the serious points of difficulty which would arise if manufacturing operations were transferred from Manchester to Cork. He had mentioned in the report that wages costs and land purchase costs were likely to be cheaper in Cork than Trafford Park, but in his summary he makes no comment on any benefits which might arise. Nor is there any comment about the issue of tariffs, suggesting that while Perry was aware of the possibility of home rule he did not anticipate tariffs as potential risks to the business. The following are the problems and costs which he foresaw:

1. Additional freight costs of \$20 per car would be incurred.<sup>116</sup>
2. The company would lose \$85,000 on its investment in Manchester.
3. Expenses and delays would be involved in moving, while there was a probability that Manchester trained staff might refuse to move to Cork.
4. There were possible difficulties in recruiting sufficient local labour and of such labour 'being inefficient or unstable'.
5. There was a likelihood that the company would have to assume a social role, thus incurring responsibility for housing and improved living conditions.
6. It would be difficult to maintain Ford's high standard of service.

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115 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 4.

116 On page 2 of the report he quoted \$15.

7. The large investment in a big factory in Cork might ‘never be realised upon or disposed of’.<sup>117</sup>

Perry reminded Ford, that in moving car manufacture and distribution to a remote location such as Cork ‘it must be recognised that the motive is primarily a philanthropic one and the object is to achieve true philanthropy, viz. to help others to help themselves’.<sup>118</sup> He declared that future profits were likely to be less, while the risks and difficulties in all departments would be greater. Despite the catalogue of difficulties which he had identified, he nevertheless encouraged Ford to go ahead with the project and closed: ‘I sincerely hope that, having counted the cost, you will decide to erect a factory in Ireland.’<sup>119</sup>

While Perry’s report had all the appearances of an independent evaluation it was also written with its intended reader very much in mind. He demonstrated great astuteness in dealing with his boss, incorporating Ford’s preferred theories and ensuring that his conclusions satisfied Ford’s opinions. Since Ford had sent Perry to carry out the survey, clearly, he was keen on helping Ireland, most particularly Cork and no doubt they had discussed this extensively during their travels in Ireland. Perry’s evaluations of potential sites and his conclusion emphasised the superiority of Cork over all other sites confirming Ford’s own sentimental attitude. Perry dismissed Dublin and ignored Belfast, both likely alternative locations, without offering any explanation. In his extensive evaluation of labour, he broadly supported the Irish workers despite the contemporary stereotypically negative views of them. Where they had faults he reported that regular,

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117 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 9.

118 Ibid.

119 Ibid.

well-paid work would improve their behaviour. This is a theme of Ford's which Perry fed back to him. Ford wished to help his fellow-man and believed firmly that the way to do this was 'to provide opportunity for them to help themselves.' In the United States he followed this policy, hiring disabled people and devising work for them and even accepting drunkards and ex-criminals to work in his plants.<sup>120</sup> In his letter, Perry's use of the word 'philanthropy' is modified by a definition, 'to help others to help themselves', which he knew would appeal to Ford. Ford believed that the best way to spread wealth was to create well-paid jobs and produce useful goods; he said that: 'industry organised for service removes the need for philanthropy'.<sup>121</sup>

Having endorsed Cork as a site and confirmed that Irish labour was generally acceptable, he proceeded to list all the potential costs and risks which would be encountered by moving there. The strategy of supporting Henry Ford's schemes and policies, while at the same time highlighting the range of risks and financial costs meant that Ford, who despised wasteful business practices and unnecessary costs, would be unlikely to proceed with the Cork project. In effect, Perry's inventory of the project's difficulties made an overwhelming financial case against Cork as a manufacturing site for the Britain Isles, despite his apparent support for the scheme.

The day after sending the foregoing report, Perry sent another, apparently unsolicited report, which opened: 'I think that probably in considering the matter you would desire to have certain information concerning possible suitable locations for a factory in England'.<sup>122</sup> The latter report dealt with sites in England, distinguishing

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120 NH, vol. II, p. 493.

121 NH, vol. III, pp 406/7.

122 P. Perry to Henry Ford, 26 Feb. 1913 (BFRC, Acc. 62, Box 59).

between sites with sea access, such as Manchester, Hull, Bristol and Southampton, and other, inland, sites. Although he considered Manchester to be the most central location for distributing throughout Britain, he disliked it because of the high cost of land and because it was, in his opinion, ‘the very worst, being the hot-bed of trade unionism and agitation’.<sup>123</sup> His suggested location was Southampton, which enjoyed good access to the United States and Europe with lower land prices and fewer labour problems. He commented on inland sites: ‘First and foremost I would place Letchworth, the garden city, particulars of which were furnished to you by an acquaintance of yours in America and also concerning which I have obtained particulars and left them with Mr Liebold’.<sup>124</sup> Before Ford had departed for Europe in 1912, E. A. Rumely had sent him a copy of *Garden cities of tomorrow* by the revolutionary British urban planner, Ebenezer Howard, as well as a list of suggested philanthropic ventures for him to consider.<sup>125</sup> However, Ford was not interested in the kind of philanthropy practised by the likes of Rockefeller and Carnegie but ‘regarded charity with positive hostility’.<sup>126</sup> On the other hand, he may have been interested in the concept of garden cities espoused by Howard and while he apparently discussed these ideas with Perry during their travels nothing came of it. Perry’s second report contrasts possible British sites with the existing Manchester site and suggests profitable alternatives to the Cork option. Although the Cork site fulfilled Ford’s sentimental need, its remoteness and costs were unacceptable for producing motor cars. Perry’s supplementary report would have redirected Ford to more cost-effective

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123 P. Perry to Henry Ford, 26 Feb. 1913 (BFRC, Acc. 62, Box 59).

124 Ibid.

125 Edward A. Rumely to Henry Ford, 13 June 1912 (BFRC, Acc. 1, Box 105). Cited in Nyhan, ‘A history of the Cork plant’, p. 11; Rumely was a friend of Henry Ford’s, see NH, vol. II, p. 429.

126 NH, vol. II, p. 493.

solutions and while Ford may have retained his goal of building in Cork, Perry became somewhat obsessive in his aim of building a plant at Southampton, suggesting that perhaps there was some self-interest involved.

Despite Ford's dissatisfaction with the Manchester site and his respect and admiration for Perry, for the time being he made no decision on the location of the new factory. Clearly, any cost benefits gained by lower wages or land price were more than outweighed by the negatives articulated by Perry. Most particularly, the fact that only ten per cent of Ford's British cars sales were in Ireland, meant that the vast majority would have to be transported by sea and over long distances incurring an additional penalty of \$20 per car, making the idea unsustainable.<sup>127</sup> Perry's report had undermined Henry Ford's initial enthusiasm to locate his car plant in Cork, thus depriving the city of an immediate industrial development. Ford did not permanently dismiss Cork as a potential plant location, but for the time being the decision was postponed.

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Charlie Sorensen sailed from New York aboard the *S. S. Mauretania* and arrived in Liverpool on Easter Monday, 13 April 1914. His assignment was to carry out a thorough inspection of the Manchester plant and to ensure that the changes introduced six months earlier were being carried out efficiently. In addition, he had to assist Perry with implementing the new profit-sharing plan, the English equivalent of the 'five dollar day' scheme which had been introduced in Dearborn in January and to ensure that it operated on the same basis as at the home plant.<sup>128</sup> Before leaving Detroit, he had discussed the

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127 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 2.

128 C. E. Sorensen to Henry Ford, 3 June 1914 (BFRC, Acc. 62, Box 59). The five dollar day had been introduced in Detroit in January 1914, see chapter three.

question of purchasing a site in England with Henry Ford. Sorensen was concerned about the amount of money being spent on improvements to the rented Manchester plant which would never become permanent assets of the company. Perry introduced him to a site in Southampton which was available at a nominal price of \$25,000. Covering about 27 acres and with 800 feet of water frontage in what was described by Sorensen as the ‘best harbour in England’, Perry considered the site ideal for the new Ford factory and consequently had secured a short-term option on it.<sup>129</sup> Sorensen, concurring with his view, suggested that it was not only a suitable location from which to supply England, but also a potential supplier of axles and engines to future European plants. He sought instructions from Ford so that Perry might ‘know how to proceed within the next sixty days’.<sup>130</sup> Sorensen was keen that construction of the plant start as soon as possible.<sup>131</sup> He returned to Detroit in mid-May, but when Perry received no instructions from Detroit, on 21 July 1914 he extended the option.<sup>132</sup> Two weeks later, on 4 August 1914, Britain went to war.

In late September Perry reminded Henry Ford that the latest option on the Southampton site expired at Christmas. By that time the production situation in Manchester had become acute as further investment was needed there to meet increasing demand.<sup>133</sup> Finally, Perry’s persistence paid off and in February 1915 he got authorisation to buy the Ridgeway Estate in Southampton for £5,000.<sup>134</sup> During the last quarter of 1916

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129 C. E. Sorensen to Henry Ford, 3 June 1914 (BFRC, Acc. 62, Box 59), pp 2/3.

130 *Ibid.*, p. 3.

131 *Ibid.*

132 WH, p. 59.

133 P. Perry to Henry Ford, 22 Sept. 1914 (BFRC, Acc. 572, Box 18).

134 WH., p. 66.

design plans were prepared for the Southampton plant.<sup>135</sup> B. R. Brown, Ford's construction manager, accompanied Perry from New York in early October 1916 with plans for a \$2.5 million plant to turn out 50,000 cars annually.<sup>136</sup> Sent by Henry Ford to oversee the building of the new plant, when Brown inspected the site he discovered 'that because of faulty surveys, the plans didn't fit the site very well' and he recommended to Perry that they should not go ahead.<sup>137</sup> Unfazed, Perry found an alternative site, named the Millbrook Estate, which he got approval to purchase for £20,000 in late 1916.<sup>138</sup> However, the decision to build in England was postponed due to wartime difficulties and was not taken for another decade. Eventually, when the Ford Motor Company finally did arrive at a decision, Perry was no longer with the company, so his ambition for a plant at Southampton was superseded by the choice of Dagenham.<sup>139</sup>

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Charles E. Sorensen's role was central in British and Irish operations from 1913 when Henry Ford had nominated him to oversee British operations. A firm friend of Perry's he controlled the Irish operation from its inception up to World War II. Sorensen was a Dane who had arrived in the United States in 1885, aged 4 years. He first met Henry Ford in 1902 and joined the company as a patternmaker under P. E. Martin in 1905. Later, with his ability to interpret Ford's ideas and his willingness to carry out, without question, his bosses' instructions, he became Ford's right-hand man and played a key role in the development and management of the vast River Rouge plant. He was also

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135 H. Bambook to W. B. Mayo, Report on American Bridge Company contract, undated circa 1918 (BFRC, Acc. 572, Box 18).

136 Reminiscences of B. R. Brown Snr., July 1955 (BFRC, Acc. 65, Box 9), p. 15 and *New York Times*, 7 Oct. 1916 (50,000 cars).

137 Reminiscences of B. R. Brown Snr., July 1955 (BFRC, Acc. 65, Box 9), p. 15.

138 WH, p. 66.

139 Ibid.

responsible for the work on tractor production. Despite his considerable power and responsibilities, his titles were ambiguous, in line with Ford's whimsical approach to management. In April 1908, soon after the public announcement of the plans for the new Ford Model T, Henry Ford instructed Martin and Sorensen to 'go out and run the plant and don't worry about titles'.<sup>140</sup> Martin became plant superintendent while Sorensen acted as assistant plant superintendent in charge of production development. In this role, he demonstrated his creativity and inventiveness and was primarily responsible for the detailed development of the assembly line. 'For many years I had acted in official capacities though without title,' he said, and in the absence of Henry and Edsel he claimed that he exercised 'absolute freedom of action over Ford Motor Company's production'.<sup>141</sup>

Sorensen was part of the team which had secretly developed the Model T, where his knowledge and enthusiasm for cast metals, instead of forgings, earned him the nickname of 'Cast-Iron Charlie' from Henry Ford.<sup>142</sup> While his nickname might refer to his preference in metals, it could also be applied to his domineering, hard-driving and explosive personality.<sup>143</sup> In a company where able and loyal managers were routinely dismissed with little or no notice, that Sorensen survived for almost forty years was a testament to his skill in handling both Henry Ford and the Ford company politics.

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In the early 1880s, even before he began producing motor cars, Henry Ford experimented with developing a rudimentary 'farm locomotive' on his father's farm.

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140 Sorensen, *Forty years with Ford*, p.116, see also P. Collier and D. Horowitz, *The Fords* (London, 1988), pp 62/3.

141 *Ibid.*, p. 317.

142 *Ibid.*, p. 4.

143 NH, vol. I, p. 267.

From his youth he had disliked the drudgery involved in farming and was determined to eliminate it.<sup>144</sup> While this initial attempt was unsuccessful, in 1905, Ford again applied his efforts to the design and development of an agricultural tractor. In a rented barn nearby the Piquette Street plant, he put together a team under Joe Galamb, a young Hungarian engineer, to design and build such a machine. In order to minimise costs he used parts from the 1905 Model B car. Dubbed the ‘automobile plow’, the prototype tractor was developed and improved over the next two years.<sup>145</sup> According to Sorensen, three of the vehicles were built and trialled extensively on Ford’s farm, however, as Model T design and production took priority in the following years, substantial development on tractors was dropped.<sup>146</sup> It was not until World War I when Britain’s food shortage problems arose that Fords long-developing tractor finally became a reality.

When the Ford Motor Company moved to its new factory in Highland Park in 1910, Henry Ford apparently tried to introduce tractor production, but failed to sell his ideas to the other directors.<sup>147</sup> Instead Ford set up a plant to manufacture tractors in Dearborn not far from Henry’s new home, Fair Lane. It was his intention that tractors be produced separately from motor cars. With Sorensen and a team of engineers he again set about designing a workable tractor. Building on the previous tractor development experiments, Ford applied the same concept to the tractor as he had to his cars. The new tractor had to be inexpensive enough to be accessible to all farmers while at the same time being light, strong and simple enough that they could operate and repair it themselves; parts had to be strong and as few as possible and the machine had to be

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144 Brinkley, *Wheels for the World*, p.13.

145 Stuart Gibbard, *The Ford tractor story. Part one: Dearborn to Dagenham 1917-1964* (Ipswich, 1999), p. 15.

146 Sorensen, *Forty years with Ford*, p. 233.

147 Ibid.

capable of benefiting from mass production techniques. The trials with Model T engines had convinced him that the tractor required a radically different engine design.<sup>148</sup> According to Sorensen, a good, workable design was produced in about ninety days and he then gave instructions to the machine shop to set up and produce fifty prototypes. Early in 1916 the first experimental tractor was produced.<sup>149</sup> Known at the time as the X-series, the production model would become the Fordson, which would later be built in Cork. Throughout 1916 these prototypes were rigorously tested by being kept in continuous operation on Ford's farm. Practical improvements were made while the engineers worked to iron out the teething problems which emerged.<sup>150</sup> As the testing proceeded, the work being carried on received a lot of attention from the press, as well as visitors from all over the world. Among those who took a keen interest was Lord Northcliffe, the British newspaper publisher who was later to become head of the British War Mission to the United States. Northcliffe was impressed with the machine and spent some time driving and inspecting it.<sup>151</sup> Perry too, was aware of the work being done to develop the new tractor. During two visits in late 1916 he found Ford preoccupied with the new machine. Alert to a business opportunity and fully aware of the problems of the war, Perry, who was later appointed to the Agricultural Machinery Branch of Britain's Food Production Department, saw the machine as a solution to Britain's food problem. Cheap and easy to operate, it could increase food output by cultivating unused land.<sup>152</sup> As 1916 ended, the group had made considerable progress in the development of the Ford

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148 Ford, *My life and work*, p. 122.

149 Sorensen, *Forty years with Ford*, p. 236.

150 *Ibid.*, pp. 233/6.

151 *Ibid.*, p. 236.

152 WH, p.70. Sorensen states that Northcliffe informed Perry, p. 236.

tractor, but Henry Ford was still not satisfied that it was ready for production. However, events in Britain were about to force his hand.<sup>153</sup>

Ford was very much against the European war, which he saw as a conspiracy of moneylenders and munitions dealers for their own sinister ends. He spoke out in the press about the evils of war. As his international business grew he was conscious of his international influence, relishing the adulation that this larger stage gave him. In June 1915, he had called a press conference to publicise his progress, after years of experiments, at devising a practicable tractor which he could sell to farmers. He believed that it would improve farmer's productivity and keep small farmers working their land. 'If we keep people working,' he said, 'America will never be dragged into the war'.<sup>154</sup> While America remained uninvolved in the War, Ford continued to promote his pacifist ideas. In late 1915 he got drawn into a scheme to hire a ship to take him and other pacifists to visit the capitals of Europe and to convince heads of government to desist from entering the war. 'Henry Ford's Peace Ship' achieved little and instead of assisting the cause of peace subjected him to widespread ridicule. After the peace ship debacle in December 1915, according to Collier and Horowitz, he continued to 'excoriate Wall Street and arms dealers for profiteering off the mass deaths in the trenches. But his anti-war passion cooled as the United States government got closer to involvement'. He later contracted to produce military boats and armoured Model Ts'.<sup>155</sup>

In Britain Ford's pacifist pronouncements and activities had provoked a negative

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153 Gibbard, *The tractor story*, p. 20.

154 Lacey, *Ford*, pp 133/4.

155 Collier and Horowitz, *The Fords*, p. 77.

reaction, including a boycott against Ford products by leading newspapers.<sup>156</sup> For example, the *Pall Mall Gazette* wrote to Perry seeking information on the Ford Motor Company's position, as they said they could not publish advertisements promoting any firm which displayed 'anti-British tendencies'. Perry attempted to minimise the damage to Ford in Britain without incurring Henry's wrath. In his reply Perry confirmed that the company and all its branches were controlled by the Ministry of Munitions and suggested that the statements attributed to Ford were taken out of context and had created an 'erroneous impression' and that it was a 'malicious slander' to describe Henry Ford as pro-German. Instead, Perry pointed to the company's role in Britain as a taxpaying corporation employing 2,000 workmen who owed their livelihoods to Ford and who would now be threatened, while no damage would be caused to Henry Ford, who had 'wealth beyond the dreams of avarice'.<sup>157</sup>

Perry's strategy was to use his political contacts and the government positions which he held, to promote Ford's business. Perry's contacts and influence proved invaluable. Later, when the United States entered the war, Henry Ford relented in his attitude. The company produced Model T's modified for use as ambulances as well as for military purposes. Despite the initial anti-Ford attitudes, the company's role as a government supplier proved very profitable, particularly during the latter years of the war. Perry succeeded in converting Ford of England into a good patriotic citizen while at the same time making the company prosper.<sup>158</sup> Looking back, Percival Perry concluded,

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156 Tolliday, 'Ford in Britain', p. 11.

157 *Pall Mall Gazette*, 2 December 1915 (BFRC, Acc. 572, Box 18 ).

158 Tolliday, 'Ford in Britain', pp 11/12.

‘I have been more successful than could have been expected or hoped’.<sup>159</sup>

While the war kept the Manchester plant busy, procuring parts was an ongoing challenge. Before the war, local manufacturers had been encouraged to become suppliers to Ford if they could match Detroit’s quality and price. Now with the problem of German attacks on British shipping, the process was accelerated. The Ford strategy of maximising local manufacture was vindicated, when in 1915, the British government abandoned its former free trade policy and introduced import tariffs. Instigated by the Chancellor of the Exchequer, Reginald McKenna, the duties were intended to bring in revenue while limiting the shipment of luxury and bulky goods, as well as protecting British industry.<sup>160</sup> Meanwhile, in the United States, in July 1915, Ford had purchased 2,000 acres of swampy land beside the River Rouge in Dearborn, Michigan to build a new manufacturing complex. Allegedly for the production of tractors, on 2 February 1916, Henry Ford had the board of directors of the Ford Motor Company pass a resolution, relinquishing all rights to the tractor business, for the sum of \$46,810.76. This amount was based on a valuation of the costs of the experimental work done on the tractor up to that point. Under the agreement, while the Ford Motor Company retained the right to enter the tractor business and to use the name ‘Ford’ if it wished, the contract stipulated that Henry Ford’s ‘newly acquired’ tractor business, could only use the name ‘Ford’ in conjunction with his first name ‘Henry’.<sup>161</sup> Hence, Ford’s tractor business became Henry Ford & Son Incorporated.<sup>162</sup>

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159 Tolliday, ‘Ford in Britain’, p. 12.

160 WH, p. 62.

161 Memo from F. Thomson to B.J. Craig, explaining the ‘release from Ford Motor Company to Mr. H. Ford of the so-called tractor business,’ 13 Feb. 1943. Also a copy of agreement dated 7 Feb. 1916 (BFRC, Acc. 329, Box 1).

162 Lacey, *Ford*, pp 170/6.

The tractor that Henry Ford and his team had designed and which would later be named the Fordson Model F, was unique amongst its competitors. Contemporary wisdom held that tractors needed to be heavy to achieve grip on damp ground; Ford held the view that power, as with the car, was a better solution. Based on this premise, he built the four-wheeled Fordson to be light and compact, in contrast with the heavy-weight, three-wheeled monsters of the day. It was designed with a stressed cast-iron frame which contained all of the moving parts in dustproof and oil-tight units, thus eliminating many of the weaknesses of other makes.<sup>163</sup> Despite the improvements introduced by Ford and his team the Fordson was not without flaws. In operation, it was difficult to start, particularly in cold weather, when hand-cranking required considerable effort, often with a number of men taking turns. The solution adopted by many farmers was to light a fire under the crankcase and gearbox to thin out the oil and make starting easier. Once running and until the engine warmed up fully, gear-changing and clutch operation remained difficult. The absence of a separate frame meant that the whole tractor acted as a single large piece of metal, which when running for some time caused the heat from the motor to be conducted to all parts, making the footrests and the iron seat extremely uncomfortable for the driver.<sup>164</sup> As well as being difficult to start and uncomfortable to drive and unlike the Model T, the Fordson proved unreliable from its introduction, requiring regular repairs. Collier and Horowitz claimed that:

It was also dangerous because of a tendency to rear up and flip over backwards if a sudden resistance created extra torque in the transmission. *Pipps Weekly*, in a story with the headline ‘Fordsons are the Huns of the Field’, claimed the tractor had been

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163 J. Carroll and P. Davies, *The illustrated encyclopaedia of tractors and trucks* (London, 2005), p. 148.

164 ‘Fordson tractor’ (<http://www.answers.com/topic/fordson-tractor>) (21 July 2006).

responsible for 136 deaths by August 1922.<sup>165</sup>

Despite the reports of the dangers, the Ford Motor Company was slow to introduce modifications to prevent accidents or to minimise injuries.<sup>166</sup> While the tractors might be cumbersome, unreliable and unsafe, the Fordson, proved popular with the public and was bought in large numbers by the farmers of America. Detroit turned out the first of the Fordson tractors in 1917, by the year end 254 had been produced. In June of that year, the first sod was turned on Ford's new tractor factory in Cork. In the three years that followed 158,483 tractors were produced in the United States, the Fordson proving, in its own way, to be almost as popular as the Model T.<sup>167</sup>

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165 Collier and Horowitz, *The Fords*, p. 447 (footnotes). The figures may be an exaggeration, Edwin G. Pipp had been editor-in-chief of the *Detroit News* before joining the *Dearborn Independent* under Ford (Lacey, *Ford*, p. 195). He left in disgust at Ford's anti-Semitic articles and went on to set up his own newspaper, *Pipps Weekly*, largely dedicated to refuting Ford's outpourings (See Lacey, *Ford*, p. 209).

166 'Fordson tractors' (<http://www.answers.com/topic/fordson-tractor>) ( 21 July 2006).

167 See Appendix 2.

## CHAPTER TWO

### The decision to choose Cork

#### Ford and Ireland as a location for tractor production (1916-1918)

At the outbreak of World War I, the idea that the city of Cork would become a major motor manufacturing centre seemed extremely unlikely. With the exception of Chambers in Belfast, there was little sign of any indigenous motor manufacturer emerging in Ireland. The absence of an engineering infrastructure, the small size of the market, the lack of entrepreneurial inspiration, and perhaps the shortage of capital, all worked against the emergence of a local industry. There were few motor companies in the world at that time with the resources or technological expertise to establish such a large-scale industry. Henry Ford alone was capable and more importantly was motivated to do just that. In 1926 he had declared that:

My ancestors came from near Cork, and that city, with its wonderful harbour, has an abundance of fine industrial sites. We chose Ireland for a plant because we wanted to start Ireland along the road to industry. There was, it is true, some personal sentiment in it.<sup>1</sup>

Having seen the conditions in Cork during his visit in 1912, Ford undoubtedly wanted to help the city and liked the idea of a great factory rising in the land of his ancestors acting as permanent monument to his achievements.<sup>2</sup> While he may have decided in principle to build there, Perry's report, however, clearly highlighted the irrationality of locating a large car manufacturing plant in Cork, away from major industrial centres, distant from markets and without adequate skilled engineering labour. Perry apparently succeeded in

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<sup>1</sup> Ford, *Today and tomorrow*, p. 257.

<sup>2</sup> WH, p.70.

converting Ford to the logic of locating in Southampton and Ford, by authorising the purchase of the site, was accepting Perry's rationale that Cork was the wrong place for his car plant, but he retained his ambition to bring industry to Cork. In the short-term, Perry got his way, retaining car production in Britain, but the changing circumstances of war generated a need for agricultural tractors and created an opportunity for them to be produced in Cork.

Notwithstanding Cork's relatively remote location, the city did have advantages too. Never a major industrial centre, the city of Cork had enjoyed some industrial development in the early part of the nineteenth century, but this industrial base diminished and most industries declined in the years from 1840 to 1900.<sup>3</sup> Shipbuilding, which had prospered up to the 1860s, declined with the reduction of trans-Atlantic trade and Cork's iron and engineering industry stagnated.<sup>4</sup> High unemployment suggested a large pool of available workers, probably willing to work at low wage rates and less militant than their counterparts in the large industrialised British cities. The experience in Manchester may have led Ford to believe that an acquiescent, unindustrialised, non-unionised workforce in Cork would be grateful for the work and be more amenable to the Ford way of working, more open to being moulded to the Ford manufacturing system.

Jacobson and Nyhan have argued that cost factors such as wage rates and land prices may have favourably influenced Ford's choice of Cork as a suitable industrial location. Jacobson states that wages were less than British rates, though not significantly so. For example, he calculates that skilled wages in coach-building in Ireland were around ninety per cent of British rates, though labourers were less at only about eighty

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<sup>3</sup> Andy Bielenberg, *Cork's industrial revolution 1780-1880: Development or decline?* (Cork, 1991), pp 116 and 126.

<sup>4</sup> *Ibid.*, pp 113 and 115.

percent. Ultimately, most of those employed in Ford's factory were former agricultural labourers, where rates were even less.<sup>5</sup> Perry's report broadly concurs with this view, however, as we have seen Perry was more concerned with the quality and availability of workers rather than the wage levels.<sup>6</sup> Given Ford's anti-trade union views and willingness to pay high rates to retain management freedom and flexibility, it seems unlikely that wages were a major factor.<sup>7</sup>

Likewise, Jacobson points out that land at Cork was relatively inexpensive.<sup>8</sup> Perry echoes this saying that, on the whole, while land price varied by location it was cheaper than in Great Britain or United States. However, he suggested that it is extremely difficult to purchase land freehold and that the legal complications and proceedings lead to long delays, instead he suggests a very long lease such as 999 years, as being the best option. While he was satisfied that the Cork site would be considerably cheaper than Manchester his endorsement of the site was based more on the quality of its harbour and its accessibility for seagoing vessels as well as its rail and shipping connections rather than land price considerations.

Central to any decision, of course, was Ireland's place in the British tariff union. Ford probably wished to establish a manufacturing presence in Britain to avoid any potential additional tariffs. The McKenna duties which were introduced in 1915 reinforced the union, treating Britain and Ireland as a single entity. The Home Rule Act of 1914 which had promised a degree of self-government, but was suspended for the period of the war, did not provide for fiscal autonomy. Instead it envisaged that

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5 Jacobson, 'Motor industry in Ireland', p. 142.

6 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 5.

7 Brinkley, *Wheels for the world*, p. 281.

8 Jacobson, 'Motor industry in Ireland', p. 143.

Westminster would retain control of Irish financial affairs including taxation, customs and excise and monetary policy, and it explicitly precluded the imposition of protective duties on goods traded between Britain and Ireland.<sup>9</sup> Jacobson argues that Ford's decision to invest in the city of Cork was influenced by this arrangement and assumed it would remain unchanged permitting free and flexible movement to exist between the two plants.<sup>10</sup> Sorensen was broadly aware of the home rule debate and presumably reported on it to Henry Ford who may or may not have considered the possibility of tariffs being introduced.<sup>11</sup> Perry in his 1913 report did not mention tariffs amongst his list of potential threats, nor is there any reference to tariffs in any of the correspondence for the period, suggesting that it was not an issue or at least not actively considered. While Nyhan contends that tariffs represented the most significant factor in the decision to locate in Cork, Jacobson suggested, more plausibly, that Cork was chosen on the assumption that no tariffs barrier would be introduced.<sup>12</sup>

Finally, Cork's public representatives proved helpful and diligent in their desire to improve the industrial base of the city. The enthusiastic assistance and wholehearted support given by local bodies such as Cork Corporation, the Harbour Commissioners and the CIDA, helped Perry with his initial investigations as well as with the purchase and development of the site, by smoothing a pathway through the legal, administrative and practical issues.

In answering the question 'Why did Ford choose Cork?' I suggest that Ford's overriding motivation was philanthropic and a desire to assist Cork and its citizens. This

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9 Jacobson, 'Motor industry in Ireland', pp 144/5

10 Ibid.

11 Reminiscences of C. E. Sorensen (BFRC, Acc. 65, Box 68), p. 17.

12 Nyhan, *Are you still below?* p. 26 and Jacobson, 'Motor industry in Ireland', p. 144.

was attested to by a number of his key people. For example, John O'Neill who became managing director of the Cork plant 1932, said 'no other organisation in the world could have undertaken that project with the generosity and determination of Mr. Ford', while Ernest Liebold, his secretary, believed that 'it was more or less a matter of sentiment that prompted him to have our tractor plant built in Cork, he thought that by bringing industry into Cork he would give the people an opportunity to show what they could do'.<sup>13</sup> Perry writing to Sorensen, said that 'the principal reason why Mr. Ford started the institution at Cork was social and political rather than commercial and economic'.<sup>14</sup> However, Ford was not prepared simply to ignore commercial and economic factors completely. In his desire to help he was prepared to disregard some of the problems highlighted by Perry and take a limited commercial risk on the assumption that no major cost impediment existed. As we have seen, a potential additional transport cost of \$20 per vehicle was sufficient disincentive to discourage him from locating in Cork before the war. Equally, in 1916, any hint of expensive tariffs would undoubtedly have deterred him from locating there, but despite the talk of home rule there was no inkling of the tariff issues which would emerge later.

When Perry visited Detroit in August 1916 Henry Ford was enthusiastically demonstrating his newly-developed tractor. Having seen the machine in operation Perry, no doubt, spotted its potential to assist in feeding wartime Britain.<sup>15</sup> However, no decisions seem to have been taken at this point. H. Bambrook noted that the design work for the proposed Southampton plant commenced shortly after, in October 1916, so

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13 M. Wilkins, interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7), p. 3 and reminiscences of Ernest G. Liebold (BFRC, Acc. 65), Vol. 16, pp 1434/5.

14 P. Perry to C. E. Sorensen, 9 Dec. 1918 (BFRC, Acc. 38, Box 42).

15 WH, p.70.

presumably the emphasis at this meeting was on the plans for the new Southampton factory.<sup>16</sup> As we have seen, B. R. Brown was then instructed to travel to England to oversee construction of the plant. Brown later claimed to have identified a problem with lack of space on the site and to have recommended that the project not go ahead. In the 1950s Brown recalled without any explanation: ‘With this situation, it was decided that we would build in Ireland instead’.<sup>17</sup>

Brown’s account differs from the British war cabinet records; at a cabinet meeting on 14 February 1917 it was stated that the Minister of Munitions had earlier informed Ford ‘that though his proposal to start a motor car industry at Southampton could not be approved, there was no objection to one being created in Ireland.’<sup>18</sup> No date or explanation was given for this decision, though it probably occurred sometime in mid-November 1916. The purpose of the plant was described as being to supply continental assembly depots with parts for ‘motor cars and motor traction generally’.<sup>19</sup> The government were keen to retain the proposed plant within the United Kingdom, as the cabinet minutes record their concern that if Ford was refused permission he would build his factory on the continent ‘to the detriment of Irish industry and of the employment of Irish labour’.<sup>20</sup>

Henry Ford’s earlier aim of locating a car plant in Cork had been shelved in 1913, but now the British government’s rejection of the Southampton plan reopened the issue. While Perry may have been disappointed at the loss of his Southampton plant, the change

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16 Report on American Bridge Company contract, H. Bambrook to W. B. Mayo, undated circa 1918 (BFRC, Acc. 572, Box 18).

17 Reminiscences of B. R. Brown Snr., July 1955 (BFRC, Acc. 65, Box 9), p. 15.

18 War cabinet and cabinet minutes: records of cabinet office, 14 Feb. 1917 (National Archives, UK, CAB 23, paper 65).

19 Ibid.

20 Ibid.

also presented opportunities. For example, if the proposed Cork plant was to supply the continental assembly plants with parts, then another plant would still be required to supply the British market, so Perry might yet see his Southampton project become a reality.

Perry acted promptly, and, no doubt, with Henry Ford's enthusiastic approval, he travelled to Cork to conclude a deal with the corporation. By the time of Perry's next visit to America in late November, he could report that he had been to Cork and, on 22 November 1916, had obtained the corporation's permission to purchase the Marina site for industrial purposes.<sup>21</sup> Around the time of Perry's visit to Cork the decision seems to have been taken to switch production to agricultural machinery; the *Examiner* announced that the function of the plant was to produce 'motor traction and agricultural machinery'.<sup>22</sup> Thus, the scheme to produce motor parts for continental assembly plants seems to have disappeared at this point. The newspaper also suggested that the project had government backing since Richard Woodhead, Perry's negotiator, had remarked to the Harbour Board that he could get the necessary parliamentary permission to authorise the transfer of rights, even without their consent.<sup>23</sup>

The view that Ford wished to locate a car factory in Cork is repeated in Lloyd George's memoirs where he stated that Ford 'was anxious to establish a motor factory in Ireland, and offered, if granted permission for this to use the factory during the war for the purpose of making agricultural tractors.'<sup>24</sup> There is no direct evidence as to who suggested the change from car production to tractors. While it is possible that the

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21 WH, p.70.

22 CE, 23 Nov. 1916.

23 CE, 23 Nov. 1916.

24 David Lloyd George, *War memoirs*, (2 vols, London, 1938), i, 774.

decision came from Ford, since he was very keen on locating in Ireland and was also preoccupied with his tractor development, according to Ford's managers, it was the British prime minister who suggested the idea. Brown states that Lloyd George, a personal friend of Perry's, 'got Sir Percival to contact Mr Ford and see if it would be possible to build a plant in Ireland instead of England'.<sup>25</sup> Perry, also attributed the idea to Lloyd George, he said: 'When Mr Lloyd George had the brain wave he could make tractors in Ireland, he thought "they were not munitions of war". We certainly got Mr Ford 100 per cent helping us. What he would not have done of course was build a factory for war materials.'<sup>26</sup> America was still not in the war and Ford was very anti-war and unwilling to support the war directly. Ireland, with limited engineering facilities, was not expected to provide major industrial support, and the rise of Sinn Fein suggested that there were risks in locating there.<sup>27</sup> Perry said later that munitions could not have been produced in Ireland 'because they were afraid it might be [that] the Sinn Fein movement would succeed, and they would be making guns to shoot against us'.<sup>28</sup> However, Perry's information appears to be mistaken as munitions were already being produced in Ireland; according to F. G. Kellaway, parliamentary secretary to the Ministry of Munitions speaking in the house of commons in April 1917, approximately 35,000 persons were engaged in government and controlled establishments in Ireland.<sup>29</sup> Sorensen's view was that the decision was promoted by Lloyd George as a political gesture to the Irish and that

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25 Ibid. pp 15/ 16. Reminiscences of B. R. Brown Snr., July 1955 (BFRC, Acc. 65, Box 9), p. 15.

26 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), p. 12.

27 In loyalist Belfast, Chamber's Motors was engaged in producing munitions, however, war work was probably instrumental in their decline.

28 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), p. 12. However, Riordan, *Modern Irish trade and industry*, quotes output by National Munitions factories in Ireland at £631,296 up to 7 Mar. 1919, see p. 210.

29 Hansard, House of Commons, fifth series, vol. XCII, 26 April 1917, c. 2605/6.

he 'was continually trying to help along the Irish'. He claimed that Lloyd George's suggestion was 'to help Ireland to help Perry with some of the war production requirements' which he noted 'was gratefully accepted by the Irish'.<sup>30</sup> These recollections came many years after the events and are therefore liable to error, however, the fact that all three of the main participants are in agreement suggests that the idea did come from Lloyd George.

Lloyd George's desire to have tractors made in Ireland probably arose from his concern over Britain's diminishing food supplies. A poor harvest in 1916, exacerbated by shipping losses and poor prospects for the 1917 harvest, heightened Lloyd George's fears that food shortages represented a serious threat.<sup>31</sup> In his memoirs he suggested that the food issue was so significant that it 'ultimately decided the war'.<sup>32</sup> Believing that a fundamental mistake had been made in not treating food as munitions of war and farms as munitions factories, his suggestion was to increase the food yield from the land by implementing a food production programme incorporating scientific fertilisation and mechanical equipment, with a food controller to supervise distribution.<sup>33</sup> Late in November 1916, in an effort to address the shortage of agricultural implements, Lloyd George and others had lobbied to raise £350,000 from the Treasury for the purchase of 1,000 International Harvester tractors.<sup>34</sup> Funding was not forthcoming until the end of December 1916, after Lloyd George had become prime minister, however, at this stage, there is no suggestion of purchasing tractors from Ford, nor is there any mention of

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30 Reminiscences of C. E. Sorensen (BFRC, Acc. 65, Box 68), p. 32.

31 Lloyd George, *War memoirs*, vol. 1, p. 761.

32 *Ibid*, p. 755.

33 Lloyd George, *War memoirs*, vol. 1, p.757.

34 War cabinet minutes, 24 Nov. 1916 (National Archives, UK, CAB 42/25/8)

Ford's land purchase in Cork, which had occurred two days earlier.<sup>35</sup>

Soon after Lloyd George had formed his new government, the war cabinet met in special session, on 13 December 1916, to consider the food question.<sup>36</sup> The cabinet appointed a food controller, who, in conjunction with the president of the Board of Agriculture and Fisheries was given the job of defining policies and restructuring the relevant departments.<sup>37</sup> On 1 January 1917 the government instituted the Food Production Department (FPD) and gave it direct responsibility for increasing agricultural output.<sup>38</sup> The following day S. F. Edge was appointed a director of the Agriculture Machinery Branch (AMB), a subsidiary of the FPD, with the task of placing purchasing contracts on its behalf.<sup>39</sup> Perry, demonstrating his connections in British political circles, sometime in January, was also appointed to the AMB.<sup>40</sup> No doubt his position in the AMB brought valuable expertise to the government war effort, but this position also meant that he was well placed to look after Ford's interests and to identify business opportunities for the Ford Motor Company.

Once agreement had been reached with Cork Corporation Ford commenced factory and site planning in December 1916.<sup>41</sup> Rumours of Ford's Irish project together with suggestions of government involvement were aired from the end of November 1916, but it was not until the cabinet meeting of 14 February 1917 that formal government permission was given. Without commenting on any of the earlier negotiations which may

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35 Lord Crawford memo on Agricultural machinery, undated but c.23/24 Dec. 1916 (National Archives, UK, MAF 42/11)

36 Lloyd George, *War memoirs*, vol. 1, p. 761.

37 *Ibid.*

38 *Ibid.*, p. 762.

39 Draft history of MOM, vol. xii, part vi, 3 Nov. 1919 (National Archives, UK, Mun 5/340/160/R2) p.1.

40 Typwritten early draft of history of MOM, undated (National Archives, UK, Mun 5/340/160/R2) p.57 .

41 Report on American Bridge Company contract, H. Bambrook to W. B. Mayo, undated circa 1918 (BFRC, Acc. 572, Box 18).

have taken place, Lloyd George stated that it was at this stage that Henry Ford ‘came to our aid’.<sup>42</sup> According to the cabinet minutes, the war cabinet approved Ford’s offer to erect a factory in Cork with the stipulation that Ford be limited to the production of agricultural machinery for the duration of the war. It was also decided that if any British company wished to produce similar agricultural machinery that they would be facilitated by the government.<sup>43</sup>

The decision to locate Ford’s tractor production in Ireland offered benefits to all of those involved: Additional tractors could increase Britain’s food output while satisfying Henry Ford’s industrial ambitions for Ireland. It also allowed Ford to assist the war effort indirectly, without compromising his peace principles, and permitted Perry to retain his ambition of constructing a major motor car manufacturing complex in Southampton.<sup>44</sup> The suggestion that Lloyd George was behind the idea to locate tractor in Cork is not evident from the government records, however Lloyd George’s concerns with food shortages and his conviction that modern mechanical equipment was part of the solution, suggests that in this context, for him to have come up with the idea of producing tractors in Cork is plausible. Lloyd George’s own motivations in relation to Ireland may, as Sorensen said, be an attempt to appease Irish public opinion in the aftermath of the 1916 Rising, while simultaneously harnessing Irish labour into the war effort.<sup>45</sup>

Despite Henry Ford’s promise that Irish production could be expected to commence towards the end of 1917 it was to be mid-1919 before the first tractor was

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42 Lloyd George, *War memoirs* vol. 1, p.774.

43 War cabinet and cabinet minutes: records of cabinet office, 14 Feb. 1917 (National Archives UK, CAB 23, paper 65).

44 WH, p. 70.

45 War cabinet and cabinet minutes: records of cabinet office, 14 Feb. 1917 (National Archives UK, CAB 23, paper 65).

produced at the Marina.<sup>46</sup> Meanwhile, in the United States, Ford was in full scale production by late 1917 and was able to supply tractors to Britain for the 1918 ploughing season. Even though Ford was free to switch to car production immediately after the war, the Marina factory continued as a tractor producer. Tractor production differed from motor car production in that no single market outside the United States was likely to have the sales demand to support a large scale production operation and therefore a tractor factory was likely to supply a number of markets. This suggested that, once the war was over, the majority of the plant's output would be exported and shipped over long distances, making the issue of location less crucial, in which case, Cork would be an ideal site for this particular product. However, market conditions in the post-war period proved difficult and tractor production in Cork came to a halt in 1922.

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As mentioned above Perry travelled to Cork and obtained an option for the purchase or lease of a 136 acre parcel of land on the south bank of the River Lee. This beautiful riverside site, extending 1,642 feet along the Lee was an urban park as well as the location of the Cork Park Racecourse, whose loss represented a major loss of amenity to the citizens of Cork.<sup>47</sup> The lands purchased were to be used 'for the purpose of erecting commercial, shipping and manufacturing premises and offices, and generally in connection with industry or the housing of industrial workers'.<sup>48</sup> The decision to allow Ford to convert a major amenity into an industrial site had a negative effect on the open space provision for the city. A civic survey carried out in 1922 by the Cork Town

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46 War cabinet and cabinet minutes: records of cabinet office, 14 Feb. 1917 (National Archives UK, CAB 23, paper 65).

47 WH, p.70.

48 Memo from E. J. Matz, 28 Mar. 1933 (BFRC, Acc. 38, Box 16).

Planning Association analysed the level of open space provision in twenty-four cities and reported that while Dublin had 5.7 acres per thousand persons, in contrast, following the loss of the racecourse, Cork was reduced to 0.54 acres per thousand inhabitants.<sup>49</sup>

The agreement with Ford required the support of the Cork city authorities, the Cork Park Race Committee and the Harbour Commissioners. The deal had several conditions, which were to have a bearing later on.<sup>50</sup> Perry later described his visit to Cork in mid-November 1916:

I had an interview with the War Cabinet on Monday. I left the island on Monday night and got to Cork on Tuesday morning. Before the end of the week I made an arrangement by which I'd been appointed a Cork Harbour Commissioner...I had acquired also the river race course....<sup>51</sup>

This abbreviated and undated version of events is somewhat less than accurate, as, for example, the register of the Cork Harbour Commissioners, records his membership from June 1917.<sup>52</sup> On his previous visit to Cork in 1913, when he had first identified the site, Perry had dealt with a number of key officials including the city solicitor, 'certain officials of the CIDA', Sir Edward Fitzgerald of the city council, as well as Thomas Butterfield, who was lord mayor of Cork from 1916 to 1918.<sup>53</sup> At that time Perry had emphasised that he was conducting 'merely an abstract investigation', but now these

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49 Michael Bannon, *Planning: The Irish experience 1920-1988* (Dublin, 1989), pp 26/8.

50 Memo from E. J. Matz, 28 Mar. 1933 (BFRC, Acc. 38, Box 16).

51 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16), p. 13.

52 The register of members cited in Mary Leland's, *A history of the Cork Harbour Commissioners*, records his membership from June 1917 to his resignation in November 1919, p. 257.

53 Presumably G. Crosbie, B.L., owner of the *Cork Examiner*, president of CIDA and J. L. Fawsitt, secretary of CIDA, see *Cork Examiner (CE)* 23 Nov. 1916; Fitzgerald, see P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59), p. 5 and for mayors see Antoin O'Callaghan, *The Lord Mayors of Cork* (Cork, 2000 ), p. 40.

contacts stood him in good stead.<sup>54</sup> In negotiating the deal he sought to do so as anonymously as possible in order to avoid paying an inflated price or stirring up political animosity in Britain or Ireland.<sup>55</sup> Accompanying Perry in the negotiations was Richard Woodhead of 91 Low Street, Southport who had been signed up by Perry as a Ford agent in 1909 and who now acted as front-man to disguise Ford's involvement in the land purchase.<sup>56</sup> In the initial deal Woodhead obtained an option to purchase or lease the site from Cork Corporation.<sup>57</sup> Later, at a board of directors meeting on 24 August 1918 Henry Ford & Son took over Woodhead's obligations and resolved that he be given 'an indemnity regarding all liabilities for entering into agreements with the Cork Corporation and Cork Harbour Commissioners at the request of the company'.<sup>58</sup> Despite his efforts on Ford's behalf, Woodhead's dealership contract was cancelled in August 1921, on the grounds that he had refused to operate as a Ford-only dealership and was not prepared to handle Fordson tractors.<sup>59</sup>

Shortly after his arrival in Cork on 15 November, Perry met with George Crosbie, J. L. Fawsitt, Thomas Butterfield and the corporation solicitor, Barry Galvin.<sup>60</sup> Broad agreement was reached by 17 November and special meetings of the Harbour Board and Cork Corporation were convened for the following week.<sup>61</sup> The *Cork Constitution* writing about the forthcoming corporation meeting seemed to be well informed on the

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54 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 59).

55 So that land prices did not become inflated when Henry Ford was purchasing the 2,000 acre Rouge site in 1915 'Fred Gregory, the Dearborn realtor who handled Henry's land purchases was instructed to assemble a team of agents who could descend on the local farmers all in one day.' (Lacey, *Ford*, p. 171).

56 R. Woodhead to Edward Grace, 27 Aug. 1921 (BFRC, Acc. 285, Box 26).

57 Memo from E. J. Matz, 28 Mar. 1933 (BFRC, Acc.38, Box 16).

58 Board of directors meeting, 24 Aug. 1918 (BFRC, Acc. 328, Box 1).

59 Edward Grace to E. G. Liebold, 4 Oct. 1921 (BFRC, Acc. 285, Box 26).

60 *CE*, 23 Nov. 1916.

61 Minutes of council meetings, 22 Nov. 1916 (Cork City and County Archives).

issues. Under a headline ‘The “Ford” project’ it reported the rumour that the Ford Motor Company were acquiring a large area of land ‘on either side of the Lee’ to set up a motor factory. While they acknowledged that Henry Ford’s name was not mentioned, it was generally assumed that Woodhead’s undisclosed principals was none other than the famous motor manufacturer.<sup>62</sup> Clearly, little heed had been paid to Perry’s request for secrecy. Later, reports of the Harbour Board’s meeting, held on Monday 20 November stated that ‘these two gentlemen (Mr Parry [sic] and Mr Woodhead)’ said they were not free to reveal the name of the company they represented, but wished to purchase land to build a works for the manufacture of ‘motor traction and agricultural machinery’.<sup>63</sup> The proposed project directly benefitted the Harbour Board as it involved importing raw material and exporting manufactured goods which would result in fees payable on the additional traffic, consequently, the members of the board were happy to approve the project.<sup>64</sup>

On Wednesday 22 November, prior to the corporation meeting, the *Examiner* revealed the ‘official details’ of the negotiations for the ‘Great motor factory’ which had been negotiated over the previous days. It was claimed that the Trafford Engineering Company Limited (TECL) of Trafford Park, Manchester were to set up a factory to produce ‘30 cwt. worm-driven Trafford electric motor trucks’ as their Manchester factory was already overcapacity and a large extension was necessary. The deal involved the purchase of the freehold of the racecourse, a building site on the Marina and part of the

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<sup>62</sup> *Cork Constitution*, (CC) 21 Nov. 1916.

<sup>63</sup> *CC*, 23 Nov. 1916, reporting the same meeting, the *CE* mentions the name ‘Parry’ also and describes the pair as ‘one an American and the other an Englishman.’ Its not clear whether this misspelling of Perry’s name was an error or part of the deception to conceal Ford’s role in the purchase. H. A. Parry, manager of the local branch of the Hibernian bank who was later involved with Henry Ford & Son obviously would have been known to all.

<sup>64</sup> *CE*, 23 Nov. 1916.

public road way on Victoria Quay for a price of £10,000. The company committed to employ 2,000 adult males and to expend £200,000 on buildings over three years, while a fair wage clause of one shilling per hour was to be inserted in all building contracts.<sup>65</sup> Despite Perry's ruse of using the TECL pseudonym, its links with Manchester and the Ford factory there seem to have been transparent locally, but its use may have been to conceal the company's identity from the British media and public. However if this was the plan, it was a failure, because even in the United States the *New York World* reported on 23 November that Ford were interested in building in Cork and had an agent on the ground investigating potential sites for the operation.<sup>66</sup>

The *Examiner's* leading article of 22 November 1916 described the project as the biggest the corporation ever had to consider, while they believed that the investment of £200,000 would create 'permanent employment for a colony of workers on a scale hitherto unknown in the south of Ireland'. The projected development was expected to revolutionise the city of Cork, turning it into one of the most prosperous and progressive centres in Ireland. With wages calculated to amount to £4,800 per week the factory was expected to introduce an era of prosperity and put an end to poverty and slum-living. Though the trades and shopkeepers were best placed to benefit, it was expected that all classes would have their standard of living improved. The article also suggested that there had been competition from other city municipalities who had been willing to provide suitable sites to Mr Woodhead's principals and who were willing to agree not to impose rates on the factory when built.<sup>67</sup> Other members of the community reacted promptly and

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<sup>65</sup> *CE*, 22 Nov. 1916.

<sup>66</sup> *New York World*, 23 Nov. 1916, cited in WH, p. 70 and footnote 16, p. 470.

<sup>67</sup> *CE*, 22 Nov. 1916.

positively to the news of the potential development. A public meeting of the Cork branch of the Irish Transport & Workers Union (ITGWU) had taken place and had passed a resolution calling ‘on the corporation, Harbour Board and the public generally to do everything possible to facilitate and encourage this worthy project which would be bound to give much needed employment...’.<sup>68</sup> More warily, S. L. Maguire, honorary secretary of the U.C.C. Engineering Society, reminded the corporation that similar proposals had, on two previous occasions, been rejected by them for trivial reasons and the firms had subsequently gone to the north of Ireland, where they had been greeted with open arms. He continued that despite being keen to work in their native Cork, ninety per cent of engineering students were forced to leave the city to find employment and consequently they were following the corporation’s actions with great interest.<sup>69</sup>

As might be expected with so much at stake and plenty of publicity, the corporation meeting held on 22 November 1916 was well attended. Forty five of the aldermen and councillors, as well as a large number of the public including representatives of the CIDA, commercial interests and trade societies were present.<sup>70</sup> A number of speakers spoke welcoming the scheme and praising the efforts of those who had been instrumental in securing the agreement. Sir Henry O’Shea, director of the race course also spoke welcoming the scheme, however he pointed out that they ‘expected to be treated fairly as they had invested a very large amount in improving the park’.<sup>71</sup> The motion was passed unanimously. In its leading article next day the *Examiner* said:

The unanimity of the corporation in agreeing to the draft scheme may be regarded as a

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<sup>68</sup> *CE*, 22 Nov. 1916.

<sup>69</sup> *Ibid.*

<sup>70</sup> *CE*, 22 Nov. 1916; Number of councillors present from taken from Minutes of council meetings, 22 Nov. 1916 (Cork City and County Archives).

<sup>71</sup> *CE*, 23 Nov. 1916.

happy augury for the future success of the undertaking....But there were some who were incredulous and seemed to imagine that such a vista of prosperity was too good to be true.<sup>72</sup>

On the other hand, the *Cork Constitution*, though apparently well-informed, despite not having the advantages of the *Examiner*, whose owner George Crosbie, had been involved in negotiations from the beginning, criticised the ‘cloud of mystery and secrecy in which it has been wrapped for more than a week’.<sup>73</sup> Apparently, the project was being discussed openly in the city, but as the full facts were not being published, rumours were rife. These ranged from rumours that the government was behind a project for the manufacture of munitions to others which included ‘the cloven foot of the American Clan-na-Gael...’.<sup>74</sup> The *Cork Constitution* pointed out that while the lord mayor denied that they were negotiating with Henry Ford, it was clear that this was false, as Ford’s agent had examined the site even before the war began and the TECL managed Ford’s English branch. Despite their suspicions the *Constitution* accepted that the most important thing was that the scheme was now on the way to being implemented.<sup>75</sup> Later, they reported erroneously that as well as the industrial buildings, a ‘model village for the workers in the park’ was being planned.<sup>76</sup> Meanwhile, the corporation agreed to sell an additional plot of ground extending 500 feet in an easterly direction which was sought by Woodhead and for which £1,000 was paid. A condition of this purchase was that if the Shandon Boat Club and G.A.A had to be removed as a consequence, that the transfer

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<sup>72</sup> *CE*, 23 Nov. 1916.

<sup>73</sup> *Ibid.*

<sup>74</sup> *Ibid.*

<sup>75</sup> *Ibid.*

<sup>76</sup> *CC*, 28 Nov. 1916.

should be carried out at the expense of the TECL.<sup>77</sup>

While many of Cork's citizens and authorities might expect to benefit from the building of the new factory, the Cork Park Racecourse committee stood to lose their very desirable amenity. Despite this, in a show of civic unselfishness, on the last day of 1916, they unanimously passed a motion to hand over the racecourse.<sup>78</sup> A week later they met with the TECL who agreed terms which their solicitor, P. W. Bass, presented at the corporation meeting on 12 January 1917.<sup>79</sup> The directors agreed to surrender possession of the racecourse for the sum of £500, in lieu of the two years notice to which they were entitled under their lease of 30 April 1913. Waiving their claim to the buildings on the course, they requested that the corporation ask the Irish Turf Club not to grant any application to hold a race meeting in Cork city or county without giving them an opportunity to obtain a licence.<sup>80</sup> Three months later, on 10 April 1917, the last race meeting was held at the Cork venue.<sup>81</sup> Thus, the city said farewell to its racecourse hoping to replace it with an industry which would bring employment and even wealth to the city. Writing soon after the closure D. L. Kelleher probably evoked the mixed emotions of locals when he wrote:

But farewell steeds, all farewell! For behold, the wealth of Ind is upon us and the  
mechanic magic of Detroit U.S.A. Pass for ever then horses, and men who come to see!  
All of us trampled down ourselves now in the hooves of steel, cheers, laughter and the  
rest of our human holiday drowned in the roar of the blast furnace by the riverside.<sup>82</sup>

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77 Minutes of council meetings, 8 Dec. 1916 (Cork City and County Archives).

78 CC, 13 Jan. 1917.

79 Meeting on Saturday 6 January, *Cork Constitution*, 13 Jan. 1917.

80 Minutes of council meetings, 12 Jan. 1917 (Cork City and County Archives).

81 *Irish Times (IT)*, 10 Apr. 1917.

82 D. L. Kelleher, *The glamour of Cork* (Dublin, 1919), pp 64/5.

With the closure of the city race course, horse racing disappeared from the area, but was revived in 1924 at Mallow by a Lieutenant Colonel F. F. MacCabe.<sup>83</sup>

The plot of land being purchased at the Marina was part of two hundred acres of slob-lands reclaimed and enclosed by an embankment in the 1840s. Work had originally begun on the embankment in 1763 after the Irish Parliament had granted £4,000 towards its construction.<sup>84</sup> Since the land was public property, transfer of ownership required the permission of parliament. Notices were placed in the local papers by Barry Galvin on behalf of the corporation informing the public of their intention to apply to parliament for a bill ‘to repeal, alter or amend the Cork Improvement Act 1868, the Municipal Corporations (Ireland) Act 1840, and the Cork Harbours Act 1820-1903’ in order to permit the Cork Corporation and Harbour Commissioners ‘to sell, lease or otherwise dispose of the land’.<sup>85</sup> The corporation met on 26 January 1917 and passed the necessary resolution.<sup>86</sup>

Notwithstanding Woodhouse’s optimism about obtaining permission, the authorities in Cork were taking no chances and even as the corporation was meeting, a deputation from Cork was already in London lobbying to have a bill introduced in the next session of parliament.<sup>87</sup> The delegation, including Barry Galvin, Maurice Healy MP and T. P. O’Connor MP, acting on behalf of John Redmond who was unavailable due to illness, met a number of key figures in Westminster and was granted leave to introduce a

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83 ‘Mallow, the crossroads of Munster’, (<http://www.mallow.ie/newsevents/story.php?u=1017141407&i=364>) (12 June 2007).

84 G.M., ‘Notes and queries’, in *Journal of Cork Historical and Archaeological Society*, xxiii (1917), p. 172.

85 CC, 13 Jan. 1917

86 Minutes of council meetings, 26 Jan. 1917 (Cork City and County Archives).

87 A ‘London correspondent’ quoted in the CC, 26 Jan. 1917.

private member's bill.<sup>88</sup> On 1 March, Captain Donelan, MP reported that the bill 'had passed through Standing Orders Committee' and three weeks later it had its first reading in the House of Commons.<sup>89</sup> By May, Perry was able to inform Edsel Ford that the Cork Improvement Act, 1917 had been passed by parliament and on 10 July 1917 it received the royal assent.<sup>90</sup> Finally, a lease was entered into between Cork Corporation and Henry Ford & Son Limited on 27 February 1918 'for a term of 999 years from 9 June 1917 in consideration of a sum of £11,500 and a rent of one penny a year'.<sup>91</sup>

Once the negotiations were successfully concluded plaudits were extended to those involved. Thomas Butterfield, was later complimented as having done more 'than a man's part in bringing Ford to Cork', while the Harbour Board's chairman, D. J. Lucy, was presented with a memorial watch and an illuminated address in recognition of his services in promoting the passage of the bill.<sup>92</sup> The Ford Company expressed their appreciation of CIDA's efforts in furthering the interests of Henry Ford & Son by making a contribution of £250 to the association's funds.<sup>93</sup> If the project was greeted warmly in Cork, it did not find favour with the British motor industry. As rumours of the Cork factory circulated, newspaper articles began to appear protesting the incursion of foreign firms while British industry was occupied with the war effort; they demanded an opportunity to recuperate and rebuild their business after the war had ended. One such

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88 CC, 27 Jan. 1917; Healy was an MP for the All for Ireland League in Cork city and O'Connor a Liberal MP.

89 CC, 1 Mar. 1917; Anthony Donelan, M.P, Irish Parliamentary Party, Cork east and 'first reading' in Hansard, House of Commons, fifth series, vol. XCI, 23 March 1917, col. 2149.

90 P. Perry to Edsel Ford, 8 May 1917 (BFRC, Acc. 572, Box 24) and Cork Improvement Act, House of Lords record office reference: HL/PO/PB/1/1917/7&8G5cxix.

91 Memo from E. J. Matz, 28 Mar. 1933 (BFRC, Acc.38, Box 16) and lease details from Henry Ford & Son Ltd., Estate Register, 26 Sept. 1933 (HFL, Acc.1) cited in Nyhan, *Are you still below?* p. 31. Nyhan quotes date as 27 Feb.1917.

92 Butterfield in O'Callaghan, *The Lord Mayors of Cork*, p. 40 and Lucy in Leland, *A history of the Cork harbour commissioners*, p. 145.

93 J. L. Fawsitt, CIDA, to Henry Ford, 2 Oct. 1917 (BFRC, Acc. 62, Box 51).

report emanated from *The Motor* and its demand that a halt be called to such projects was interpreted by the *Cork Constitution* as another ‘injustice to Ireland’. Claiming, incorrectly, that the TECL had a factory near Manchester and was in the process of ‘establishing another branch of their business in Southampton’, but that it was not until it came to establish a presence in Ireland that protests were heard.<sup>94</sup> ‘The protest was, the newspaper continued, ‘an exhibition of trade jealousy which should not seriously perturb anyone connected with the Cork project’.<sup>95</sup> The British motor manufacturer’s complaint was that a foreign company was being set up and being permitted to manufacture products which they were prevented from doing, rather than the fact that the factory being set up in Ireland. Irish nationalist sensitivity saw the comments as designed to undermine their desire to see Ireland industrialised. So far, Ford had not been identified as being behind the project, though some newspapers had hinted at the connection, while others, such as the London *Evening Mail* emphasised that there was no connection between the proposed scheme and the Ford company. They could not see how Ford would require another large factory in Cork, in fact, their journalist, Mr Gerald Biss, was confident that it was ‘a British corporation, managed by British directors and owned entirely by British shareholders’. He pointed out Ford’s plans for Southampton as well as another plant, apparently being built at Brook Green, and came to the conclusion that it was the name ‘Trafford’ together with the enormous size of the project which ‘lent colour to the idea that it was an offshoot of the multi-millionaire American firm’.<sup>96</sup>

The public speculation ended in March 1917 when F. G. Kellaway, the

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94 *CC*, 12 Jan. 1917.

95 *Ibid.*

96 *CC*, 23 Jan. 1917.

parliamentary secretary to the Ministry of Munitions, confirmed in the House of Commons that, in view of the United Kingdom's urgent need for additional tractors, Ford had been issued with a licence to build a tractor factory in Cork, on the conditions laid down by the cabinet. To offset any disadvantage to British industry the government invited motor manufacturers to organise an enterprise equivalent to the Ford project.<sup>97</sup>

A subsequent edition of *The Motor* bemoaned the short notice given to the British motor industry. 'Is it to be anticipated that British manufacturers can at the eleventh hour get together for the purpose of co-operating with a view to competing in this field of industry?' it asked. Suggesting that this last-minute approach gave the advantage to Ford who, they believed, had a head-start, having already spent some considerable time developing his tractor. Clearly fearful, not alone of the competitive challenge of Ford's tractor factory in their midst, but also of Ford's future developments, they asked: 'who can tell in what other direction beyond?'<sup>98</sup>

While the government's invitation to set up a British tractor factory was perhaps a distraction, it did little to assuage tempers. The president of the Association of British Motor and Allied Manufacturers, E. Manville, wrote to *The Times* protesting against Ford being granted a licence. Since the planned factory was unlikely to come on stream before war's end, he suggested that a better solution would be to purchase finished tractors from overseas. He condemned the government for supporting foreign firms, particularly Ford, during the war, when these companies were likely to monopolise markets 'employing mainly foreign labour', to the disadvantage of returning soldiers of their demobilised

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<sup>97</sup> Hansard, H. C. debate, 7 March 1917, vol. 91, cols. 369/370.

<sup>98</sup> CC, 8 Mar. 1917.

army.<sup>99</sup>

Henry Ford might have aroused fear and suspicion amongst the British motor manufacturers, but in Ireland he had taken on iconic status. Described by the *Cork Constitution* as a native of West Cork and a ‘man of high patriotism’ who was prepared to alleviate Britain’s food shortage by producing 50,000 tractors per annum in the new Cork factory.<sup>100</sup> While Thomas O’Donnell an Irish nationalist MP, defended the government’s decision saying that:

Mr Ford is an Irishman, who, by the most scientific methods of business and by the most humane treatment of his employees, has established in America one of the most successful and certainly the most ideal business concerns in that great country. He is now coming to his native land to give much-needed employment there.

He continued somewhat sinisterly: ‘The Motor Association will find, if they persist in their opposition that they will have to meet forces not alone in Ireland, but even in England, whose existence they never dreamed of.’<sup>101</sup> He concluded that the licence for the factory was being opposed by British manufacturers due to it being located in Ireland and to the fear that Ford’s wages and conditions would force them to compete.<sup>102</sup> The following day, the Industries Committee of the Irish Parliamentary Party, also wrote to *The Times* challenging the details of Manville’s assertions. They too, claimed that the factory was being opposed because it was to be built in Ireland, pointing out that there had been no opposition to the Ford factory in Manchester.<sup>103</sup>

While the nationalist response to Manville’s letter was along predicable anti-

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99 *The Times*, 23 Mar. 1917.

100 CC, 1 Mar. 1917.

101 *The Times*, 26 Mar. 1917 (BFRC, Acc.572, Box 24).

102 Ibid.

103 Ibid, 27 Mar. 1917.

British capitalist lines, with Ford as the white knight, Manville's use of the word 'foreigners' appears to reveal an anti-Irish mindset. His fears of losing jobs rightfully due to the returning soldiers, contrasts with the 'foreigners' who presumably did not take up arms for their country. These expressed attitudes, no doubt raised the ire of the above mentioned writers to *The Times*. However, Manville's main arguments were not against the Ford factory being located in Cork, but against permission being granted to build a competing factory. Since the prohibition on Ford producing motor cars ended with the war, Manville estimated that Ford would be ready by then to begin mass production of cars, before British manufacturers had time to reorganise their production and change from war work, leaving them at an unfair disadvantage.<sup>104</sup> Manville's criticism of the government's arrangement suggests that though he may have had a jaundiced view of foreign labour, to quote Jacobson: 'it was not Ireland, but Ford that was being opposed.'<sup>105</sup>

Clearly, building a new factory in Britain would give Ford an advantage in manufacturing either tractors or cars within the British zone protected by the McKenna tariffs. For the British motor manufacturers the proposed factory meant additional competition from a very efficient American producer free of the import tariffs which would apply to imported vehicles. In addition, there were suspicions that the licence had been granted due to Ford's influence with the government, without regard for the national interest or the urgent need for tractors. Jacobson argues that implicit in Manville's letter is a guarded condemnation of government policy.<sup>106</sup> However, if Manville was being

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104 *The Times*, 23 Mar. 1917.

105 Jacobson, 'Motor industry in Ireland', p. 162.

106 *Ibid.*, p. 159.

circumspect about his allegations, *Country Life* was more explicit, they stated:

British manufacturers are not altogether happy about the selection of the representative of a well known American motor manufacturer to handle this scheme as an official of the Board of Agriculture. Any remarks we make are not intended to be in any way personal: the gentleman in question is undoubtedly a good business man and organiser. Criticism is levelled at him not as an individual, but at the fact that he happens to be the British representative of the Ford Motor Company.<sup>107</sup>

Henry Ford's earlier outspoken pacifist comments and activities had made him *persona non grata* in Britain, views which Percival Perry had worked hard to correct. To restore Ford's prestige and that of his company, Perry had established relations with senior members of the government, but Perry's efforts in defending and promoting Henry Ford and his products left him open to criticism by those who felt that he was able to exert undue influence on the government's decision making.<sup>108</sup> As we have seen, Perry in his role as a director of the AMB, was ideally placed to ensure that Ford benefited from the needs of the British government.<sup>109</sup> Following the exchanges of March 1917 and against a background of industrial unrest and engineering strikes in May 1917 the government went ahead and ordered tractors from Ford.<sup>110</sup> Little criticism of Ford was aired in the period, but in July remarks about Perry's activities were again raised in parliament. Sir J. H. Danziel, questioning the government's actions in refusing to consider alternative tractors, asked if their action was 'dominated by consideration for the Ford interest?'<sup>111</sup>

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<sup>107</sup> *Country Life*, 24 Mar. 1917 (BFRC, Acc.572, Box 24).

<sup>108</sup> WH, p. 83.

<sup>109</sup> *Northampton Mercury*, 16 Mar. 1917 (BFRC, Acc.572, Box 24). Quoted as 'Director of the machinery and implement section of the Board of Agriculture and Fisheries'.

<sup>110</sup> Chris Wrigley, *Lloyd George* (Oxford, 1992), p.91.

<sup>111</sup> Hansard, H. C. debate, 24 July 1917, vol. 96, col. 1078; Danziel was the Liberal MP for Kirkcaldy.

He went on to express farmer's dissatisfaction that these decisions should be in the hands of the representative of the Ford Motor Company.<sup>112</sup> His remarks were supported by James Rowland who asked more specifically: 'Is it a fact that he was an adviser to the Board of Agriculture at the time the question was brought before the board some months ago?'<sup>113</sup> No satisfactory answers were provided to these questions, but the government's choice remained unchanged. Thus, while Perry was successful in achieving Ford's aims, clearly suspicions of his scheming and influence were still widespread.

Meanwhile the *Cork Examiner* continued to eulogize about the benefits of the project. In an editorial they anticipated 'the true industrial development of Cork city and port, and indeed of the whole south of Ireland generally.' In an accompanying article headed 'Magnitude of Ford Organisation' the writer got carried away with his own eloquence and enthusiasm: 'When you study the Ford Company you have before you a great state, perfect in every particular—the nearest that anything on the face of this earth has got to Utopia.' Acting almost as a recruiting agent for Ford the writer stated that the Ford worker 'is carefree, his work interests him, and should he possess any ability his avocation, and the happy conditions of his employment allow him to develop his talents to their full extent, for he knows that the company pays a high price for brains'.<sup>114</sup>

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On 27 January 1917, at Perry's request, Ford had shipped two of his X-series Fordson prototype tractors to Britain. They arrived at the Trafford Park factory, with Henry Ford's slogan 'Peace, Industry, Prosperity' painted on the fuel tank, to be

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112 Hansard, H.C. debate, 24 July 1917, vol. 96, col. 1079.

113 Ibid., Rowland was Liberal MP for Kent.

114 CE, 19 Mar. 1917 (BFRC, Acc. 572, Box 24).

evaluated by the Ministry of Munitions.<sup>115</sup> Shortly after, on 1 February Germany announced that ‘she would wage unrestricted submarine warfare’.<sup>116</sup> This led to increased shipping losses in the Atlantic; up from 51,000 tons a month in 1914 to 310,868 tons in March 1917 and reaching 526,447 tons in April 1917. Since Britain had depended on imports for a significant proportion of her food, the deteriorating shipping situation put increasing demands on home production. Earlier steps taken to remedy the situation, such as releasing three million acres of grass over to tillage, were hampered by the shortage of men and horses and mechanisation was required urgently to carry out the work. Despite their earlier protests British motor manufacturers were unable to provide sufficient tractors, forcing the government to act.<sup>117</sup>

While preliminary drawings and site plans were being made for the Cork plant, it was clear that with no sod yet turned and with the difficulty of getting materials, that Cork would not be ready to produce tractors in time for the spring of 1918, less than a year away.<sup>118</sup> The alternative was to have Ford produce the tractors in an existing facility such as the Trafford Park plant in Manchester. On 6 April 1917, the United States declared war on Germany. Perry immediately cabled Edsel Ford with the British government’s request for Ford’s assistance, stressing the urgent need for increased food production in England and asking that a large quantity of tractors be made available to

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115 Gibbard, *The tractor story*, p. 22, who says one tractor, but Wilkins and Hill, *American business abroad*, say two. The tractor was addressed to Ministry of Munitions Agricultural tractor factory, Trafford Park, Manchester, England.

116 WH, p. 69.

117 Ibid.

118 P. Perry to Edsel Ford, 7 Apr. 1917 (BFRC, Acc. 6, Box 5); ‘drawings and site plans’ in H. Bambook to W. B. Mayo, Report on American Bridge Company contract for steel for export, undated circa 1918 (BFRC, Acc. 572, Box 18).

break up existing grassland and plough for autumn wheat.<sup>119</sup> He appealed for a team headed by Sorensen to be sent with the necessary blueprints, so that parts could be manufactured locally and assembled in a British government factory under Sorensen's supervision.<sup>120</sup> Henry Ford's anti-war stance had mellowed and with America now in the war he agreed to Perry's request, cabling him enthusiastically 'in full accord with principle, will work night and day'.<sup>121</sup> Sorensen assembled his team and all the necessary information and arrived in England on the 15 May ready and eager to produce Fordson tractors, known in government parlance as Ministry of Munitions (MOM) tractors.<sup>122</sup>

Perry arranged for the Royal Agricultural Society to carry out trials to demonstrate the capability of the prototype Fordson tractors. On March 23, his colleague H. A. Bate, reported to Sorensen that the machines were working round the clock on the government's ploughing scheme, generating great interest.<sup>123</sup> Henry Ford himself, in *My life and work*, also recorded that the society had reported a satisfactory performance for the two Ford tractors and recommended that construction of the tractors should begin immediately.<sup>124</sup>

A more comprehensive series of tractor trials were conducted by the Ministry of Munitions early in May. Supervised by Selwyn Edge who reported to Sir Laming Worthington-Evans, Secretary of State for War, the Ford trial took place on 3-4 May on an eight acre hillside farm site near Birmingham. It was attended by representatives from the Ministry of Munitions as well as the Austin, Ford, and Wolseley motor companies.

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119 P. Perry to Edsel Ford, 7 Apr. 1917 (BFRC, Acc. 6, Box 5).

120 WH, p. 71.

121 Ibid.

122 Ibid.

123 Ibid.

124 Ford, *My life and work*, pp 196/7.

The report detailed operating time, area covered and listed the problems encountered, but did not suggest any conclusion. It noted some problems with control of steering on greasy parts and also raised questions about the Fordson's fuel consumption, suggesting that 'owing to the disappearance of a quantity of petrol and the number of cans on the ground there is some suspicion that petrol had been inserted in the full tank'.<sup>125</sup> When a check was carried out on the gravity of petrol drawn from the tractor tank, it was found to be similar to that of the supply barrel. It is not clear if this result confirms their suspicions or not, but another suspicion was raised regarding the start-up. Ford employees were on site and had the tractor running before the observers arrived and before the agreed start-up time.<sup>126</sup> In the light of difficulties encountered later with starting the Fordson tractor, it would seem possible that Ford employees were resorting to questionable tactics to ensure that the Fordson tractor was seen in the best possible light. However, the editor of *The Times*, writing to his chief, Lord Northcliffe, suggested that Edge, had been biased and had staged unfair tests in an attempt to undermine the Ford machines.<sup>127</sup> Later the Fordson tractor was stripped and found not to conform to the drawings supplied.<sup>128</sup> No doubt this was due to Henry Ford's habit of continually changing and improving details.

The purpose of the trials is not clear from the documents, as by this time the decision to manufacture Fordson tractors in Britain was already agreed and the American technicians were preparing to depart from the United States, the various trials, therefore, seem more like a public relations exercise to reinforce that decision and advertise Ford's

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125 Demonstration of Ford tractor, 3/4 May 1917 (National Archives, UK, Mun 5/212/1950/7).

126 Ibid.

127 J. L. Thompson, *Northcliffe: Press baron in politics, 1865-1922* (London, 2000), p. 430; Northcliffe was owner and publisher of the *Daily Mail*, *The Times* and the *Daily Mirror* newspapers and was a supporter of Ford.

128 S. F. Edge to Sir L. Worthington-Evans, 24 May 1917 (National Archives, UK, Mun 5/212/1950/3).

latest product.

Shortly before Sorensen's arrival from the United States, whether in response to the criticism or to his anticipated workload, Perry wrote to Edsel Ford saying he had resigned his government position to devote his time to overseeing the manufacture of government tractors.<sup>129</sup> In his letter to Ford, Perry enclosed a brochure which he had produced and circulated amongst the members of parliament.<sup>130</sup> The tone and content of document was very supportive of Ford's works and ideas and suggests that Perry was offended by the recent comments made against him and that his resignation was encouraged by these remarks. The document praised the Model T as the 'as the car of the people'. He suggested that British manufacturers were more concerned with supplying the upper and middle classes and had left it to Ford to produce for the remainder of the market. He believed that British manufacturers were not prepared to produce tractors, instead, they acted like 'dogs in the manger', making no attempt to compete or to organise themselves efficiently, 'a splendid example of the impotence and inefficiency of the British manufacturer. You can be sorry for him; but in the national interest you cannot defend him'.<sup>131</sup>

Sorensen and five Dearborn tractor experts arrived in England with an express car containing tractor parts, patterns and farming implements. Perry introduced Sorensen to heads of government departments and to senior representatives of the motor manufacturing industry in preparation for the local manufacture of tractor parts. Despite the previous suspicions of the motor industry, Sorensen felt that the meetings went well

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129 P. Perry to Edsel Ford, 8 May 1917 (BFRC, Acc. 572, Box 24, re: Acc. 44, Box 14, W. J. Cameron records).

130 Title of Perry's brochure: 'Some Notes on the Attitudes of Certain British Manufacturers Towards the new Ford Factory to be erected by Mr. Henry Ford, at Cork.' (BFRC, Acc. 572, Box 24, re: Acc. 44, Box 14, W. J. Cameron records)

131 P. Perry to Edsel Ford, 8 May 1917 (BFRC, Acc. 572, Box 24, re: Acc. 44, Box 14, W. J. Cameron records), p. 2.

and that the manufacturers seemed well-disposed towards the project.<sup>132</sup> Sorensen also met members of the Irish Party, including John Redmond, and was invited to the House of Commons on 21 May 1917.<sup>133</sup> There he heard Lloyd George introduce the Irish Convention which was to be set up to consider the enactment of a system of self-government in Ireland. Sorensen was impressed with the speeches and his interpretation of events was that Lloyd George proposed ‘that Ireland now take her own problem in hand and work out her own plan of government’.<sup>134</sup> Meanwhile, Sorensen was also preparing to set up tractor manufacturing in Cork. He spent the following day with B. R. Brown discussing plans for the Cork foundry operation which he was keen should be built as quickly as possible.<sup>135</sup> Subsequently, when Sorensen met Lloyd George he told him that he was going to investigate the Cork situation thoroughly. Assuring him of Henry Ford’s full support for the programme, as he too wanted to do something for Ireland, Sorensen showed him his plan and got his approval for it.<sup>136</sup> At this point Sorensen’s aim seemed to have been to set up the Cork foundry to produce the larger castings while smaller tractor parts were to be produced by British manufacturers.

Having had positive support from the government officials and potential British tractor part manufacturers, Sorensen and his team set out with their blueprints and specifications to talk to suppliers and to arrange contracts. By mid-June he was back in London with, in his words, ‘things lined up for early production of parts’.<sup>137</sup> However, Gibbard suggests that the best price he could get for building the tractor in Britain was a

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132 P. Perry to Edsel Ford, 8 May 1917 (BFRC, Acc. 572, Box 24, re: Acc. 44, Box 14, W. J. Cameron records), p.16.

133 *Ibid.*, pp 17/18.

134 *Ibid.*, p. 17.

135 *Ibid.*, p. 18.

136 *Ibid.*, pp 32/33.

137 Sorensen, *Forty years with Ford*, pp 237/8.

very expensive \$1,500 per unit.<sup>138</sup> At the same time, according to Wilkins and Hill, arrangements to find part suppliers had not been proceeding as well as Sorensen had suggested. At a minimum, technical problems arose with the specification of parts. Sorensen had cabled to Dearborn for ‘nuts, bolts, and screws, because “the English concerns were not fitted up with taps and dies for handling our threads”’.<sup>139</sup> During his stay in London, on 13 June 1917, Sorensen witnessed the first large scale daylight bombing raid by German aeroplanes.<sup>140</sup> The unanticipated attack caused 162 fatalities as well as injuring 432 and marked a departure from previous night-time raids by dirigibles.<sup>141</sup> It forced the government to change its air policy putting greater emphasis on the development and production of aeroplanes. At a cabinet meeting on the day after the raid it was decided to have Lord Northcliffe, who was in New York, investigate transferring the manufacture of standardised machinery, such as tractors and motor cars, to the United States allowing British firms to specialise in building aeroplane engines.<sup>142</sup> In this context, Ford was asked to switch plans and instead of producing the tractors in Britain to fabricate them in Dearborn.<sup>143</sup> C. A. Addison, Minister of Munitions, wrote to Perry on 28 June asking him to arrange with Henry Ford to supply 6,000 tractors and spares to be ready for the 1918 food production programme. He apologised that the original plan had fallen through and claimed that while British manufacturers were willing to cooperate with manufacturing parts, all of their capacity was absorbed by aero

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138 Gibbard, *The tractor story*, p. 23.

139 WH, pp 71/2.

140 Sorensen, *Forty years with Ford*, p. 238.

141 Arnold Harvey, *Collision of Empires: Britain in three world wars, 1793-1945* (London, 1992) p. 396.

142 War cabinet and cabinet minutes: records of cabinet office, 14 Jun. 1917 (National Archives UK, CAB 23, paper 163).

143 Sorensen, *Forty years with Ford*, p. 238.

engine work.<sup>144</sup> Sir Arthur Lee, Director General of the Food Production Department, was a little more forthcoming when he declared that if Ford had ‘received loyal support’ from British manufacturers the tractors could have been delivered, instead they were forced to again call upon ‘the patience and generosity of Mr. Ford and look to him to save the situation’.<sup>145</sup>

From Lee’s remarks it appears that despite the British government’s urgent need for extra tractors to prevent a potential famine in 1918, local manufacturers were not cooperating with Ford’s efforts to set up production. Their reluctance presumably lay in their previously stated opposition to the building of a Ford factory which would compete with them after the war. They were unwilling or incapable of providing an alternative tractor. Importation of complete tractors was the best solution for them. However, the requirement to produce extra aeroplane engines added to the production burden and created additional problems for British industry which justified transferring the tractor work to the United States and probably provided a convenient cover for the manufacturer’s refusal to cooperate with Ford. Meanwhile on the banks of the River Lee in Cork, site excavations for the new foundry site was already underway.<sup>146</sup>

Once the decision was made to produce the tractors in the United States, Sorensen, with Ford’s approval, was able to agree a deal with the British government to supply the 6,000 tractors at cost price plus \$50 per unit.<sup>147</sup> With firm British orders on hand, Henry Ford & Son Inc. was set up in July 1917 to manufacture the tractors in the

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144 C. A. Addison to P. Perry, 28 June 1917 (BFRC, Acc. 328, Box 1).

145 A. Lee to P. Perry, 29 June 1917 (BFRC, Acc. 328 Box 1).

146 Montgomery, *Ford manufacture*, p. 9.

147 Sorensen, *Forty years with Ford*, p. 239. He mentions 5,000 tractors but the actual order, reference number: PM/MT/2900 was for 6,000, 28 June 1917 (National Archives, UK, Mun 5/212/1950/4).

United States.<sup>148</sup> In Cork, the Irish affiliate, Henry Ford & Son Limited, was already in existence from April of that year.<sup>149</sup> Both companies were personal ventures of Henry Ford and wholly owned by the Ford family.<sup>150</sup> The tractors were to be designated Fordsons to differentiate them from Ford motor cars. A contract was signed immediately and Henry Ford & Son, Ltd., (Cork) undertook to supply to the Minister of Munitions all the necessary component parts to complete six thousand 'MOM Agricultural tractors'. The tractors would be manufactured in Dearborn and then shipped part-assembled to Manchester. Later, some would be shipped in knocked-down condition. The government agreed to hand over to Ford a factory adjoining their plant in Trafford Park in which to complete the assembly of the tractors shipped from United States, while Ford were also responsible for supplying spare parts.<sup>151</sup>

Perry and Sorensen sailed to the United States with the order for 6,000 units. By 11 July Sorensen was back in Dearborn. Apart from the fifty prototypes produced in 1915 no significant tractor production had taken place up to that time. Sorensen prepared a factory in Dearborn for tractor production; he lined up suppliers and borrowed tools and equipment from the Highland Park factory.<sup>152</sup> Despite his earlier optimism, production was slow in getting started as design changes added to the manufacturing problems. The

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148 Minutes of inaugural board of directors meeting of Henry Ford & Son, Inc. held on 30 July 1917 with Henry Ford as chairman, Edsel Ford as secretary and Clara Ford as the other director. The express purpose of the company was to manufacture and sell farm tractors and all associated articles (BFRC, Acc. 329, Box 1).

149 Certificate of incorporation dated 17 April 1917 reproduced in Nyhan, *Are you still below?*, p.32.

150 P. Perry and R. J. White appointed directors 20 Apr. 1917. Minutes of directors meeting held 20 Sept. 1917 allocated share ownership as follows: Henry Ford 33,333 shares of £1 each, Mrs Clara Ford 33,334 shares, Edsel Ford 33,331 shares. Percival Perry and R.J. White were also appointed directors each with one share and E. L. Clarke was appointed secretary of the company (BFRC, Acc. 328, Box 1).

151 Order reference no: PM/MT/2900, 28 June 1917 (National Archives, UK, Mun 5/212/1950/4) also Henry Ford & Son, 28 June 1917 (BFRC, Acc. 328 Box 1). A further contract dated 8 Oct. 1917 undertook to supply and deliver 3,750 Oliver Ploughs.

152 Sorensen, *Forty years with Ford*, p. 239; the factory was located at Elm Street and Michigan Avenue: Bryan, *Beyond the Model T*, p. 61. See also Appendix 17.

British government sent Lord Northcliffe to speed up the process, but typically, Henry Ford was still trying to improve the design.<sup>153</sup> When Ford demonstrated his machine, Northcliffe was impressed, but protested: ‘we can’t wait for the perfect tractor.’<sup>154</sup> However J. Lee Thompson, in his biography of Northcliffe, suggests a different scenario, that Henry Ford felt insulted by the British handling of his offer to supply 6,000 tractors and that Northcliffe was asked to appease the angry motor-maker. Northcliffe told Winston Churchill, who became Minister for Munitions in July, that Ford had twice put him off, but that he would gladly go to Detroit and ‘eat humble pie’. In October a meeting was arranged through Ford’s friend Thomas Edison at which the misunderstanding was put to rest.<sup>155</sup> Finally, production began on 8 October and 254 units were produced by the year’s end.<sup>156</sup> Following the slow start in 1917 Dearborn produced 34,167 tractors in 1918.<sup>157</sup>

In Britain, the protests continued at the decision to give the order to the Ford company. R. E. Prothero, an influential agricultural reformer who had been appointed to head the Board of Agriculture, wrote to Winston Churchill, demanding a change in the policy regarding tractor purchase, insisting that they should be ‘home produced, at low cost and of simple construction. They should be made in England not imported from the United States’.<sup>158</sup> While Henry Sturmey, writing in *The Motor*, questioned the suitability of the Fordson, suggesting that while it was a good machine for operating on small private farms, it was neither sturdy enough nor large enough to comply with government

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153 Gibbard, *The tractor story*, p. 15.

154 WH, p. 72.

155 Thompson, *Northcliffe*, p. 286.

156 Gibbard, *The tractor story*, p. 23.

157 See Appendix 2.

158 R. E. Prothero to Winston Churchill, undated but likely soon after July 1917 (National Archives, UK, Mun 5/212/1950/6)

requirements, as it was only capable of ploughing two furrows in comparison with larger tractors which could plough four.<sup>159</sup>

In late February 1918, with Fordson production beginning to take off and tractors being shipped to Britain on a regular basis, Henry Ford had cause to write to Northcliffe, complaining that the British bureaucracy was holding up the shipment of tractors after Ford had gone to such lengths to produce them. Demanding that his tractors have precedence over food supplies due to their capability to produce additional food, Ford threatened that if they were not moved promptly they would be sold to farmers in Canada and United States who were begging for them.<sup>160</sup> Northcliffe cabled Ford to assure him that the matter would be put right.<sup>161</sup>

None of the American tractors carried badges or names and were known only as Ministry of Munitions or MOM. tractors. Originally they were leased out to British farmers, though later some were sold instead.<sup>162</sup> April 1918 saw the completion of the order, with 3,000 built up and 3,000 knocked-down vehicles shipped.<sup>163</sup> Despite all of the political controversy surrounding the production of Ford's tractors, they had minimal effect on food production. They came into effect in the last year of the war when other solutions to increase production were already being implemented. According to Wilkins and Hill, steam-driven tractors ploughed 1,200,000 acres in 1918, while, from October 1917 to the end of the war the new petrol driven tractors ploughed only 480,000.<sup>164</sup> Michael Williams suggests that before 1914 there had been fewer than 500 tractors

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<sup>159</sup> *The Motor*, 13 Nov. 1917 (BFRC, Acc. 572, Box 24).

<sup>160</sup> Henry Ford to Lord Northcliffe, 28 Feb. 1918 (BFRC, Acc. 62, Box 14).

<sup>161</sup> Lord Northcliffe to Henry Ford, 1 Mar. 1918 (BFRC, Acc. 62, Box 14), p. 73.

<sup>162</sup> Gibbard, *The tractor story*, p. 23.

<sup>163</sup> WH, p. 73.

<sup>164</sup> WH, p. 73.

operating on British farms, hence, the war-time importation of 6,000 tractors into the British market would have satisfied, if not saturated, the market for a some time and since Britain was expected to be Cork's main market for tractors, the impact of these imports no doubt reduced sales demand in the post-war years and deprived the new Cork plant of badly needed business.<sup>165</sup>

Henry Ford's first priority had been to supply Britain's food needs, but the home market in the United States was also waiting for his tractor. Such was the American farmers' confidence in Ford's products that they were clamouring for the Fordson, impatiently waiting until the British contract was filled. A typical example was C. G. Phillips, a farmer in Cortland, Ohio who sent a cheque for \$500 to Henry Ford as part-payment for a Fordson tractor. He received the response that 'we are working on a contract to furnish several thousand tractors for the English Government...I cannot advise you just at what time we can furnish you with a tractor'.<sup>166</sup> Shortly after, when the Fordson tractor was finally released to the American farmers, it proved extremely popular and Dearborn production rose steadily from the 34,167 achieved in 1918 to 101,898 units in 1923, accounting for the vast majority of all United States tractor sales.<sup>167</sup> Later competition became fierce, so that by 1928 Ford production had declined to only 8,001 units and International Harvester had the lead in sales with 47 per cent of the market total.<sup>168</sup>

By the time the British order had been completed, building work was well under way on the new Marina factory. With the various bureaucratic requirements completed,

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<sup>165</sup> Michael Williams, *Ford and Fordson tractors* (London, 2007), p. 34.

<sup>166</sup> G. R. Brubaker to C.G. Phillips, 15 Feb. 1918 (BFRC, Acc. 62, Box 14).

<sup>167</sup> See Appendix 2.

<sup>168</sup> Carroll and Davies, *Tractors and trucks*, p. 151.

Henry Ford and the citizens of Cork might look forward to the substantial benefits that this industrial complex could bring to all. Percival Perry could expect to add another production unit to his empire while he continued to promote his ideas for the development of a motor car plant in Southampton. However, in 1918, long before the Cork factory was ready, as we have seen, Dearborn was turning out thousands of tractors per month, suggesting that Cork was probably superfluous from the beginning. Like many of Ford's decisions, the selection of Cork was not based on firm market intelligence, but was decided upon hastily following the British government's rejection of Southampton. No coherent analysis was applied to the British and European tractor markets. Instead the tractor factory came about as a result of Ford's sentimental desire to locate an industrial plant in Ireland, supported by Lloyd George's wish to mechanise Britain's food production. The building at Cork was originally planned to produce tractors for the 1918 food planting season in the United Kingdom, but the time required to build the factory was too long and though Perry had worked hard at procuring the site, by the time construction work started in June 1917, it was already too late. The only factory with the resources capable of building the number of machines required was Dearborn and even they, despite using existing facilities, were hard pressed to meet the deadline. In effect, the decision to build the Cork plant, taken in late 1916, was meant to solve a short-term agricultural need in Britain, but instead, circumstances forced Ford to solve it by building the 6,000 tractors in Dearborn. Ford's large investment in the Marina factory and foundry created a facility whose capacity was far in excess of its potential sales. Like European car sales which were a small fraction of American sales, tractors sales were also likely to be small. The excess production capacity would create

operational problems and instability in the plant for the following decade.

## CHAPTER THREE

### Production start up:

#### Struggles with construction, sales and prices (1917-1920)

Henry Ford & Son began construction of their new Irish tractor factory in June 1917. The plant was to be the first custom-built Ford manufacturing plant outside of Dearborn and was designed to supply tractors, identical to the Fordsons manufactured in the United States, to Britain, Ireland, Europe and parts of the Middle East. It took two years before the first Fordson tractor came off the line and even longer to finish the factory. The factory was a huge state-of-the-art building covering a floor area of 330,000 square feet (slightly over 7.5 acres) with all the facilities required to manufacture and ship tractors. Facilities included a machine shop, a power house, an assembly unit, wharves to ship the vehicles, and most significantly an iron foundry to pour and cast parts.<sup>1</sup> The plant, though only partially completed, turned out the first tractor on 3 July 1919, production continued until the end of 1922, by which time 7,605 units had been produced.<sup>2</sup> Even as the first tractor was coming off the line, the excitement of getting the plant running dimmed as the political landscape changed and the company found itself in the middle of the War of Independence. The tractor market faltered almost immediately after the plant opened, and as management and workers struggled to commission and develop the factory, costs were high and uncompetitive in comparison with Detroit tractors. Though the military activities of the British forces as well as the IRA, and later the Civil War protagonists had remarkably little effect on operations, the developing business's problems were many, including the difficulty of achieving sales, problems

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<sup>1</sup> WH, p. 102.

<sup>2</sup> See Appendix 2.

with raw material and finished product quality, availability of supplies and interruptions to transport and power.

In a country where manufacturing was backward and largely undeveloped, the Ford factory was extremely modern. John O'Neill, who joined Ford in 1919 and was appointed manager director of Cork in 1932, later declared: 'From the point of view of layout and equipment, it was ahead of anything else in Europe'.<sup>3</sup> As one of the largest engineering employers in the southern part of the country, employing almost 2,000 workers, it was unmatched for scale and size by anything other than the Belfast shipyards. While Ford had a number of assembly plants in the United States and elsewhere, Cork was not just an assembly plant, but a genuine manufacturing operation, making parts from raw materials. The foundry and machine shop were the heart of the operation, moulding, casting and machining all the major components of the tractor.

Ford's new factory building at the Marina was typical of the plants designed by the noted architect Albert Kahn, who was responsible for most of Ford's buildings, beginning with the Highland Park plant in 1908.<sup>4</sup> Later he designed the massive River Rouge plant, as well as assembly plants in the United States and abroad. According to Lacey, Kahn's 'factory buildings were strictly functional, employing pre-stressed concrete and glass to create stark and unashamedly utilitarian structures which won him deserved international renown'.<sup>5</sup> Albert and his brother Julius Kahn had pioneered the use of reinforced concrete industrial buildings which was more flexible than conventional building systems. The designs were space-efficient, fireproof, and incorporated increased

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3 Mira Wilkins, interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7).

4 Reminiscences of B. R. Brown, July 1955 (BFRC, Acc. 65, Box 9) p. 12.

5 Lacey, *Ford*, p. 327.

window space which enhanced the day-lighting of the buildings.<sup>6</sup>

In charge of the project was Ford's manager of construction, B. R. Brown, who like many of Ford's senior managers of the time had little formal education, having gained his knowledge of the building business by practical experience. Nonetheless, during his 21 years with Ford, he was responsible for the construction of thirteen million square feet of building space. The method used to design Ford factories was, first to decide the layout of the machinery, as the assembly process had priority over all other considerations. Kahn, another who had risen in his profession without much formal education, then designed the building to enclose the layout. Setting aside contemporary aesthetic conventions he allowed the functional requirements of the plant to determine the overall form and shape.<sup>7</sup> Brown's responsibility, as he put it, was to construct: 'the buildings around their layouts rather [than] building the buildings and then putting the equipment in'.<sup>8</sup> While Ford had plenty of construction experience in the United States, building in Europe during wartime was to pose a challenge.

Following Ford's decision to change location preliminary drawings and site plans for the Cork location were drawn up during December and January and passed to ABC about 1 February 1917.<sup>9</sup> Site excavations commenced there in June 1917.<sup>10</sup> B. R. Brown spent most of 1917 and 1918 in Cork organising materials and manpower, but shortage of

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6 Fredric L. Quivik, *The Ford Motor Company's Richmond Assembly plant*, (St. Paul, Minn., 2003) p. 23, (<http://www.rosietheriveter.org/nps/FordBldg/Chapter3.pdf#search=%22%22B%20R%20%20Brown%20%22%20ford%22>) (20 July 2006).

7 Ibid.

8 Ibid., p. 19.

9 H. Bambrook to W. B. Mayo, Report on American Bridge Company contract for steel for export, undated circa 1918 (BFRC, Acc. 572, Box 18).

10 Montgomery, *Ford manufacture*, pp 8/9.

materials, particularly steel, led to design changes which hindered progress.<sup>11</sup>

The proposed Cork factory buildings comprised of a four storey unit, described in his report by Bambrook as: '417 feet wide by 464 feet long with two high craneways and one low craneway, a forge building, heat-treat building, tumbler building and foundry'.<sup>12</sup> By August 1917 the detailed design drawings for all buildings had been completed and the necessary materials ordered, but no sooner was this work finished than word came from Henry Ford & Son for a change in the design. Brown returned to Dearborn in late-October to discover that, with wartime restrictions, shipping space could not be found for the large amount of steel needed for the planned building.<sup>13</sup> So, no doubt in consultation with Henry Ford, the four storey design was abandoned. On 21 November 1917 materials already on order were cancelled and the building redesigned as a single storey steel-framed building requiring considerably less steel in its construction. The new building retained the original external dimensions but had three one-storey craneways. Other changes included extending the craneway girders to the wharf with a one storey reinforced concrete machine shop adjoining on each side.<sup>14</sup>

Meanwhile, on the Marina site, levelling work and pile-driving had been carried out and by mid-August 1917 the structural steel skeleton of the foundry, based on the preliminary drawings, was rising on the Cork skyline.<sup>15</sup> Despite the numerous and substantial design changes, by June 1918, the form of the new single storey factory, with

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11 P. Perry, 12 Oct. 1917 (BFRC, Acc. 38, Box 46).

12 Ibid.

13 P. Perry to 'whom it may concern', 12 Oct. 1917 (BFRC, Acc. 38, Box 46). Brown returned to Cork mid-December 1917, Edsel Ford to Secretary of State, 6 December 1917 (BFRC, Acc. 541, Box 10).

14 H. Bambrook to W. B. Mayo, Report on American Bridge Company contract for steel for export, undated circa 1918 (BFRC, Acc. 572, Box 18).

15 From Ford photo, labelled and dated, reproduced in Montgomery, *Ford manufacture*, p. 9.

its reinforced concrete encased in wooden shuttering, was evident alongside the foundry. By late October 1918 the shuttering had been removed revealing the free-standing reinforced concrete framework.<sup>16</sup>

Even after the design of the factory was settled, further changes to the steel work were authorised. The extended wharf craneway was abandoned and about 1 February 1918 work on the foundry craneway was also cancelled. Subsequently, in another volte-face, the ABC was ordered to complete the craneway steel and a final design of 12 April 1918 was fabricated and stored at Elmira, New York.<sup>17</sup> Presumably this equipment was shipped to Ireland sometime in 1919 when shipping difficulties eased. The report by Bambrook, which quantifies the costs of the many design changes, as well as the expenditure for fabricating steel to meet these changes, clearly shows that the company did purchase steel in the United States for use in Cork. It is not clear how much, if any, was able to avoid the wartime shipping constraints. In his reminiscences Brown claimed they could not get building materials, that Henry Ford had insisted that nothing would be supplied from the United States as he ‘was against the war and didn’t want to be party to sending anything over there which might further the war or help the shortages’.<sup>18</sup> The number of changes and the costs incurred suggest that Henry Ford himself was involved. Brown’s recollections colourfully relate, probably inaccurately, how he dealt with the shortage of materials and how the difficulties encountered were managed:

The plans for the Cork plant were more or less makeshift. I hired a local engineer. I could get no structural steel or any thing of that kind on the regular market. While

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<sup>16</sup> From Ford photo, labelled and dated, reproduced in Nyhan, *Are you still below?* pp 36/37.

<sup>17</sup> H. Bambrook to W. B. Mayo, Report on American Bridge Company contract for steel for export, undated circa 1918 (BFRC, Acc. 572, Box 18).

<sup>18</sup> Reminiscences of B. R. Brown, July 1955 (BFRC, Acc. 65, Box 9) p. 17.

passing through on a train one day, I saw an old steel structure sticking up in the air. I ascertained the town it was near and sent a man down there to see if it could be bought. That was all the structural steel we used in the building. The rest was all concrete. I secured reinforcing steel from Belgium and used the old race track grandstand for form lumber....<sup>19</sup>

Despite the design changes and the shortage of materials, work on the Marina factory went ahead, but the construction proved to be more expensive than the original estimate, mainly due to the necessity for extensive levelling and pile-driving. The wharf was built first, to facilitate shipping-in of materials and equipment, followed by the foundry and machine shop.<sup>20</sup> Altogether the building of the Cork factory took more than two years to complete, which, even allowing for the difficulties of wartime, seems excessive. At a board meeting held in Dearborn on 22 October 1918 and attended by Henry and Edsel Ford, as well as Perry and Sorensen, Brown presented plans and photographs showing the progress of the project.<sup>21</sup> Following his presentation, he was ordered to return to Ireland to oversee completion of the building work and to hand over management of the site to John Crawford, who had recently been appointed manager.<sup>22</sup>

On this, Brown's final trip back to Europe, he was nominated to act as a messenger for Perry, who was still connected to the Ministry of Munitions as a director of the Mechanical Warfare department. Perry apparently had some secret papers which he wanted hand-delivered to Lloyd George and Brown was appointed as a special officer

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<sup>19</sup> Ibid, also cited in Nyhan, 'A history of the Cork plant', p. 28

<sup>20</sup> Ford & Son, *Ford in Ireland*, p. 12.

<sup>21</sup> B. R. Brown had arrived on 11 Sept. 1918, B. R. Brown to Mrs Brown, 11 Sept.1918 (BFRC, Acc. 541 Box 10), and returned c. 28 Oct. 1918, P. Perry to B. R. Brown, 22 Oct. (BFRC, Acc.541 Box 10).

<sup>22</sup> Minutes of directors' meetings, 22 Oct. 1918 (BFRC, Acc. 328, Box 1). At this meeting B. R. Brown was given a special bonus of \$2,000 for his work, while John Crawford was appointed manager at a salary of £756.

attached to the British war mission in Washington for this purpose.<sup>23</sup> In a covering letter Perry wrote: ‘He is the bearer of important papers and is carrying with him certain munitions of war’.<sup>24</sup> During his trip to Britain, Brown as a ‘special officer’, had a sustenance allowance ‘at the usual scale rate’ and could claim any other out-of-pocket expenses from the British war mission on his return to Washington.<sup>25</sup> Brown himself said that he ‘sailed as a British subject so I could pass through customs without any inspection, because I was also taking over seven trunks filled with bacons, hams, etc from Mr Ford to England’.<sup>26</sup> While Perry’s contacts were essential in securing passage for Ford employees travelling to and from the United States in wartime, despite the restrictions which applied, however, it seems he was also capable of using the system for his own personal advantage.

Brown finally left Ireland on 21 December 1918 with his work largely completed and the building ready for occupation.<sup>27</sup> John Crawford took over the task of managing the installation of equipment and the setting up of tractor production. In June 1919, Sorensen, who was in charge of tractor production at Dearborn, selected a team of technicians from his plant and despatched them to Cork to assist with the commissioning phase, to train the factory workers and to get the plant running efficiently.<sup>28</sup> All of those selected had considerable experience of manufacturing. The team included works manager, Peter MacGregor; shop superintendent, Ben Mulligan; C. Waldron, foreman

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23 P. Perry to B. R. Brown, 22 Oct. 1918 (BFRC, Acc. 541 , Box 10). The notepaper used is headed British War Mission, (Mechanical Warfare Department), Washington, D.C.

24 P. Perry to ‘whom it concerns’, 22 Oct. 1918 (BFRC, Acc. 541 , Box 10).

25 P. Perry to B. R. Brown, 22 Oct. 1918 (BFRC, Acc. 541 , Box 10).

26 Reminiscences of B. R. Brown, July 1955 (BFRC, Acc. 65, Box 9) p. 20.

27 Ibid., p. 21.

28 Reminiscences of Peter MacGregor, Mar. 1957 (BFRC, Acc. 65, draft 43-1) p.7.

responsible for tool design and shop layout; and the man who would later manage the Irish business, Edward Grace.<sup>29</sup>

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Even before building work had commenced the administrative side of the business had been dealt with. Henry Ford & Son Limited was officially incorporated as a limited company in April 1917.<sup>30</sup> Three days later P. L. D. Perry and R. J. White were appointed directors.<sup>31</sup> On 20 September the full board of directors was elected, it comprised, Henry Ford and his wife, Clara, and their son Edsel with Perry as managing director, Eugene L. Clarke, 5 Friar's Walk, company secretary and R. J. White as company solicitor. With the recent commencement of work on the factory, the directors changed the registered address to 'The Marina, Cork, Ireland'.<sup>32</sup> At a subsequent meeting Mr Alfred Dugdale was appointed to act as temporary secretary of the company and given the responsibility for setting up a sales network, specifically 'for the purpose of witnessing the execution of certain agreements with dealers, retail sub-dealers and traders for the supply of tractors'.<sup>33</sup> In order to maintain continuity, following the supply of the 6,000 MOM tractors, Perry, was instructed to make the necessary commercial arrangements for Henry Ford & Son, Cork to act a supplier of tractors, importing them from Dearborn 'until such time as Cork is in a position to manufacture'. Demonstrating the high regard in which Perry was still held by Henry Ford, in addition to his role as

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29 WH, p. 102.

30 Ibid. p. 70, see photo reproduced in Nyhan, *Are you still below?* p. 32.

31 Minutes of directors' meetings, 20 Apr. 1917 (BFRC, Acc. 328, Box 1).

32 Minutes of directors' meetings, 20 Sept. 1917 (BFRC, Acc. 328, Box 1). Shares were allocated as follows: Clara Ford 33,334 £1 shares, Henry Ford 33,333 and Edsel Ford 33,331 shares. Edsel transferred one share each to Perry and R. J. White.

33 Minutes of directors' meeting, 30 Apr. 1918 (BFRC, Acc. 328, Box 1). Dugdale appears to have been appointed for 6 months, no explanations given.

managing director of Cork, he remained 'Henry Ford's personal representative in Europe, managing director of Ford Motor Company (England) Ltd and Director of the Firestone Tyre and Rubber Company'.<sup>34</sup>

Under the terms of the lease with Cork Corporation, Perry had agreed a minimum rate of one shilling per hour for building work, but as the building work eased off the and the company began to hire factory workers a suitable wage structure needed to be formalised. Earlier, in August 1912 when Ford and Perry had been delayed in Fishguard en route to Cork, they had exchanged views on worker's wage payment systems.<sup>35</sup> Perry's attitude was that a good weekly wage was better than piece rates, as the men knew what they were getting at the end of each week and had adequate wages to cover 'the cost of living at a modest scale'. He claimed Ford was impressed with his ideas and seemed to be inferring that his ideas had a bearing on the decision to implement the five-dollar-day, which was introduced some 16 months later.<sup>36</sup>

In the United States, to meet the rising demand for his Model T, between 1910 and 1914, Ford had developed the mass production system and created a huge industrial complex. Yet despite the company's remarkable technological capability, what Ford managers characterized as the 'human element of production' continued to create problems. High levels of labour turnover, absenteeism, poor punctuality as well as malingering, all constrained output. In 1913 John R. Lee was assigned by Ford to find remedies to these problems, but when his reforms failed to solve the problems, the

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<sup>34</sup> Minutes of United States board meeting, 22 Oct. 1918 (BFRC, Acc. 328, Box 1).

<sup>35</sup> Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16). p. 19.

<sup>36</sup> *Ibid.*, p.20.

company conceived the five-dollar-day.<sup>37</sup> Introduced to an astonished public on 5 January 1914, it effectively doubled the previous wage rate. However, the scheme was devised not as a wage increase, but as a profit sharing scheme with the extra payment contingent on the continued profitability of the company, as well as the behaviour of individual workers, both at work and at home. The new rate was meant to change the attitudes of the workers, motivating them to improve their behaviour and performance thus increasing the overall efficiency of Ford's business.<sup>38</sup> A new sociological department was created to evaluate and control the worker's industrial and domestic conduct and to persuade them to convert to Ford's preconceived idea of the American way of life.<sup>39</sup>

The plan received huge worldwide publicity and so great was its impact that it confounded even the hard-nosed Sorensen.<sup>40</sup> Ford's apparently enlightened decision to share his profits was perceived as a charitable gift by supporters and critics alike.<sup>41</sup> His actions transformed him into man of mythical proportions, and moved his status to the level of folk hero. The 'rags to riches' story followed by his emergence as a humanitarian philanthropist, led to a deluge of 'begging letters', appeals for hand-outs from people with all types of causes, schemes and problems who believed Ford would relieve their burdens with his generosity. Some came from Ireland, including one in June 1920 from Oliver St. John Gogarty, who requested that Ford purchase and develop the Arigna coal mines. To support his scheme Gogarty sent samples of coal from the mines together with an analysis of its quality carried out by the University of Birmingham. Apart from a

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37 Meyer, *The five dollar day*, p. 5/6.

38 Ibid., pp 110/111.

39 Ibid., p. 6

40 Sorensen, *Forty years with Ford*, p. 140.

41 Greenleaf, *From these beginnings*, p. 7.

polite acknowledgment no action was taken by Ford.<sup>42</sup> In 1915 Ford was receiving two hundred requests a day forcing his personal secretary, Liebold, to hire three secretaries to deal with the avalanche. By 1924 the figure had reached half a million a year. Up to 1925 all the letters were acknowledged, but few were rewarded and most were never seen by Henry Ford, since the decision as to what got to him was in Liebold's hands.<sup>43</sup> Ford, who detested charity, said 'endowment is an opiate to imagination, a drug to initiative'.<sup>44</sup> He did not consider himself a philanthropist, but espoused what William Greenleaf called the 'gospel of work', his idea being 'to aid men to help themselves'.<sup>45</sup>

Ford's idealism as expressed by the five-dollar-day was followed, in 1915, by the impractical episode of the Peace Ship, which instead of gaining general support led to Ford being ridiculed by the newspapers for his pacifism and naiveté. Afterwards he cooled towards social reform and reformers, and the humanitarian idealism he had shown declined so that by 1922 he was openly deriding reformers for their 'sentimental idealism'.<sup>46</sup> According to Greenleaf, 'while his deep sympathy for mankind had not been entirely eroded, it was mixed by contempt for most people "because of their general incapacity"'.<sup>47</sup> Ford's industrial experiment was short-lived. In the recession of 1920-21 the profit sharing plan was ended and the sociological department closed down. In order to correct the company's debt problems the Highland Park plant was closed for the month of January 1921, but when the plant reopened only about two thirds of the workers were rehired. Those who returned faced what became known as the 'the six dollar speed-up',

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42 Oliver St. John Gogarty to Henry Ford, 16 June 1920 (BFRC, Acc. 62, Box 95).

43 Greenleaf, *From these beginnings*, p. 9.

44 *Ibid.*, p. 5.

45 *Ibid.*, p. 6.

46 *Ibid.*, pp 22/23.

47 *Ibid.*, p. 23.

they were subjected to ruthless discipline and pressure so that by year end, despite the smaller numbers, production output had doubled.<sup>48</sup> The departure, on 25 January 1921, of Dean Marquis, the man who had been hired to run the sociology department and to improve the moral and social conditions of the workers, marked the end of Ford's humanitarian experiment and left control of the plant to the hard-nosed production man, 'Cast-iron Charlie' Sorensen.<sup>49</sup>

Soon after the American announcement of the five-dollar-day in January 1914 an equivalent system was introduced in Manchester. Since Sorensen was familiar with the Dearborn operation, part of his assignment in April 1914 was to oversee the setting up of the new British profit-sharing plan. He brought Harry Scott, who had worked under John Lee in Dearborn's sociological department, to carry out the task of duplicating the American system. Everyone connected with the scheme, including department heads, were briefed and a five person committee was set up to meet daily and to monitor progress and settle any questions which arose. By the time he left for Europe, Sorensen was satisfied that the scheme was on a sound footing and the implementation was not being rushed. He reported that only a small number of men had been put onto the scheme as the care being taken 'required necessarily more than one visit with the man and his family'. Only those who met the company's requirements were allowed to participate in the profit sharing.<sup>50</sup> In Detroit, the sociological department's role had been to keep check on employees and to ensure that they were prudent and sensible with their new found wealth, not squandering the money on alcohol or gambling; Henry Ford was a lifelong

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48 Ford had introduced the 'six dollar day' in Jan. 1919, see Meyer, *The five dollar day*, p. 197.

49 Marquis, *Henry Ford*, p. xv. and Meyer, *The five dollar day*, p. 197.

50 C. E. Sorensen to Henry Ford, 3 June 1914 (BFRC, Acc. 62, Box 59).

non-smoking, teetotaller and abhorred both activities. Inspectors called to the employees' homes and interviewed wives and neighbours to verify home conditions. As well as industrial restructuring, Ford was attempting to carry out 'human restructuring'. He declared: 'We want to make men in this factory as well as automobiles'.<sup>51</sup> Ford's higher wages in both the United States and Britain came with a requirement for workers to act as exemplary workers and citizens and to accept flexibility and discipline.

As the building of the Marina plant and the installation of machinery proceeded, Perry wrote to Sorensen seeking directions on factory workers' wage rates and the introduction of a welfare department along the lines of that in place in the Highland Park factory. Keen to reflect what was being done in Dearborn he continued:

There are, however, many social and economic differences, and I would ask you to bear in mind that the principal reason why Mr. Ford started the institution at Cork was social and political rather than commercial and economic, and I therefore feel that whatever you do in Dearborn it is possible that Mr Ford may desire that we shall pay careful regard to social and welfare matters.<sup>52</sup>

Perry was fully aware of the company's policies on 'social and welfare matters', but since Cork was a pet project of Henry's, he was keen to satisfy Ford's every requirement in relation to it. He continued:

It is true that the best way to make an industrious man is to give him work to do, and watch over him in the factory and see that he does it. At the same time the man's home conditions reflect considerably on his work, and I feel that we should have a policy here which will take cognizance of the home conditions of our workers.<sup>53</sup>

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51 Lacey, *Ford*, p. 122.

52 P. Perry to C. E. Sorensen, 9 Dec. 1918 (BFRC, Acc.38, Box 42).

53 *Ibid.*

Tentatively, Perry was suggesting that Ford's policy in Cork should be to follow the Dearborn example, where John Lee and the sociological department had endeavoured to alter worker's behaviour, teaching those in receipt of the five-dollar-day wage to spend it sensibly, as Perry put it: 'instead of going to the saloon or buying a piano he couldn't play and keeping clothes in the bathtub'.<sup>54</sup> At this time living conditions in Cork were very bad, unemployment and poverty widespread, and no doubt many families suffered problems with alcoholism and gambling. Perry needed to know from Henry Ford what level of control should apply to the Cork employees.

Whatever philosophical exchanges followed, eventually, working conditions, including rates of pay and hours of work for both factory and office staff were laid down by a board of directors meeting on 8 July 1919.<sup>55</sup> Conditions were generally favourable, though not dramatically so. All employees worked a five and half-day, forty-four hour week, from 8.00 a.m. to 4.30 p.m. with 30 minutes for lunch for factory workers and 8.30 to 5.30 p.m. with an hour for lunch for office workers. In the original lease the company had committed to pay a minimum rate of one shilling per hour [£2. 4s. 0d.per week] but these rates had been improved. Factory men over 18 years started at 1s.8d. per hour [£3.13s.4d. per week], while women over 18 started at 1s.3d. per hour [£2.15s.0d.].<sup>56</sup> Office workers were paid a minimum of £288 per annum for men and £250 for women. Amongst the American experts, Peter MacGregor was paid £80 per month, while Mulligan and Waldron were each paid £50 per month.<sup>57</sup> Since the factory was already in production by this time, the board meeting was confirming the rates already being paid.

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54 Nevins and Hill, interview with Lord Perry, 28 Mar. 1952 (BFRC, Acc. 834, Box 16). pp 19/20.

55 Minutes of United States board meeting, 8 July 1919 (BFRC, Acc. 328, Box 1).

56 See Appendices 3/5 for a full list of trades and positions with wage rates applying at the end of 1919.

57 Minutes of United States board meeting, 8 July 1919 (BFRC, Acc. 328, Box 1).

Earlier *The Times* had published details of Ford's conditions, pointing out that a share of the profits, amounting to 3d. per hour [11s.0d. per week], was paid to adult workers with at least six months service. This payment was considered a gratuity which was conditional on the employees' good conduct and could be withdrawn at any time at the company's discretion.<sup>58</sup> No comment was made about setting up an American style sociological or welfare department which suggests that the idea was dropped.

The wages and working conditions offered by Henry Ford & Son were very desirable in an area of high unemployment and poor wages and conditions. For example, in 1917 there had been calls on the government to introduce a weekly minimum wage of £1.5s.0d. for agricultural labourers.<sup>59</sup> While a survey of 1,010 Cork working class families found that thirty five per cent survived on less than 19s. per week, while the income of another fourteen per cent did not exceed 21s.<sup>60</sup> Inevitably, these families lived on the edge of starvation with little cash available for food and clothing. Ford starting wage, even for an 18 year old employee, offered comparative luxury. A major outgoing for all families was the cost of rent, in a city where housing was scarce, frequently squalid and relatively expensive.

With the introduction of an enterprise expected to employ 2,000 workers the issue of housing, in an already overcrowded city, was critical. As we have seen, the 1911 census revealed large numbers of substandard houses and extensive overcrowding. Shortly after the original agreement with Woodhead in November 1916, the issue of Ford housing was first mentioned in a local newspaper. The *Cork Constitution* ventured that as

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<sup>58</sup> *The Times*, 2 July 1919.

<sup>59</sup> *CE*, 26 Jan. 1917, cited in Colman O'Mahony, *In the shadows*, (Cork, 1977), p. 309. Shortly after, Lloyd George had secured a wage of 25s. per week for agricultural labourers as part of a policy of guaranteed agricultural prices.

<sup>60</sup> Rev. A. M. MacSweeney, *Poverty in Cork*, (Cork, 1917), pp 3/4, cited in O'Mahony, *In the shadows*, p.309.

well as the as the industrial buildings, a ‘model village for the workers in the Park’ was being planned.<sup>61</sup> This impression was later refuted, but early in 1917 the subject of housing was raised more formally by J. L. Fawsitt, secretary of CIDA, who submitted a report on the issue. He noted that ‘the housing problem in Cork which is at present fairly acute will become greatly aggravated when the industries are set afoot’.<sup>62</sup> He identified two problems, firstly, the immediate requirement for additional temporary accommodation for the large numbers involved in the building. Secondly, the need for suitable housing for the thousands of permanent employees expected. Reporting on a meeting between George Crosbie, president of the CIDA and the promoters of the Cork park project, Fawsitt stated that it was not the promoter’s intention to build houses. Consequently, there was a need for immediate action either by the state, the municipality or preferably by private effort. Pointing out the potential he said: ‘Capitalists would do well to bear in mind that under the promised minimum wage of one shilling per hour for adult males...[workers would] be in a position to pay larger rentals for more suitable habitation than had been the rule in Cork up to now’. In addition, there would be a demand for a better class of house for heads of departments and better-paid staff. He called on the corporation to raise the issue publicly ‘in the hope that local efforts will be forthcoming in the immediate future to provide the additional housing accommodation that will be urgently required after buildings have begun’.<sup>63</sup>

Coincidentally, in the same issue of the *Cork Constitution*, details were published of a plan for a proposed new town. It reported the purchase by the promoter of Trafford

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61 *CC*, 28 Nov. 1916.

62 *CC*, 8 Feb. 1917.

63 *Ibid.*

Engineering Company of Manchester ‘of an immense tract at the east end of Blackrock known as Lakelands...[to be] used as a site of a small town of some thousands of dwellings...’<sup>64</sup> Three weeks later this news was repeated. ‘Representatives of Mr Ford have acquired large tracts of land at Blackrock, which will make suitable and very healthy sites for a model village.’ While they made it clear that:

the Ford Company are not at present to build these villages themselves...and it is now up to the municipality, either in its own corporate capacity or to the citizens generally, to provide the capital for the erection of the houses upon the sites acquired by the promoters, upon exceptionally generous terms as to the matter of ground rent.<sup>65</sup>

Though Ford’s representatives are not named, it seems that the purchasers may have involved Perry, as the senior executive, perhaps, working through Woodhead. Comments made by Sorensen in 1922, during the confrontation with Cork Corporation over Ford’s failure to reach the employment numbers stipulated in their lease, suggested that the venture was a private speculation on the part of the ‘Ford representatives’.<sup>66</sup> Sorensen appeared to point the finger at Perry, who by that time was no longer with the company, when he declared that:

Our representative, who originally put this matter before the city council, was able to shape this up to his own personal benefit and to the benefit of others who were corroborating [sic] with him, and who had the same idea in mind. These people made big purchases of land around the city limits, as well as business blocks within the city and options were secured on as much property as they could get their hands on, as they felt that since Mr Ford had secured this property, Cork would naturally boom and they would,

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64 CC, 8 Feb. 1917.

65 CC, 1 Mar.1917.

66 See Chapter five.

therefore, benefit in this very selfish manner. However, in these ventures they were unfortunate, much to the benefit of Cork in general, because if they had been successful, they would have taken a good deal of money from the Cork people.<sup>67</sup>

Where Sorensen got this information is not evident, nor whether there was any truth in the allegations. Also, unclear is what prevented the group from going ahead with its housing construction scheme. Sorensen's suggestion that Percival Perry had made arrangements to purchase property for his own and some locals' benefit, could explain why the deal purchasing the racecourse was concluded so quickly and easily and why cooperation was so readily forthcoming. The guarantee of 2,000 new jobs, many of which would be filled by workers attracted from outside the city, would give a tremendous boost to businesses in the city, but also offered ample opportunities for property speculators to benefit from increased property prices and rents.

Perry's original contract with Ford stipulated that he devote his time and effort to the interests of the Ford company 'to the exclusion of all other business', yet, despite this, he was often involved in schemes outside his job.<sup>68</sup> Whether he was purchasing sites in Southampton, or involving his cronies in deals, or using his contacts in the government, he was constantly wheeling and dealing. For example, William Knudsen's report in 1919 stated that 'an enormous amount of business radiates directly from the office on Shaftsbury Avenue where business, politics, personal matters and policies are being worked at with feverish haste and in a hopeless tangle'.<sup>69</sup> This type of activity would seem to have been part of business as it operated in Britain at the time. The Americans, on the other hand, did not like employees to have outside interests or businesses. For

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67 C. E. Sorensen to Edward Grace, 1 Mar. 1922 (BFRC, Acc. 38, Box 45).

68 Branch manager's contract, 1 Oct. 1909 (BFRC, Acc. 140, Box 1), see Appendix 16.

69 W. S. Knudsen to F. L. Klingensmith, 4 and 15 Mar. 1919 (BFRC, Acc. 334, Box 1), cited in Tolliday, *Ford in Britain*, p. 13.

instance, when Grace became involved in another scheme to purchase property in 1921, Sorensen was adamant that he sever his connection with the scheme (see below). Perry's external business activities may have contributed to his disagreement with the company in 1919 and may account for later comments by local politicians.<sup>70</sup>

On the other hand, it might have been just an excuse concocted by Sorensen, to get over the lease issue. Perry was no longer around to defend himself from these allegations and would have made a convenient scapegoat for anything that happened in the early years. Sorensen wanted Perry's part in setting up these agreements exposed, writing to Grace, he stated that 'we want this point of view made public and the case put squarely before everyone'.<sup>71</sup> Either way, it's a measure of Sorensen's ruthlessness that he was prepared to publicly damage Perry's character over the housing issue, despite keeping in contact and apparently remaining friendly with him during his nine year absence from the company.

In the early 1920s Edward Grace became involved in another speculative property venture which had the potential for scandal and displeased the Dearborn management. In America, during the later years of what Nevins and Hill described as 'the brief golden age' of the company when the Ford company went through 'an era of social conscience' and was imbued with a progressive social spirit, Ford had built 250 houses for its employees.<sup>72</sup> Originally conceived as a method of mass producing cheap concrete houses for the workers, the Dearborn Realty and Construction Company (DRCC) was incorporated to build houses on land purchased by Ford in January 1919 and was headed

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70 Kevin Sheils commented in a memorandum that they 'dismissed a big name of his for carrying on with English motor interests against Fords', 24 Mar. 1923 (NAI, Department of Taoiseach, S 5782).

71 C. E. Sorensen to Edward Grace, 1 Mar. 1922 (BFRC, Acc. 38, Box 45).

72 NH, vol. II, p. 345.

and promoted by Ford's secretary, Ernest G. Liebold.<sup>73</sup> When Ford's tractor operations were transferred from Dearborn to the Rouge plant five miles away in late 1921 the houses became difficult to sell, and with the 1921 general recession the project was abandoned.<sup>74</sup> Across the Atlantic in Cork, in early 1920, a group of promoters became aware of a site for sale and set up the Cork Building Sites and Construction Company Limited (CBSCC) to take advantage of the situation.<sup>75</sup> The aim seems to have been to provide houses for Ford workers based on the Dearborn model, but while the Ford operation was eighty per cent owned by Clara and Edsel Ford the Cork project was in the hands of outside promoters.<sup>76</sup> It is not clear who all of the promoters were, but the group included Grace, H. A. Pelly, A. J. Magennis and J. C. Dowdall.<sup>77</sup>

Before the new company had been registered, Henry Ford & Son's solicitor, J. J. Horgan, apparently acting for Grace privately, wrote to Pelly, manager of the Hibernian Bank which looked after Ford's financial affairs in Cork, stating that the deal was to be done in Grace's name: 'we are preparing an assignment in the name of Mr Grace and adding a declaration of trust on behalf of the new company'.<sup>78</sup> The property concerned was owned by a Mr John Reese and a week later Grace wrote: 'I have purchased Mr

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73 Bryan, *Beyond the Model T*, p. 75.

74 *Ibid.*, p. 82.

75 Edward Grace to H. A. Pelly, 6 Apr. 1920 (BFRC, Acc. 38, Box 45). The name of the company bears a remarkable similarity to the Detroit company, suggesting a linkage.

76 Liebold held 15 per cent of shares and C.R. McLaughton, secretary-treasurer of DRCC, held 5 per cent, Bryan, *Beyond the Model T*, p. 82.

77 J. J. Horgan to C. E. Sorensen, 6 Dec. 1921 (BFRC, Acc. 38, Box 45). A. J. Magennis, was an accountant and auditor in Cork, see Magennis to Edward Grace, re: proposed increase of capital, 3 Feb. 1920 (BFRC, Acc. 38, Box 42).

78 J. J. Horgan to H. A. Pelly, 30 Mar. 1920 (BFRC, Acc. 38, Box 45). John J. Horgan was the son M. J. Horgan who had established the firm M. J. Horgan & Sons, solicitors at 50 South Mall, in 1870. M. J. Horgan was the Election Agent for and personal friend of Charles Stewart Parnell, in addition to being a noted lawyer of his time. John J. Horgan took over the firm upon the death of his father and became a well known national figure when he presided over the inquests into the sinking of the Lusitania off the Old Head of Kinsale in 1915. Very active in business affairs, he represented Henry Ford & Son through the early years and the firm continues to represent them today. See firm's website: ([http://www.mjh.ie/about\\_us.html](http://www.mjh.ie/about_us.html)) (29 Jul.2008).

Reese's house, premises and lands at Ballincurrig, County Cork as trustee and on behalf of Cork Building Sites and Construction Company which is being formed by the promoters'.<sup>79</sup> The address given on this letter is *Clanloughlin*, Grace's home address, suggesting that he was acting in a private capacity.

When Barry Galvin, the solicitor representing Reese, wrote to Horgan agreeing this arrangement, he suggested an additional building option. He said that 'we should be glad if your clients would consider seriously the question of acquiring the Beaumont estate in connection with their scheme. It is the ideal housing site in the vicinity of the city and must be considerably more healthy locality than the lands of Ballincurrig'.<sup>80</sup> The following day, Horgan informed Pelly that Galvin was sending details of the title and price being sought for the Beaumont property.<sup>81</sup> The CBSCC took up the idea of purchasing the property in due course and when Grace wrote to Sorensen in August 1920 he said:

In connection with the housing scheme which I instigated here some months ago, we are now going to erect 50 small cottages of wood construction to meet the terrible demand for this type of dwelling. It is practically impossible to get a small five or six room house that it would be possible to rent for £5 or £6 a month. After these are completed we will see what can be done to go further in building either more of the small type or whatever is required.<sup>82</sup>

The problem of poor housing in the city of Cork was one which had been recognised by Perry in his original survey in 1913. He identified the 'necessity...of

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79 Edward Grace to H. A. Pelly, 6 Apr. 1920 (BFRC, Acc. 38, Box 45).

80 Barry Galvin to J. J. Horgan, 29 Mar. 1920 (BFRC, Acc. 38, Box 45).

81 J. J. Horgan to H. A. Pelly, 30 Mar. 1920 (BFRC, Acc. 38, Box 45).

82 Edward Grace to C. E. Sorensen, 19 Aug. 1920 (BFRC, Acc. 38, Box 43).

careful organisation and assumption of responsibilities in respect of housing and improving conditions of living of employees'.<sup>83</sup> Later, Sorensen also appears to have been conscious of the housing need when on a visit to Cork in December 1919, soon after factory start-up, he cabled Henry Ford to say that 'housing is one of the big problems here and am endeavouring to stimulate interest locally. [It is] possible that we will have to give them a lift on this...'.<sup>84</sup> Sorensen cabled H. H. Fisher the following day to 'send Grace [a] good group of Dearborn realty pictures'.<sup>85</sup> Construction had begun on the American houses in May 1919 and presumably the photographs were to show Grace the new houses being built in Dearborn, perhaps as an example of what needed to be done in Cork.<sup>86</sup>

Within months, as we have seen, Grace had acted on Sorensen's suggestion and through the CBSCC was in the process of acquiring a number of suitable sites to build houses. The start of Grace's involvement with these purchases, in March 1920, coincides with Dearborn's era of enthusiasm for such social projects. Grace clearly states that he believed he was carrying out Sorensen's wishes in the best interests of the employees. There is also evidence of an attempt to justify and communicate the project to headquarters. In the Benson Ford Research Center (BFRC) an album of photographs exists which highlights the housing issue in Cork, comparing the Dearborn model houses with the decrepit slum cottages in Cork. The caption under one photograph of a typical slum dwelling reads: 'The house which consists of the doorway and window on the left is occupied by one of our employees who is earning a minimum of £4.11s.0d. per week.'

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83 P. Perry to Henry Ford, 25 Feb. 1913 (BFRC, Acc. 62, Box 95).

84 C. E. Sorensen to Henry Ford, 1 Dec. 1919 (BFRC, Acc. 62, Box 95).

85 C. E. Sorensen to H. H. Fisher, 1 Dec. 1919 (BFRC, Acc. 62, Box 95).

86 Bryan, *Beyond the Model T*, p. 82.

This man has a wife, 2 children and a mother to share the house'.<sup>87</sup> The album is undated, but based on dates quoted in its introduction, was produced in early or mid-1920. While its specific purpose is unstated, the introduction to the photographs is entitled 'Housing in Cork' and opens: 'For years past the housing problem in Cork has been attracting the attention of social reformers; but in spite of the cumulative effect of statistics, propaganda, lecture and appeal, the problem remains'.<sup>88</sup> The album contains extracts from 'a Report of Medical Officer of Health' and from 'a Report of Local Government Board's Architect', the latter dated October 2, 1919. It states that:

4,000 houses are required at once. The photos in this album are a representative collection of the commonest type of dwelling in the city. Examples of extreme dilapidation have not been included. The case for housing in Cork needs no special pleading. The average of squalor speaks for itself.<sup>89</sup>

Contrasted with the slum cottages of Cork, are three photographs of the housing built by the DRCC in Dearborn with Ford Model T's parked outside, while the caption reads, 'This picture and the two following need no comment.' The final two photographs are captioned 'Ideal housing sites,' representing two sites overlooking the city of Cork with the commentary that: 'The slums of Cork, and Cork is mostly slums, are a blot on the face of a beautiful county. This picture and the following one show two beautiful sites which could be used for housing the working people'. This album links the issue of Cork housing to the project under way in Dearborn and clearly suggests the need for a similar scheme to alleviate the housing problems of the city as well as for Ford employees.<sup>90</sup>

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87 Photograph album, unlabelled and undated, early to mid-1920 (BFRC, Acc. 1660, Box 130).

88 Ibid.

89 Ibid.

90 Ibid.

In November 1920 the CBSCC, registered at 55 South Mall, announced in the *Fordson Worker* that they had:

purchased the Beaumont estate and hope to have thirty to forty houses erected there and ready for occupation before the end of the present year. Purchase of those houses, with the conditions under which applicants may purchase them outright or become tenants of the above company will be duly posted in the works.<sup>91</sup>

While Edward Grace was confidently promising to provide housing for Cork, in America, by December 1920 the Ford Motor Company was in severe financial difficulty and arguably, on the brink of bankruptcy.<sup>92</sup> The ensuing corrective action included plant closures, cut-backs and lay-offs as well as the abandonment of the 1914 social welfare programme and the departure of the head of the sociology department. Sorensen was now in the ascendancy and since his main aim was production, he was no longer sympathetic to welfare programmes in America or in Cork.<sup>93</sup> Sometime in June he questioned E. L. Clarke about 'Pelly's housing scheme'. Clarke replied cautiously:

...I will write you soon with reference to Pelly's housing scheme, but there are a few enquiries I wish to make first, so that I can put the whole matter clearly as I see and find it. But without dealing with the scheme as it stands today, I am sure that if those men who are in it tackled the job in an energetic fashion, it would be a complete success. They have suitable property, and plenty of tenants eagerly awaiting transfer from the slums.<sup>94</sup>

Sorensen followed up with a letter to Grace: 'Now against my advice you got mixed up in some real estate matter, which has caused a lot of embarrassment over here and will, no

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91 *Fordson Worker*, no. 1, 15 November 1920 (BFRC, Acc.38, Box 43).

92 Brinkley, *Wheels for the world*, pp 267/8.

93 Greenleaf, *From these beginnings*, pp. 23/24.

94 E. L. Clarke to C. E. Sorensen, 1 July 1921 (BFRC, Acc. 38, Box 45).

doubt, continue to be a source of embarrassment to you'.<sup>95</sup> Later, Grace pleaded with Sorensen to reconsider taking over the Ballincurrig property, Grace said: 'The property is the most valuable in the vicinity of Cork for building purposes and can be subdivided into lots and sold at a considerable profit'. It also offered advantages to Henry Ford & Son as the land had a limestone quarry which could be used as a source of revenue for the company 'because of the large quantities of limestone used both in our building extensions, making of roads, and in our cupola as flux'. Grace continued that the company was 'purchasing about eight tons of moulding sand per day from a pit in the property'.<sup>96</sup> Despite the excellent prospects outlined by Grace, Sorensen refused to permit Ford to be involved. Grace eventually conceded that the scheme might have been a mistake, but said that it:

was worked out from what was *thought to be your wish* and with the desire for the furtherance of the best interests of *our employees*; and if we had peace here instead of all the trouble since its organization the scheme would have been a successful one, and now we have a prospect of it undoubtedly will be successful. If you could see your way to allow us to take over the responsibility of the property without being hampered by outside directors, who do not understand modern building schemes, I am sure it will be a success.<sup>97</sup>

Meanwhile Pelly had travelled to Detroit to explain his case to Sorensen, but had apparently been rejected by him.<sup>98</sup> Now, despite being fully aware of Sorensen's viewpoint, Grace was appealing to Sorensen again to take over the project. He was also pleading a humanitarian case for Pelly, who was at risk of losing his position in the

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95 C. E. Sorensen to E. L. Clarke, 22 Aug. 1921 (BFRC, Acc. 38, Box 46).

96 Edward Grace to C. E. Sorensen, 4 Oct. 1921 (BFRC, Acc. 38, Box 45).

97 Ibid. Italics by author.

98 C. E. Sorensen to H. A. Pelly, 29 Apr. 1921 (BFRC, Acc. 38, Box 133).

Hibernian bank, with no prospect of getting into another bank.<sup>99</sup> But Sorensen was not interested. Later Pelly threatened legal proceedings against Ford arising out of their failure to go ahead with the project. He subsequently changed his position and claimed that his threat was not against Henry Ford & Son, but against Grace.<sup>100</sup> Horgan, acting for Ford, met the directors of the Hibernian Bank who agreed that ‘the whole matter arose through Pelly taking upon himself to do things without any authority from Henry Ford & Son Ltd., and stated that they desired to let the whole matter drop’. They hoped that Ford would do the same. Horgan assured them that Ford ‘had no desire for anything but friendly relations with the Bank, but that owing to Pelly’s conduct and language...had to get the matter cleared up’.<sup>101</sup> Writing to Sorensen, Horgan stated that he was certain that the bank did ‘not intend to proceed against Mr Grace or the other guarantors either, as having regard to Pelly’s misrepresentation, they would have no case’.<sup>102</sup> On receipt of Horgan’s letter and just as the problem with the corporation lease was emerging, Sorensen wrote to Grace demanding ‘an advise’ from him ‘that the affair has been entirely cleaned up, and that you are not connected any further with this building corporation’.<sup>103</sup> Grace promptly replied that he had ‘severed any connection’ he had with them.<sup>104</sup>

From the evidence it appears that Grace interpreted Dearborn’s short-lived enthusiasm for providing housing as a direction to do something similar. He presented his case graphically, using the aforementioned photographs, he investigated available sites

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99 Edward Grace to C. E. Sorensen, 4 Oct. 1921 (BFRC, Acc. 38, Box 45).

100 J. J. Horgan to C. E. Sorensen, 9 Dec. 1921 (BFRC, Acc. 38, Box 45).

101 Ibid.

102 Ibid. A Mr Magennis is mentioned as one of the guarantors.

103 C. E. Sorensen to Edward Grace, 17 Dec. 1921 (BFRC, Acc. 38, Box 45).

104 Edward Grace to C. E. Sorensen, 23 Dec. 1921 (BFRC, Acc. 38, Box 45).

and set about purchasing suitable land. But Dearborn's enthusiasm had waned and financial constraints undermined such liberal schemes before they reached a conclusion. Never one for unnecessary social work, Sorensen no doubt disowned the project, leaving Grace, and particularly Pelly, in the lurch. When Pelly discovered his position and threatened Ford with proceedings, Horgan was delegated to get the bank to drop the issue. Pelly was left as the scapegoat for presumably making the purchase at Grace's behest but without any authority from Henry Ford & Son. Grace was also off the hook as the bank were not about to proceed against him or the other guarantors. However, the whole incident had the potential for embarrassment to Henry Ford & Son, with the issue of the employment numbers being discussed in the media and Sorensen inferring land speculation by Perry, he did not need allegations of speculation against Grace or Henry Ford & Son.

In the event the problem of slum housing fell back on local authorities to deal with. The Cork Town Planning Association, founded in 1922, carried out an exhaustive civic survey to identify the magnitude of the problem. Published in 1926, the survey reported that poor housing was a major consideration with 16,000, or one fifth of the city's population, living in unhealthy conditions. The need for a long-term housing programme was recognised by the survey and it recommended that the slum areas be cleared and residents re-housed on the outskirts of the city.<sup>105</sup> Despite a shortage of money the problem of slum houses was made a priority and the corporation carried out a number of schemes during the late 1920s and 1930s.<sup>106</sup>

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105 Patrick O'Flanagan, Cornelius Buttiner,(eds), *Cork: history and society* (Dublin, 1993) p. 958.

106 Henry Jeffries, *Cork: Historical perspectives*, (Dublin , 2004) p. 207.

By the summer of 1919 much of the work on the wharves, foundry and machine shop had been completed, but the factory as a whole was far from ready. Despite the building limitations the first tractor, assembled from Dearborn parts, came off the line on 3 July and by the end of the year 303 Fordson Model F tractors had been produced. Throughout 1920, production continued to increase, manufacturing as well as assembly commenced, and hopes for the future ran high as Dearborn invested the funds necessary to build a business which could create a farming revolution in Europe.<sup>107</sup> Within a short period almost 1,800 workers were employed and they produced a total of 3,626 tractors in 1920. During that year a number of changes took place at Ford. On 21 April, the Ford family transferred the shares in Henry Ford & Son of Cork to the Ford Motor Company in Detroit, and in the hope of improving sales, responsibility for selling Fordson tractors was shifted from the specialised tractor dealers to the ordinary car and truck dealers.<sup>108</sup>

When works manager, Peter MacGregor, wrote to Sorensen announcing the assembly of the first tractor at Cork in July 1919, he had parts on hand for a further twelve tractors and he ordered ‘everything for two hundred’.<sup>109</sup> The jubilant report of this first milestone was accompanied by a list of quality problems affecting the tractor parts sent from Detroit, the long sea journey having taken its toll. He said:

On account of so much handling, parts are in a very bad condition, such as fuel tanks dented, transmission housings broken, pistons very rusty, magnets will all have to be re-charged, about 75 per cent of coil units are no good and most of assemblies will have to

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<sup>107</sup> WH, p.102.

<sup>108</sup> Ibid., p. 103. 1919 was the year of the trial with the Dodge Brothers concerning ownership of Ford Motor Company, by 1920 when the Rouge came on stream, Ford owned the whole company.

<sup>109</sup> P. MacGregor to C. E. Sorensen, 7 July 1919 (BFRC, Acc.38, Box 46).

be re-built.<sup>110</sup>

The problems with parts caused by excessive handling and exposure to sea air would plague Cork as long as supplies were sourced in Dearborn. More generally, MacGregor spoke positively of the general workforce though, not unexpectedly he complained that ‘mechanics are hard to find’. Having so far failed to find a home for himself, he described housing in the city as ‘deplorable’.<sup>111</sup>

With building work still in progress, the conditions under which they were working were both difficult and discouraging. MacGregor describes ‘rain coming through building everywhere, yards covered with thousand of tons of concrete, reinforcing iron, and other building material (over supply) and no tools to work with. It takes from two to three weeks to get anything from England’. However, he was expecting to turn out ‘two or more tractors a day from now on’. Commenting again on the productivity of the workers he said they ‘take a roundabout way of doing things, but we are introducing such things as using a 3” paint brush, where one (inch) had been the custom’.<sup>112</sup>

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Working conditions in the ‘state of the art’ factory were typical ‘Fordist’. The repetitive, monotonous work was to some extent compensated by high pay rates. The assembly line might have been a wonder to outsiders who saw it in operation, but for workers who had to keep up with its pace, it could be soul destroying. In the past, teams working together might be paid at piece rates and be free to determine their own pace; now the conveyor belt dictated the pace and this was controlled by Ford. Moreover, in the older regime, work had a degree of interest and variability. The key to achieving

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110 P. MacGregor to C. E. Sorensen, 7 July 1919 (BFRC, Acc.38, Box 46).

111 Ibid.

112 Ibid, 23 July 1919 (BFRC, Acc.38, Box 46).

maximum output with conveyor belt systems is that the conveyor dictates the pace, thereby putting continuous pressure on the workers to perform the routine, simple tasks within the time allotted. Workers were also kept under close supervision to ensure no stoppages. Henry Ford was being less than honest when he claimed in 1926, 'We have never had a complaint about the repetitive work. The only complaints we ever had were during the first few months, when the men found it hard to do without smoking while at work'.<sup>113</sup>

Due to the nature of the product and its smaller volume, the factory in Cork produced at a lower speed and with less rigid discipline than the high-speed systems in Dearborn. Yet the patterns of monotony on the assembly line were similar. In other departments, such as the foundry, conditions were reminiscent of the 'satanic mills'. Despite the Marina facility being the most modern of its type, deafening noise, intense heat and heavy work were the norm, a horrific environment described in a local ballad as 'only one step from hell'.<sup>114</sup> Layoffs were common, most notably at times of model change-over when the majority of staff would be let go. Occasionally work would be provided in Manchester or later Dagenham giving rise to the term 'Dagenham Yanks'. Trade union representation was not permitted until after World War II, but from the earliest days local factory negotiations and problems were dealt with through an elected worker's representative committee.<sup>115</sup>

Henry Ford later painted an almost idyllic picture of the effects of his industry on the workers of Cork. 'We have no labour turnover whatever, and always have a long

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<sup>113</sup> Ford, *Today and tomorrow*, p. 258.

<sup>114</sup> Nyhan, 'A history of the Cork plant', p. 57.

<sup>115</sup> *CE*, 16 Oct. 1920.

waiting list.’ He went on: ‘the men no longer spend their evenings hanging around grog shops in old clothes and kerchiefs...you will see them in the evening strolling out to see the pictures with their wives, and they are wearing collars and swinging canes’.<sup>116</sup> While undoubtedly the relative stability that regular, well-paying jobs brings to a community would be obvious in Cork, Ford’s sentimental view ignores the mental and physical strain endured by employees working in his plant.

As with many of his other ideas, Ford had a progressive attitude to the running of factories and he attempted to improve the working conditions and environment as far as was possible. Ford in Ireland operated much as they did in United States where Kahn’s reinforced concrete buildings, while cheaper and more flexible than traditional buildings, created wide open factory areas with bright airy spaces, lit from vast expanses of window panes, which according to Lacey ‘turned every other factory into a prison workshop by comparison’.<sup>117</sup> Ford was obsessive about cleanliness and order and his factories reflected his views. In Cork the local view was: ‘we had Dunlop and Ford where you could eat your dinner off the floor’.<sup>118</sup> There was also a strong emphasis on safety. The company safety programme was based on a few common sense principles which were implemented conscientiously. First, keep the workplace place clean; second, ensure that the worker is comfortable and third, engineer each machine to be as accident-proof as possible.<sup>119</sup> Ford employed the latest equipment and techniques to ensure that factory and safety conditions were to the highest contemporary standard. Safety equipment was installed and maintained, while dedicated crews worked to keep the factory clean and fresh by a rigid

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116 Ford, *Today and tomorrow*, p. 259.

117 Lacey, *Ford*, pp 104/5.

118 Teddy Delaney, *Where we sported and played* (Cork, 1991) p.7.

119 *National safety news*, vol. 2, No. 11, 13 Sept. 1920 (BFRC, Acc.572, Box 27) p. 5.

schedule of cleaning and painting. As a reminder to all management and staff, his department communication notepaper had the statement ‘Make Ford plants safe’ prominently displayed.<sup>120</sup>

As the Marina factory was being commissioned, MacGregor, in his report on building and manufacturing details, stated that a ‘first aid man and medicine cabinet [had been] installed for minor injuries, and an understanding with the South Infirmary for more serious cases, had been arranged’.<sup>121</sup> Further evidence of the company’s attitude to safety is apparent from Grace’s requisition for a modern sand blast outfit when he comments: ‘I know that formerly the attitude of the Company towards sand blasting was that it was unhealthy to the man. However, since the new type of sand blasts has been brought out I understand that your attitude has changed’.<sup>122</sup> Later, a safety department was in operation and safety education was used, together with factory posters highlighting potential accident risks and promoting safe working practices.<sup>123</sup>

Ford’s revolutionary attitude of paying good wages and providing a good, clean and safe working environment all contributed to the efficient running of the plant. Ford was concerned about the welfare of the men and safety was treated seriously. But he was also concerned with production, he said ‘production without safety is inefficient’.<sup>124</sup> Accidents interrupted the running of the conveyor. Just as each work station was designed to minimise the physical efforts of the employee, thus maximising the output, for the same reason, they were designed to minimise the risk of accidents.

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120 For example, Memo to Mr Longley of Legal, 2 Apr. 1926 (BFRC, Acc.329 , Box 1). Prominent also was the statement ‘Verbal orders don’t go.’

121 P. MacGregor to C. E. Sorensen, 20 Aug. 1919 (BFRC, Acc. 38, Box 46).

122 Edward Grace to C. E. Sorensen, 13 Sept. 1920 (BFRC, Acc. 38, Box 46 ).

123 R. Howcraft to Russell, Safety posters, 13 Sept. 1929 (BFRC, Acc. 38, Box 1).

124 *National safety news*, vol. 2 , No. 11, 13 Sept. 1920 (BFRC, Acc.572, Box 27) p.1.

In contrast to the physical environment, the atmosphere amongst the employees was tense and pressured. They were expected to concentrate on keeping the conveyor going smoothly, without interruption. Anything which distracted the employee from his task was frowned upon. Working in Ford in Detroit was a serious business with no concessions given to frivolity. Henry Ford kept top management pressured and off balance and the pressure fed all the way down to the workers.<sup>125</sup> In Cork, demand to produce was also strong. Sorensen exerted continuous pressure on Grace and later on Clarke. The stress felt by the workers was lessened by the smaller scale, less stringent discipline imposed and the naturally gregarious nature of the employees.

To the thousands of workmen seeking jobs in the new plant rising on the Lee, these considerations would no doubt be secondary to the good wages and conditions on offer. With jobs scarce and well-paid jobs impossible to find, Ford offered an attractive proposition to workers in Cork city and hinterland. Later when the company settled into the motor car assembly business, leaving behind the fluctuations of the tractor era, and workers began to enjoy some degree of security, their dissatisfactions would find expression in collective bargaining and unionisation.

Just as Ford management in Detroit tried to educate the workers to be prudent with their wages, so Edward Grace introduced parallel schemes to assist Marina employees to develop good financial habits. Amongst a number of Ford schemes, Grace introduced a life assurance scheme for employees. The scheme meant that 'a man can insure his life for two hundred pounds for £2.4s.0d. per annum'. Grace had discovered that the workers had not been in the habit of providing for themselves with life insurance.

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<sup>125</sup> Lacey, *Ford*, p. 350.

About seventy percent had no insurance at all while most were insured for only small amounts with as few as 11 employees carrying £200 or more.<sup>126</sup>

The company also introduced a saving scheme. Based on the Dearborn Investment Certificates scheme it was universal in Ford plants and was so popular with workers that about eighty percent of employees participated, enjoying a high rate of interest similar to that paid by Ford's in Detroit. Investment was limited to one third of an employee's wages and the savings represented a buffer against the all too frequent layoffs.<sup>127</sup> After about a year in operation, Clarke reported 'that since the payment of the interest on the Investment Certificates the scheme has appealed very much more to the men....The amount standing towards the purchase of certificates amounts to £2,799.10s.10d. making a grand total of £7,599.10s.10d. Of this amount, £7,500 stands in a deposit account with the Hibernian Bank, earning a maximum interest but, of course, *available for use in the course of our business, when required*'.<sup>128</sup> Thus, the saving scheme benefited the employees, but also served the needs of Henry Ford & Son.

Grace was keen to help in practical ways as the company had done for workers in United States. Firstly, in August 1920 he opened a small lunch room where food was sold at cost, two shillings for a good meal, which he hoped later to reduce to 1s.6d. Alongside the restaurant, Grace started a small scale cooperative store where shoes and socks were sold in an effort to eliminate foot injuries caused by sharp objects piercing of the men's poor quality shoes. Bulk purchase from the local boot factory permitted the company to sell shoes at 10s. to 12s. per pair, cheaper than the retail price, with the result that in the

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126 Edward Grace to C. E. Sorensen, 24 July 1920 (BFRC, Acc. 572 , Box 17).

127 NH, vol. II, pp 330/331.

128 E. L. Clarke to C. E. Sorensen. (author's italics), 9 Aug. 1920 (BFRC, Acc. 38, Box 42 ).

first week they sold about 60 pairs of shoes. Grace's ambition was to assist the workers by starting 'a real store like that at the Ford Motor Company' as well as 'a nice clean meat market and grocery store with, perhaps, a general counter. The cost of food is extremely high here as well as all other commodities'. He believed that the retail dealers in Cork were taking advantage of those who worked for Ford and were charging them inflated prices.<sup>129</sup> In Dearborn during 1919 Ford had seen his workers' salaries eroded by post-war inflation and had responded by selling fish and later meat to his employees. Soon the range of goods had been expanded providing a range of high quality merchandise at cost price.<sup>130</sup> As well as advertised brand products, Ford sold many products under their own 'Ford' name.<sup>131</sup> Operating on very modern, almost supermarket lines, by 1926, Liebold claimed that the Ford store was the largest of its kind in the United States, with total sales of twelve million dollars annually and a profit of just over three per cent. Originally the stores were open only to Ford employees who had to show their company badges, but by 1926, they were frequented by the general public.<sup>132</sup> However, trouble was brewing as retailing organisations began to object, accusing Ford of selling below cost. The National Association of Retail Meat Dealers wrote to Henry Ford claiming that he was selling 'merchandise to the public at ridiculously low prices...your prices to the general public are unfair to yourself as well as to the Detroit meat dealers in general'.<sup>133</sup> Liebold robustly defended Ford's position, suggesting that they had applied their modern manufacturing methods to the retail business, turning over

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129 Edward Grace to C. E. Sorensen, 19 Aug. 1920 (BFRC, Acc.38 , Box 43).

130 Bryan, *Beyond the Model T*, p. 213.

131 *Ibid.*, p. 215.

132 E.G. Liebold to L. F. Padberg, secretary of Missouri Retail Merchants Association, 26 Nov. 1926 (BFRC, Acc. 527, Box 27).

133 Charles Schuck, The National Association of Retail Meat Dealers, to Henry Ford, 20 Dec. 1926 (BFRC, Acc.527 , Box 27).

large sales volumes and thus reducing the price to the customers.<sup>134</sup> In effect, the Ford stores, by applying the mass production manufacturing systems, were creating the supermarkets systems which would evolve later. Predictably, local merchants fought back and on 4 April 1927 a thousand members of the Detroit Retail Merchants Association gathered to demonstrate their objection to Ford's practices, forcing the company to restrict access to their stores to Ford employees, on the pretence that the business had grown too big for the Ford company to handle.<sup>135</sup>

In Cork, the store was expanded and later in 1922 when Ford was in conflict with Cork Corporation one of the workers wrote anonymously to the *Cork Examiner*, praising the employee benefits which the company provided:

The workers in the Ford firm are provided with a cooperative store for the sale of food, clothing, etc. Everything is sold at cost price, thereby eliminating middlemen's profit. Every worker can become a partner in the firm by investing his spare cash, and the interest allowed on these investments so far has been excelled only by Munster and Leinster bank.<sup>136</sup>

These perquisites were part of the standardised systems which Ford operated in all its plants, domestic and foreign. The same generalised letters of instructions were sent to each of them ensuring standardised accounting, sales, and production and purchasing procedures. 'Each company had binders into which these missives went, their rules and policies to be followed implicitly. These came to be known among employees abroad as the "Ford Bible".'<sup>137</sup> While the schemes introduced by Fords were beneficial to the

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134 E. G. Liebold to L. F. Padberg, 26 Nov. 1926 (BFRC, Acc. 527, Box 27).

135 Bryan, *Beyond the Model T*, p. 220.

136 CE, 11 Mar. 1922, Published letter from 'An Organised Worker.'

137 WH, p.100, see footnote p. 474: 'W. L. Graham, Treasurer's office, FMC-US, sent a copy of the letter on investment certificates

employees, training them to act prudently and providing for times of difficulty, these schemes never went as far as the interference practised by the sociological department in Detroit.

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By late August 1919 MacGregor had the capacity to assemble 10 tractors a day. Each department was still operating with great difficulty, several were partly fitted out with machinery erected and benches in place, but still awaiting conveyors, while building work was still in progress. Training of manpower continued, mainly in the assembly area. MacGregor reported his efforts at ‘organising and breaking-in men on all sub-assemblies, including radiators, gear shifters, clutches, front axles and dashes. Parts are poorly machined and need a lot of reworking before assembly can be done’.<sup>138</sup> As the management and workers struggled to deal with the problems, some newspapers expressed doubts about the viability of the operation. The *Detroit News* reported from the Cork factory on the state of play, quoting the British view of Irish workers that ‘the Celt is racially and temperamentally unsuited’ for factory work. Naturally, the Irish view was the direct opposite saying that ‘Ireland is as well-suited to manufacturing as England’.<sup>139</sup> An Egyptian writer who visited the works in November, described:

a fine modern factory...where agricultural motor tractors were made on a large scale. The foundry and machine shops were not in full swing as the as the place was still unfinished but everything was being arranged in the usual American businesslike manner. Almost all the workers and mechanics were Irish while the few heads were from across the

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to E. G. Liebhold, 8 Dec. 1920, with the information that it had been sent to all foreign companies except Henry Ford & Son Ltd. in Ireland; Liebhold sent a comparable one to Cork, Acc. 285, Box 11.’

138 P. MacGregor to C. E. Sorensen, 20 Aug. 1919 (BFRC, Acc.38, Box 46).

139 *Detroit News*, 5 Oct. 1919 (BFRC, Acc. 44, Box 14).

Atlantic.<sup>140</sup>

With production operations at the Marina plant steadily improving, the man responsible for much of the original organisation of the company departed the scene. On 30 September 1919, Percival Perry resigned his post as managing director of Henry Ford & Son and on 29 November 1919 Edward Grace was appointed to replace him.<sup>141</sup> The circumstances of Perry's resignation from the Ford Motor Company will be dealt with in chapter eight.

Following Perry's departure, Ford of England enjoyed a very successful year in 1920, after which it settled into a period of steady decline under a succession of imported American managers.<sup>142</sup> Percival Perry was rehired by Henry Ford in 1928, but in the interval, the plants at Cork and Manchester were managed separately, the two continually pulling against each other with little support from the British management for either the Cork plant or the tractor business. The absence of Perry was a significant loss to Ford's business in Europe, but especially to Ford of Cork. His business skill, drive and contacts and particularly his relationship with dealers, could have generated sales, creating more demand for Cork's tractors. In addition, his overarching control of the business in Britain and Ireland might have yielded better results by coordinating sales and improving relationships between the two plants, while ensuring that rational inter-company pricing structures applied. His personal relationship and contacts with both Henry Ford and Charlie Sorensen were assets which he could have used to the advantage of both businesses. In a key period when local and international problems were legion, the single

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140 Ibrahim Rashad, *An Egyptian in Ireland* (Bristol, 1919), p. 63. (24 Nov. 1919).

(<http://timea.rice.edu/texts/RasEgyp/RasEgyp.html#RasEgyp.xml-div1-d0e1651>) (5 Sept. 2006).

141 WH, p. 102.

142 Production of cars and trucks for 1920 was 46,362, by 1928 output had declined to 6,685 units, see Appendix 1.

strong man who might have brought success was gone.

Perry's departure triggered a number of changes at board level. Sorensen, Grace, Clarke, Warren Anderson as well as Henry Ford's secretary Ernest Liebhold were appointed directors. Grace was appointed to succeed Perry as managing director of Henry Fords & Son on 29 November 1919 and together with Clarke and Anderson, formed a committee for the general management of Ford's of Cork, while Sorensen, Liebhold and Edsel Ford were to deal with matters of 'organisation and policy and to control as they see fit the before mentioned committee of Messrs Anderson, Grace and Clark'.<sup>143</sup> Thus, in Perry's place, a triumvirate was appointed which, almost from the beginning, demonstrated divergent attitudes to the British and Irish businesses.

Warren G. Anderson, appointed to take charge of Ford in Britain, had previously been head of Ford's assembly branch in Saint-Louis, Missouri. Anderson's attitude, according to Tolliday, was that 'anything Perry had done was wrong and to undo anything that Perry had done was right'.<sup>144</sup> He implemented Ford's American standards to the point of absurdity. For example, 'the right-hand drive version of the Model T that Perry had introduced before the war was withdrawn and Manchester had to produce only left-hand drive cars (which then had to be converted by their buyers)'.<sup>145</sup> His insistence on exclusive dealerships, prohibiting dealers from selling other makes of cars, resulted in the defection of some 800 dealers. Discussing these issues much later, Perry said: 'It is no use burying one's head in the sand and going ahead applying policies over here, no matter how successful they may have been in America, because conditions here are

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143 Minute book, secretary's office, 4 Dec. 1919 (BFRC, Acc. 880, Box 7). Anderson, Grace, Liebhold and Clarke each were allocated ten shares in Henry Ford & Son. See Minute book, secretary's office, 5 Dec. 1919 (BFRC, Acc. 880, Box 7).

144 Tolliday, 'Ford in Britain', p. 13.

145 Ibid.

different'.<sup>146</sup>

Grace, as managing director of Henry Ford & Son's Cork factory appeared enthusiastic and hard-working from the start. No doubt he was keen to use his overseas experience to achieve recognition and enhance his promotion prospects on his return to Detroit. Described by the *Detroit News* in 1919 as 'a very youthful appearing product of Detroit industry' he had previously been employed as a superintendent at the Dearborn Fordson tractor factory. He was a Ford man through and through, his training and experience had all been gained with the company. Born sometime in the 1880s in the neighbourhood of the Ford plant on Lafayette Boulevard, Grace went to Ford directly from school. Together with MacGregor, Mulligan and Waldron, all former superintendents from the Dearborn plant, he provided the management skills to run the new plant.<sup>147</sup> Other key managers included company secretary, Eugene L. Clarke, and the uniquely named Port Stewart who was responsible for purchasing.

Clarke, who was born in Easkey, County Sligo in January 1891, emigrated to London where he attended evening classes studying commerce and accountancy. Homesick, he returned to Ireland and taught in Dublin until Easter 1916 when, while visiting his girlfriend in Bantry, he was stranded in Cork city due to the rail disruption which followed the 1916 Rising. Offered a temporary teaching job, Clarke stayed in Cork. Later he worked as an accountant, but upon hearing rumours of Ford's purchase of the race course site, he applied for work with the company and was accepted. Working out of a room in the Imperial Hotel and reporting to Ford's construction manager B. R. Brown, in the early months of 1917 Grace set up Henry Ford & Son's accounting and

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<sup>146</sup> Tolliday, 'Ford in Britain', pp 13/14.

<sup>147</sup> *Detroit News*, 5 Oct. 1919 (BFRC, Acc. 44, Box 14).

purchasing system. As building work progressed, Clarke organised the payroll for some 300 building workers.<sup>148</sup> On 10 September 1917 he was appointed company secretary.<sup>149</sup>

Asked, in 1919, for his impressions of his employees Edward Grace replied: ‘The raw labour we get here is highly superior to that which we are now getting in Detroit, and there is an unlimited number of men to choose from.... The men have to be taught the American way of working, but learn well’. He claimed, somewhat optimistically, that they had to teach the men that they didn’t need to make the work last, to stretch it out, as there would always be more. ‘We go on the theory that, if we can wear a machine out in one month, so much the better. We get our money out of it just that much more quickly and make way for a more modern machine which may do the work faster and better’.<sup>150</sup> His optimistic view of an ever-increasing market demand, calling for constantly increasing output was based on his experience in Dearborn, where sales and production of the Model T had burgeoned year after year. Even the Fordson tractor, which had recently been introduced in the United States, followed the pattern, with 1919 production rising by almost seventy per cent over the previous year’s output, but Europe was a smaller, more conservative market and post-war economic circumstances were unlikely to support American sales levels.<sup>151</sup> His optimistic view would be severely tested in the years ahead.

After a token start in 1919, the building work, installation and commissioning of plant and equipment and of course training workers continued through 1920. The Cork management group were grappling with the range of problems associated with any large

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148 Interview with E. L. Clarke, *I remember Henry Ford*, 22 November 1982 (RTE Libraries and Archives).

149 Minutes of director’s meetings, 20 Sept. 1917 (BFRC, Acc. 328, Box 1).

150 *Detroit News*, 5 Oct. 1919 (BFRC, Acc. 44, Box 14).

151 See Appendix 2.

scale industrial start-up, as well as others more specifically related to the untrained workforce and the need to provide training for an ever-expanding group. In Dearborn expansions, the original workforce acted as a core group who could assist with training new workers, but in Cork no such core group existed, so that the degree of responsibility and pressure on the management team was greater. Additionally, the post-war situation exacerbated the difficulties of obtaining supplies, while Sorensen's constant demands for action and information added to the problem. Inevitably these pressures lead to strain and errors. Outside the factory, in Cork and its surrounding area, the country was in turmoil, a guerrilla war was being waged by the IRA. Daily shootings and ambushes meant that life was very disturbed and about to deteriorate. On 20 March 1920 Tomás MacCurtain, Lord Mayor of Cork was shot in his home. A few days later, the British government introduced its response to the raids and ambushes being carried out by the IRA: on 25 March 1920 the Black and Tans, arrived in Ireland.

Undoubtedly the Ford management team were too preoccupied with their problems to focus for long on the political issues of the country. The building and production difficulties were being addressed and gradually eliminated, so that output increased and a steady flow of tractors started to emerge from the factory. On the administrative side, systems, such as costing systems, stores accounts and accounts classifications were being brought into line with those in operation in Dearborn.<sup>152</sup> Even as the factory began commissioning, evidence of sales difficulties were apparent. In March 1920, J. N. Byrne, the commercial manager, wrote to Sorensen signalling the problems that lay ahead. He reported that

owing to the unsettled state of our sales organisation in the British Isles at present, due to

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<sup>152</sup> E. L. Clarke to C. E. Sorensen, 7 Jan. 1920 (BFRC, Acc. 572, Box 17).

the change in our sales policy and to the fact that the ploughing season here is over and consequently the demand for tractors has dropped considerably we are faced with the situation where our production is in danger of overtaking British demands.<sup>153</sup>

Sorensen wrote to Grace a week later to tell him that W. A. Ryan, head of sales and advertising in Dearborn, was in Europe and that he should consult him about his sales problems.<sup>154</sup> The archives give no details of any subsequent meeting and there is no evidence of any beneficial change. Instead, the company made an organisational change which adversely affected tractor sales. The plan, mentioned earlier, to transfer sales of Fordson tractors to Ford car and truck dealers came about when Edsel Ford proposed, in September 1919, that since the Ford Motor Company had a more extensive sales and distribution organisation for cars, that this organisation should be utilised to improve the distribution of Fordson tractors.<sup>155</sup> In April 1920, once Detroit had acquired the shares of Henry Ford & Son Ltd from the Ford family, Edsel's suggestion was implemented. Unfortunately, while the motor agents were familiar with cars and trucks they were neither familiar with, nor interested in tractors. In Britain, following Anderson's changes, dealer's morale was low and there was little enthusiasm to promote agricultural equipment.<sup>156</sup> Grace sought to have the sales policy reversed to permit him to deal with British sales agents directly. He claimed that it would give the tractor business a better service, while eliminating the additional Manchester overhead costs.<sup>157</sup>

The problem with the dealers, together with the deteriorating economic conditions in Britain and on the continent of Europe did not bode well for sales. Sluggish sales

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153 J. Byrne to C. E. Sorensen, 25 Mar. 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 42).

154 C. E. Sorensen to Edward Grace, 2 Apr. 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 42).

155 Board of directors' minutes, 22 Sept. 1919 (BFRC, Acc. 329, Box 1).

156 WH, p. 103.

157 E. L. Clarke to C. E. Sorensen, 2 Apr. 1920 (BFRC, Acc.38, Box 42 ).

revealed other dilemmas and questions. One such was the sales price. Grace wished to raise the price to get a greater contribution towards his costs, but Ford's motor business had been built on reducing prices and Henry Ford's response to any sales problem was to lower prices and thereby increase sales.<sup>158</sup> Going against Ford policy, Grace sought to increase the retail price of his tractors from £280 to £300. His total costs per tractor amounted to £224.1s.1d., while the wholesale price to distributors was £225. This arrangement left him with almost no contribution to his overheads.<sup>159</sup> Sometime afterwards and without the assent of head office, Grace notified Manchester and the other Ford motor branches of a price increase. This action elicited an abrupt cable from Edsel Ford, warning him not to change prices unless advised by Dearborn and to recall the revised price notices issued. Edsel pointed out that 'Anderson is the authority on [the] commercial end of tractor business in Europe'.<sup>160</sup> Sorensen's reply was equally blunt: 'we must not raise the price', however, he promised that Bate would bring figures with him to try and arrive at a lower price. He warned Grace: 'It is imperative that you work with him'.<sup>161</sup>

Throughout this period Sorensen directed Irish operations from his office in the Rouge. Wilkins described him as: 'Like a general at staff headquarters in touch with his divisions in the fields, Sorensen despatched queries and directives to and received reports from, three men on the ground at Cork'.<sup>162</sup> His anger and impatience is very evident in the exchanges with the managers in Ireland, however, he always seemed willing to

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158 See Appendix 15 for prices of Ford cars in United States 1903-1916.

159 E. L. Clarke to C. E. Sorensen, 2 Apr. 1920 (BFRC, Acc.38, Box 42 ) and reply, C. E. Sorensen to E. L. Clarke, 25 June 1920 (BFRC, Acc.38 , Box 42).

160 Edsel Ford to Edward Grace, 23 June 1920 (BFRC, Acc. 38, Box 46).

161 C. E. Sorensen reply to Edward Grace, 25 June 1920 (BFRC, Acc.38 , Box 42).

162 Mira Wilkins notes (BFRC, Acc. 38, Box 43), p. 1.

develop and defend the Cork plant, but had no patience with bureaucracy or delay. His desire to be kept informed of all details, including local news stories of the day, was almost insatiable. He sent an endless stream of letters to Grace and later to E. L. Clarke. In these letters, he directed and demanded, threatened and ranted. He delivered contradictory comments and demands; he berated Grace for leaving the plant while at other times he demanded that he get out into the field and sell tractors. He interfered and made suggestions which when people acted upon, often led to problems which were in turn rejected. On his visits, he made unworkable agreements and left Grace to unravel the mess.<sup>163</sup> Sorensen kept Henry and Edsel Ford fully informed of events in the Cork factory while implementing Henry's wishes to the letter. It is safe to assume that all significant decisions taken by Sorensen in relation to the factory had Henry Ford's approval.

In mid-June 1920, tractors were still being assembled with parts shipped from Detroit, but with Cork's machine shop and foundry both practically complete, Grace wrote on 12 June, promising to cast the first cylinder in the coming week. While Ford had many assembly plants at that time, what distinguished Cork from other assembly plants was the existence of the foundry and machine shop, key facilities for making castings and machining parts to be used in the finished product. The foundry process consisted of pouring molten metal from the furnace into pre-formed moulds and then allowing the metal to cool and harden. Following cooling, the rough-cast part was extracted from the mould and delivered to the machine shop where the part was finely and accurately machined, leaving it ready for use in assembly.

Sorensen waited impatiently for Cork's foundry to be commissioned, finally, on

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<sup>163</sup> See later chapters. Examples include agreements made at his meeting with the lord mayor of Cork concerning the lease; his apparent suggestion to buy property; his instructions to Port Stewart concerning purchase of steel.

26 June 1920, Grace reported: 'Made first good cylinder casting today'.<sup>164</sup> Meanwhile, assembly operations too were beginning to show promise. On 3 July, exactly one year after the first tractor had been assembled, Grace reported his best week so far, with a total output of 173 tractors.<sup>165</sup> In the weeks that followed the output declined again to 80 and then to 21. This was a disappointing outcome as Grace had earlier informed Sorensen that the planned output for July was 200 tractors per week. During the month of July, 538 tractors were shipped from Cork.<sup>166</sup>

Sales of the Fordson tractors were not reaching expected levels, while costs, exacerbated by the start-up problems and delays, were very high, resulting in a high cost per unit. In an early and ominous warning, Sorensen warned Grace that 'as it stands today European distributors are able to buy a tractor in New York and ship the same into their territory, cheaper than they can through the Cork transaction'. He urged Grace and his assistant, Clarke to study the problem, but for the moment decided that Europe should nevertheless continue to buy tractors from Cork.<sup>167</sup> Thus, it was clear, even before the first full year of manufacturing operations had elapsed, that sales were on the decline and as the world-wide depression deepened a new approach was necessary to justify the existence of the Cork factory. Additional product lines were required to absorb the cost of factory and staff overheads.

Wilkins and Hill suggest that it was soon after this, in August 1920, that Grace recognised that the plant needed additional volume and informed Sorensen: 'We are

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<sup>164</sup> Edward Grace to C. E. Sorensen, 26 June 1920 (BFRC, Acc. 38, Box 43).

<sup>165</sup> Ibid., 3 July 1920.

<sup>166</sup> 136 to the British Isles, 100 to Bordeaux: 60 to Cadiz, 242 to Copenhagen) E. L. Clarke to C. E. Sorensen, 14 Aug. 1920 (BFRC, Acc.38, Box 43).

<sup>167</sup> C. E. Sorensen to Edward Grace, 21 June 1920 (BFRC, Acc.880, Box 7, Wilkins Papers, re: Acc. 38, Box 46).

starting to erect machinery on the Model T work'.<sup>168</sup> However, activity on the Model T had started earlier. In July 1920, Grace had written to Sorensen reporting that: 'the new foundry is completed for four bays and we have moved in and are moulding tractor cylinder heads and cylinders in two bays. In the third bay we intend to put the Model T cylinder and head, and Model T transmission cases in the fourth bay'.<sup>169</sup> In fact, plans to manufacture Model T parts appear to go back to the early days of Cork's operations. As early as December 1919, Grace had written to Sorensen, asking would the Ford Motor Company 'supply complete equipment for the manufacture of various Model T parts'.<sup>170</sup> Following a three months delay, Grace informed Anderson: 'I have today received a cable from Mr Sorensen stating that we are to build the complete Model T at Cork'.<sup>171</sup> Presumably Cork was to act as a manufacturing support to the Manchester factory and while the shortage of sales made the logic of this action very clear by mid-1920, it is also obvious from these comments that this approach had been discussed, if not decided upon, soon after the Cork start-up. It would appear that the Ford management may have taken into account that, just as the demand for motor cars was much smaller in Europe than in the United States, so too was the market for tractors likely to be less. Since Manchester had no foundry, it made sound business sense to use surplus foundry capacity in Cork to supply parts to them. The decision to produce a combination of tractors and Model T parts, not solely tractors as was publicised, may have been part of the thinking when the original decision was made to change from cars to tractors in late 1916. Given the reaction of the British motor industry to Ford's plan to build tractors, it may have been

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168 WH, p. 104.

169 Edward Grace to C. E. Sorensen, 22 July 1920 (BFRC, Acc. 38, Box 46).

170 Ibid., 19 Dec. 1919.

171 Edward Grace to W. C. Anderson, 25 Mar. 1920 (BFRC, Acc.38, Box 46).

deemed prudent to refrain from announcing the extra facilities, as this would have directly affected motor manufacturing producers in Britain.

During the spring of 1920, building work continued as rapidly as materials could be purchased. Machinery for producing Model T parts continued to arrive in Cork. In July, Grace wrote to Sorensen with a list of all the Model T tools and equipment already received on the steamer *Delavan*. However, he complained that things were not being done in the most efficient manner. ‘The trouble with the Model T machinery shipments was that instead of sending us the moulding equipment first they sent us the bulk of the machining equipment.’<sup>172</sup> With parts production for Manchester imminent, Grace raised the question of pricing of the finished articles. He suggested that ‘the proper way to charge Manchester would be to make our charges to them as high as possible in order that the profits of the company would be more with Henry Ford & Son, Limited than with the Ford Motor Company (England) Limited’.<sup>173</sup> His plan was for Cork to take most of the profits, because Cork was likely to be much less profitable than Manchester. This was hardly a business basis for a pricing structure. The issue of inter-company pricing was to recur and to present many difficulties in subsequent years.

By late August, the new machine shop was almost completed and machinery was being set up for the production of Model T parts. The foundry was pouring more than ten tons of metal a day, which was sufficient for the small tractor output, but the quality of the castings was still problematic.<sup>174</sup> To assist William Jackson, who was in charge of the foundry, John Woestenburg, an experienced foundry-man, was sent from Highland

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172 Edward Grace to C. E. Sorensen, 22 July 1920 (BFRC, Acc.38, Box 46).

173 Ibid.

174 Ibid., 19 Aug. 1920 (BFRC, Acc.38, Box 43).

Park.<sup>175</sup> The additional expertise improved things somewhat, but the quality of the castings coming from the foundry continued to cause problems and despite the American foundry-man's efforts, costs remained high due to inexperienced labour and lack of handling equipment.<sup>176</sup>

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Events in Ireland were not happening in a vacuum. In the months immediately after World War I, American motor manufacturers discontinued war production and retooled to supply the huge demand for new cars. In 1919, Ford sold more than ever before, but the sales boom halted abruptly in the summer of 1920.<sup>177</sup> The sudden downturn in sales caught Ford, the largest motor manufacturer with a market share exceeding forty per cent, totally unprepared.<sup>178</sup> Henry Ford had embarked on a number of ambitious and expensive projects which had drained money from the company. He was determined to have total control of his company and in order to do so, during 1919, he had bought out all of the stockholders at a cost of over \$105 million.<sup>179</sup> The combined costs of buying out the shareholders, together with the investment in the huge Rouge complex and the purchase of mines to supply coal and iron to the huge new blast furnaces, left Ford with a \$60 million debt to service. As sales diminished in the summer of 1920, Ford's cash flow declined dangerously.<sup>180</sup> Ford's usual solution to such problems was to cut prices, this time was no exception. Despite introducing the largest

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175 W. Jackson to Ernest G. Liebold, 22 May 1922 (BFRC, Acc.572, Box 18) and Edward Grace to C. E. Sorensen, 21 Oct. 1920 (BFRC, Acc.38, Box 43).

176 Edward Grace to C. E. Sorensen, 22 Oct. 1920 (BFRC, Acc. 38, Box 43).

177 Lacey, *Ford*, p. 268.

178 Ford US production dropped from 867,826 units in 1919 to 444,581 in 1920, see Appendix 1.

179 Ford had paid \$105, 820,894 to buy out stockholders (See Lacey, *Ford*, p. 176).

180 Lacey, *Ford*, p. 269. Rouge plant cost some \$60 million, mines, etc \$15 to \$20 million.

cuts the industry had ever seen, sales only improved marginally and then slumped in line with the rest of the industry. With Ford losing twenty dollars on each car sold, drastic action was required. At year end the Highland Park plant was closed, staff cuts took place at all levels, services were cut and inventory reduced. Inventory on hand was valued at \$88 million and a scheme was developed to sell it off, thus releasing cash to solve the company's debt. The plan necessitated that spare parts be shipped as compulsory additions with all new cars and since the cars and parts had to be paid for cash on delivery, dealers were left with a choice of losing their valuable franchise or borrowing from their banks. The plan worked, Ford dealers were effectively forced to borrow to support the Ford Motor Company so that by early 1921 Henry Ford had cleared his debts.<sup>181</sup>

While in the United States the crisis had passed by early 1921, nonetheless for three or four months, the situation was precarious. The problem did not go unnoticed in the Irish press. The *Cork Examiner* carried a report on the 25 January 1921 that the 'company was trying to raise a loan of between £15,000,000 and £17,000,000 to meet the maturing obligations of the Ford Motor Company.' It also identified the problem that 'one of the main causes of Mr Ford's difficulties is the fact that he has over £7,000,000 worth of unsold cars on his hands'.<sup>182</sup>

Against this background it was perhaps understandable that Sorensen was exasperated with his Cork plant. He demanded regular updates of events from Clarke and Grace, but they had little good news for him. At the end of 1920 production was poor and sales even worse. In Detroit there must have been considerable disappointment at the

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<sup>181</sup> Lacey, *Ford*, p. 271.

<sup>182</sup> *CE*, 25 Jan. 1921.

fact that the Cork plant was performing so poorly. Needless to say, Grace had plenty of excuses to justify the failure: power problems, shortages of material, untrained labour, external labour troubles and the effects of the IRA war. While it may have angered and frustrated Sorensen, Cork's difficulties paled into insignificance compared with the problems faced by him at home in Detroit. Yet despite his problems Sorensen found time to keep continuous pressure on Grace, who must have felt very isolated as none of his proposed solutions were acceptable. His pleadings for the company to revert to dedicated tractor outlets or to increase prices were ignored or rejected by Sorensen. The Cork plant was far too elaborate and expensive for the market it was now serving. With little tractor output and only the manufacture of Model T parts to pay the bills, its future appeared bleak. Anderson's activities in Britain were of little help to the Cork plant. Both he and Bate failed to exploit the opportunities for selling Fordson tractors. Their main concern was the assembly and sale of Ford cars, which was a much bigger business, one which had, in 1920, yielded an almost fourfold production increase over the previous year, despite the recession.<sup>183</sup> Tractors had become 'poor relations' for the sales people in London as well as for the dealers. On the other hand, increased sales of the Model T in Britain meant additional work for Cork which, if they could overcome their difficulties, would go some way to paying the overheads and providing work for Irish employees.

At some point in early 1920, Anderson was given responsibility for the continental tractor business, but seems to have shown little interest in it. Sales to Europe were poor, partly due to the fact that there was considerable confusion over the territories covered by the various sales offices. Territories were not clearly or coherently delineated,

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<sup>183</sup> Production output for 1919 was 12,175 units and for 1920 was 46,362, see Appendix 1.

so that in some areas there was no Ford representative to generate sales and to take advantage of sales opportunities when they arose. For instance, the Ford Motor Company of Copenhagen had been allocated part of Germany. Grace stated: 'I presume it will be the northern portion, and the southern [will go] to Bordeaux'. Meanwhile, Grace had an enquiry from Czechoslovakia for 700 tractors per annum, but he said that Czechoslovakia, had 'not been allotted to any of the Ford branches, at least not with their knowledge'.<sup>184</sup> In desperation, Grace suggested to Sorensen that 'if all this territory were settled and agents appointed it would greatly service to get rid of our surplus, as well as allowing us to increase our production'.<sup>185</sup>

By autumn 1920, Grace was reporting to Sorensen that he had shipped only 311 tractors in September of which 261 went to Manchester and 50 to Cadiz. Grace blamed the sales organisation for the slow movement of the product. Protesting at their half-hearted efforts and scarcity of spontaneous orders he claimed that the lack of cooperation was undermining his efforts to improve factory efficiency. He appealed to Sorensen that 'anything you could do from your end to rouse those responsible to the importance of the situation will be appreciated'.<sup>186</sup> Despite his pleas, sales in the following month dropped further. Of 337 tractors produced at the Marina only 225 were shipped.<sup>187</sup> A summary of continental sales showed that for the previous three months, Bordeaux had taken four tractors, Copenhagen had taken nothing and fifty had gone to the Cadiz. Naturally with this situation the company was losing money, Grace reported disbursements of about

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184 Edward Grace to C. E. Sorensen, 12 June 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 43).

185 Ibid.

186 Ibid., 6 Oct. 1920 (BFRC, Acc. 38, Box 46).

187 205 tractors to the 'British Isles' and 20 to Egypt, Edward Grace to W. C. Anderson, 2 Nov. 1920 (BFRC, Acc.38, Box 46).

£109,200 against receipts of about £98,000, a deficit of over eleven thousand pounds.<sup>188</sup>

Around this time the politics of the War of Independence intruded into the problems of the tractor world. The Lord Mayor of Cork, Terence MacSwiney, went on hunger strike in mid-August following his imprisonment in Brixton Prison. His 74 day hunger strike attracted world-wide attention. In Cork, emotions were high and when masses were said for him the vast majority of the population of the city attended, closing businesses for the duration. The Ford factory was closed on two occasions, but on the third, Grace intervened and threatened to sack anyone who left his post. His action brought him into the public eye, face to face with the politics of the day. This issue will be dealt with at length in chapter four.

Locally, Grace tried to motivate Anderson, pointing out to him that for the profitable operation of the Cork plant, at least 200 tractors needed to be shipped weekly. Along with the high overhead and small demand there was now the cost of installing the new plant. He complained of losses on parts (about £7,500 in August and £6,000 in September).<sup>189</sup> To add to his woes Dearborn has raised its prices on almost all parts supplied to Cork, while the situation was further exacerbated by the decline in the exchange rate which had dropped from \$4.75 to the pound down to \$3.36.<sup>190</sup> During this period with a surplus of production capacity Grace became extremely frustrated with the paucity of sales and lashes out at his colleagues. Despite having been warned by Edsel Ford not to increase prices and reminded by him that Anderson had sole responsibility for commercial decisions, Grace wrote to Sorensen ambitiously seeking to take over control

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188 E. L. Clarke to C. E. Sorensen, 10 Nov. 1920 (BFRC, Acc. 38 , Box 45).

189 Edward Grace to W. C. Anderson, 2 Nov. 1920 (BFRC, Acc.38 , Box 46).

190 E. L. Clarke to C. E. Sorensen, 16 Nov. 1920 (BFRC, Acc. 38, Box 45 ).

of pricing, demanding that information on cost prices should be sent to him instead of to the sales department in London. He argued that they knew nothing about the cost of production, 'they are concerned only with the selling of the tractor...if they do not put a little more effort forward into selling the tractor we certainly cannot operate a plant of this size at our selling output'. He was scathing and sarcastic about the efforts of Anderson's salesmen:

We have over 500 agents in Great Britain, we are only receiving orders for 50 a week from this territory, which means, approximately, 5 tractors per agent, which is not a very large year's work. If the selling end does not get busy we will have to send a few boys out from here to do the job.<sup>191</sup>

Impetuously Grace issued a command directly to the Bordeaux branch, bypassing Anderson, demanding they accept a minimum of 50 tractors and stating that: 'we must insist that you take steps to procure orders without further delay, as, up to the present, we have not received a single order from you'.<sup>192</sup> Later, when Anderson became aware of the letter, he criticised Grace's interference in his area of responsibility, pointing out that matters pertaining to the commercial side should be handled through Anderson's office and not through underlings.<sup>193</sup> Pleading for understanding of his position, Grace replied:

You must...understand that we are not getting orders at the present time fast enough to warrant or maintain a plant of our size. We are at an exceptionally bad point in our existence at the present time because we are preparing for such a large programme in the manufacture of Model T. All of the necessary expense in connection with this work has had to be borne by the sale of tractors. This department, however, within the next two or

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191 Edward Grace to C. E. Sorensen, 6 Oct. 1920 (BFRC, Acc. 38, Box 46).

192 Edward Grace to Automobiles Ford, Bordeaux, 5 Oct. 1920 (BFRC, Acc. 38, Box 46), the Bordeaux branch served as the outlet for tractors shipped to several European countries, including France, Holland, Belgium, and Italy.

193 W. C. Anderson to Edward Grace, 5 Nov. 1920 (BFRC, Acc. 38, Box 46).

three months, will be a productive source, and not an expense.<sup>194</sup>

Grace backed down on his demands and promised that in all future commercial dealings involving the European branches he would work through Anderson's office. Reporting to Dearborn, Grace enclosed copies of the correspondence with Anderson, but used the opportunity to get Sorensen to push the sales people. Grace suggested a 'good strong letter' from Sorensen to the sales department, to buck them up so that they might be prodded into disposing of perhaps 200 tractors a week. In closing, he gloomily confessed: 'Less than this production does not warrant our maintaining a works of our present size'.<sup>195</sup>

It is not clear what output would have been required to achieve profitability or even to reach break-even point. The plant was large and elaborate and required a high production throughput to absorb its considerable overheads. Figures of 20,000 tractors a year were mentioned in the early days and later Grace had suggested that production of 200 tractors a week was necessary to show a profit. With the major difficulties facing the Ford Motor Company in Detroit, Sorensen was writing more frequently and more angrily. He reminded Grace of the American situation where Highland Park had been closed for the previous six weeks due to the drop in sales and was likely to remain so for at least another six.<sup>196</sup> Demanding a full report of Cork's financial situation he reminded them 'that you will soon be yelling for funds, and I assure you that there will be none available'.<sup>197</sup> In the same his letter he pointed out that the plant, with total workforce of 1,429 men, had produced only 82 tractors in a single week, which worked out at 'a

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194 Edward Grace to W. C. Anderson, 11 Nov. 1920 (BFRC, Acc. 38, Box 46).

195 Edward Grace to C. E. Sorensen, 13 Nov. 1920 (BFRC, Acc. 38, Box 46).

196 C. E. Sorensen to Edward Grace, 11 Nov. 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 43).

197 Ibid.

fearful cost' of 788 man hours for each tractor. Put like that, the Cork plant was grossly inefficient, but what Sorensen was ignoring was that at that time, the Cork plant had 326 men working on Model T parts production, 236 on construction work and only 420 men on tractor production. Grace needed to get his construction work finished if he was to have a building in which to produce parts for Manchester and thus to keep the Cork business afloat.<sup>198</sup>

A few days later Sorensen was again ranting about Cork's position. He expressed the view that Cork was in a perilous situation, that even if they liquidated all their materials and accounts receivable they would not have enough to meet their commitments. 'How do you propose to carry out your obligations?....The company intends that you make prompt payments on all materials that are shipped to you in the future'.<sup>199</sup> Yet two days later Sorensen queried why production up to end of October had only reached 3,037 against the schedule of 4,339. 'Give me some idea why you have not reached anywhere near the figure of your allotment since July last'.<sup>200</sup> At this stage Grace seems to have been playing a very risky game; with income at a trickle and very clear statements from Charlie Sorensen that no support would be forthcoming from Detroit, yet he somehow had to get the building work finished, to give the plant a future. As discussed earlier, the winter of 1920 found the Ford Company in deep financial trouble, described by Lacey as 'shadowed by the prospect of bankruptcy'.<sup>201</sup> It was at this time that many of Ford's enlightened innovations were reined in. Savage economies were implemented. In the Dearborn office staff numbers were reduced by fifty per cent,

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198 Edward Grace to C. E. Sorensen, 4 Dec. (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 43).

199 Ibid., 16 Nov. 1920 (BFRC, Acc. 38, Box 42 ).

200 C. E. Sorensen to Edward Grace, 18 Nov. 1920 (BFRC, Acc. 572, Box 17).

201 Lacey, *Ford*, p. 270.

equipment sold off and facilities cut back. Payments to suppliers were delayed from sixty to ninety days and parts' inventory was reduced by forcing dealers to carry additional stock.<sup>202</sup> Cork's lack of profitability and continuing capital expenditures, while criticised by Sorensen, did not really seem to disturb the home office unduly until late in 1920, when the problems in Detroit reached crisis point and cutbacks were being implemented. Now Cork was also called on to make a contribution. J. L. Grant, of the Treasury office in Dearborn, wrote to Clarke requesting that he immediately cable to a New York bank all surplus funds. Clarke replied that 'it would not be wise to reduce his bank balance at this time, because of heavy commitments, chiefly the building of a power house that 'is a very heavy drain on our slender resources'.<sup>203</sup> Simultaneously, he wrote to Sorensen explaining his reasons for declining to send 'excess' funds. Quoting the ongoing building programme and the difficulties of financing it with the proceeds of such small production, he added: 'At present our position is that we are tied on to the heels of the sales chariot and are waiting for it to break into a gallop'.<sup>204</sup> Despite all the rebuffs from Sorensen and the clear instruction from Edsel Ford, Clarke wrote to Sorensen reiterating Grace's opinion that selling prices should be revised every three months to take account of the decline in the exchange rate and the increase in the dealers' discount from 33.33 per cent to 40 per cent.<sup>205</sup>

The Cork plant had spent £206,378 on machinery and equipment between 1 January 1920 and 30 October 1920, this represented an increase of about 500% over the value of assets on 1 January 1920. In addition, a total of £120,900 was spent on a new

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202 Lacey, *Ford*, p. 270.

203 E. L. Clarke to J. L. Grant, 16 Nov. 1920 (BFRC, Acc.38, Box 45).

204 E. L. Clarke to C. E. Sorensen, 16 Nov. 1920 (BFRC, Acc. 38, Box 45 ).

205 Ibid.

machine shop, foundry extension and wharf extension'.<sup>206</sup> Earlier Grace had been given to understand by Sorensen himself that 'if there is any need of finance for Cork, we still have the half-million dollars on Mr Ford's account which we can make use of. As I see it, however, you have enough to cover the building operations that are going on at the present time'.<sup>207</sup> No doubt Grace had the reassurance that the half-million dollars, equivalent to about £100,000, was available for the plant extension, however, he found on his return from the United States, that the money had been withdrawn by headquarters in Detroit. Thus, as the year end approached, the Cork plant was still in debt to the home office with little resources and no reserves. Finally, after many reminders by Sorensen, Grace wrote on 4 December 1920 to say that 'for the time being they had decided to call a halt to all construction work with the exception to the power house'.<sup>208</sup>

The need to reduce costs drew others, apart from Grace, into Sorensen's sights and with the inventory problems in the United States, Port Stewart found himself in Sorensen's bad books for committing to hold extra inventory. Stewart had been assigned to handle steel supplies and related metallurgical problems. In September 1920, with the signs of the recession apparent, Grace raised a question with Sorensen regarding an option to purchase steel. Sorensen warned him that the market was dropping and that Grace should buy the minimum necessary for his immediate needs.<sup>209</sup> Henry Ford & Son already had a contract with Thomas Firth & Son of Sheffield who were being paid by Ford to hold up to 300 tons of steel in stock and on-call for them. Grace claimed that Sorensen had verbally agreed the deal early in 1920 and had not commented later when

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206 Edward Grace to C. E. Sorensen, 4 Dec. 1920 (BFRC, Acc. 38, Box 43).

207 C. E. Sorensen to Edward Grace, 25 June 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 42).

208 Edward Grace to C. E. Sorensen, 4 Dec. 1920 (BFRC, Acc.38, Box 43).

209 C. E. Sorensen to Edward Grace, 1 Sept. 1920 (BFRC, Acc. 38, Box 43).

he was made aware of the contractual arrangement. Now, when reminded of the issue he wrote angrily to Grace: ‘This is ridiculous, and I cannot understand why anybody would tie up funds in this way. We have never yet made any arrangements with an outside concern on any such a basis’.<sup>210</sup> Having written to Grace, Sorensen then attacked Stewart, reiterating ‘that carrying available steel was Firth’s own affair and that the company had no intention of putting up with it’. Demanding that the cost of all such investments be reduced, Sorensen also slated Stewart for committing the cardinal sin of not keeping headquarters ‘thoroughly posted on everything you are doing’.<sup>211</sup> Sorensen, having ignored his own involvement in the issue, pushed the problem back to Grace and Stewart. In turn, he received a communication from Clarke reassuring him that: ‘We are tightening up and reducing our stocks as much as it is possible for us under present conditions’.<sup>212</sup>

At the end of November, Grace visited Anderson and Bate, who claimed that sales of sixty to seventy five tractors per week was the most he could expect. Of this figure, fifty were being scheduled by Manchester, who did not always achieve their target, while the remainder were to be sold on the continent and this figure was even less reliable. Anderson explained that while he could get orders on the continent, the problem was one of getting import licences or, in other cases, getting the money out of the country.<sup>213</sup> With no sales improvement likely, all Grace could do was cut back on production and minimise costs, concentrating instead on increasing production of his

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210 C. E. Sorensen to Edward Grace, 12 Nov. 1920 (BFRC, Acc. 38, Box 43).

211 C. E. Sorensen to Port Stewart, 18 Nov. 1920 (BFRC, Acc. 38, Box 43). MacGregor went to Russia in 1929 as a tractor expert, see NH, vol. II, pp 678/684.

212 E. L. Clarke to C. E. Sorensen, 2 Dec. 1920 (BFRC, Acc.38 , Box 45?).

213 Edward Grace to C. E. Sorensen, 30 Nov. 1920 (BFRC, Acc.38, Box 46).

‘only salvation’, the Model T parts.<sup>214</sup> Fortunately this business had promise, as Ford car sales in Britain were buoyant with high attendant demand for assembly parts. Putting forward his financial projections for 1921, Grace anticipated generating a profit of £97,500 on parts. To achieve this figure he needed to have an ongoing production demand of 1,000 units per week.<sup>215</sup> He also needed to be paid a price which covered his expenses with a margin of profit to pay for direct overheads and make a contribution to overall costs. When Cork had started up in 1919, the factory had operated as an assembly plant, producing tractors with parts shipped from Detroit. Later, when the foundry and machine shop came into operation, they began to substitute Cork-made parts for the American ones, now the additional buildings and equipment added during 1920 meant they were about to launch into high volume production of a wide range of parts for the Model T motor cars, including cylinder heads, brake shoes, pistons and piston rings, as well as a variety of other lesser parts. This change demanded a clear answer on the issue of pricing, it required unambiguous and equitable arrangements in relation to inter-company pricing structures. Even as parts production was under way at the end of 1920, this issue had still not been resolved. Clarke tried to establish what pricing structures would apply. What was at issue was the split in profit between Manchester and Cork. Clarke asked both Sorensen and Grant whether the parts should be priced using the cost of material and labour, with a percentage added for overheads and a further percentage added for profit, or alternatively should they invoice Manchester at a price somewhere between Cork costs and the wholesale price.<sup>216</sup>

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214 Edward Grace to C. E. Sorensen, 30 Nov. 1920 (BFRC, Acc.38, Box 46).

215 Edward Grace to C. E. Sorensen, 4 Dec. 1920 (BFRC, Acc. 38, Box 43).

216 E. L. Clarke to J. L. Grant, 7 Dec.1920 (BFRC, Acc. 38, Box 45).

When Manchester had supplied radiator cores and other parts to Cork for the Fordson tractors, substituting for Dearborn supplies, they had charged them using a formula of cost of materials and labour, plus actual overheads, with ten percent profit added to the total. More recently, Detroit had changed the system to a formula based on cost of material and labour with twenty five percent overhead added and a further ten percent on the total. This method was unsatisfactory from Cork's perspective as the final price was very close to the wholesale price giving the greater part of the profit to the producer, in this case Manchester. As the dominant partner in the arrangement Manchester demanded a formula that worked to their advantage and improved their profitability. Relations between Cork and Manchester were often difficult, particularly where costs and quality were concerned, so Clarke's view of setting down an equitable formula for inter-company transactions was important at this time of difficulty for Cork.<sup>217</sup>

The management in Detroit may have hoped that for the emergence of some type of mutually beneficial industrial relationship, but relations between the Fordson plant and the Ford Motor Company at Manchester were never good and the absence of clear and decisive leadership meant that issues such as pricing caused friction and placed the Cork plant at a disadvantage. Cork was also unhappy about the quality of the aforementioned radiator cores and despite assurances from W. E. Davis, the problem continued.<sup>218</sup> On a visit to Manchester, Grace 'had a very heated argument with Mr Bate' which he felt would improve matters. However, he hinted that 'there seems to be antagonism on the part of the management at Manchester regarding the manufacture of parts for us'. He

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217 E. L. Clarke to J. L. Grant, 7 Dec.1920 (BFRC, Acc. 38, Box 45).

218 W. E. (Ernie) Davis, manufacturing superintendent, from Highland Park (see Tolliday, 'Ford in Britain', p. 14).

conceded that this may have been a factor of their overcrowding, but if this was the case and he had been made aware of it, he could have provided the materials himself.<sup>219</sup>

Clarke also complained to Sorensen of the combined effect of excessive charges and poor quality, adding that: ‘785 out of 1,163 cores—about 75 per cent--had to be sent back for rectification because of sloppy workmanship’. Yet even on the defective parts, Manchester charged the full overhead and profit margins. While all of the proceeds belonged to the Ford organisation, ‘the money is only moving from one pocket to another’, in effect it enhanced Manchester’s manufacturing account at Cork’s expense, exacerbating their already poor showing. Clarke was seeking the introduction of a system which permitted a fair distribution of the profits, where neither party should ‘have the chance to run riot in heaping up charges of this kind but, instead, be confined to make a charge which allows one firm or the other a fixed profit and no more’.<sup>220</sup>

What was lacking was someone with authority over both plants to arbitrate between the two. A clear leader in charge of all European operations and particularly the British and Irish, could have ensured that a single coherent approach to issues like costing, quality and responsibility for European territories, was implemented. Grace, supported by Clarke, vainly tried to fill this role but since he had neither the authority nor the cooperation of the parties, he was bound to fail.

Even as Cork’s emphasis was changing to the production of parts, Grace was still trying to get his tractor price increased. Relentlessly he raised the issue again with Sorensen, pointing out that Fordson tractors were now much cheaper than others on the market, but that selling to very conservative farmers required a different approach to

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219 E. Grace to C. E. Sorensen, 2 Oct. 1920 (BFRC, Acc. 38, Box 46).

220 E. L. Clarke to C. E. Sorensen, 2 Dec. 1920 (BFRC, Acc.38, Box 43).

selling cars, that it was necessary to persuade them of the benefits arising from the labour-saving tractor. Explaining why he had been unable to make payments to the head office in Detroit, he complained that his cash-flow situation was being undermined by British and continental Ford branches, who were refusing to pay until the tractors and parts had been sold on and paid for.<sup>221</sup>

Perhaps in reply to Grace's continued carping and demands on price, an auditor was sent from the Detroit office to look into the Cork method of applying charges and costs. Unhappily for Grace, the auditor came to the conclusion that the price of the tractor could be reduced by £25, down to £235. After all their efforts to achieve the contrary, this must have been a blow to the Cork management, as it reduced their revenue dramatically without necessarily generating additional sales.<sup>222</sup> In December, Grace found himself reporting at length on the Irish political situation, specifically the details of the various British military groups and their role in the burning of Cork city on the night of 11 /12 December. As well as reporting fully on the matter, he included copies of the local papers. In closing he offered the reassurance that 'as far as the works are concerned we are in no danger'.<sup>223</sup>

By the end of 1920, the Ford's Irish tractor project which had started out with such great optimism now looked decidedly gloomy. The disappointing start up, together with poor tractor sales and difficulties in almost all areas of the business must have disappointed Grace. He and his Marina management team had endured much censure and pressure from head office. Yet despite all the words written by Sorensen, no concrete

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221 E. L. Clarke to C. E. Sorensen, 8 Dec. 1920 (BFRC, Acc. 38, Box 45).

222 E. L. Clarke to J. L. Grant, 7 Dec. 1920 (BFRC, Acc.38 , Box 45).

223 E. Grace to C. E. Sorensen, 17 Dec. 1920 (BFRC, Acc. 38, Box 46).

action was taken against the company and no definite edict was given to close the plant. This is in stark contrast with Detroit where plants were closed and Henry Ford imposed cutbacks, which were carried out ruthlessly.<sup>224</sup> To have closed the Cork plant and shipped tractors from Detroit would have been more cost effective, yet despite all the threats Cork was not interfered with. It could have been that Henry Ford was prepared to absorb the losses in order to keep his promise to bring industry to Cork. On the other hand, Cork may have been too small in output and financial terms to warrant severe action.

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<sup>224</sup> Lacey, *Ford*, p. 270.

## **CHAPTER FOUR**

### **Political issues & sales collapse:**

#### **Industrial relations in a war zone and the search for sales (1919-1921)**

The early years of production operations at the Fordson plant in Cork coincided with an era of political instability and turmoil in Ireland. The decision to build the plant was made soon after the 1916 Rising though no record of any consideration of the likely political ramifications seems to exist. The first shots in the War of Independence were fired on 21 January 1919 in County Tipperary, marking the beginning of four years of bloody warfare and one of the most turbulent periods in Irish history. The south, and in particular Cork, was the most disturbed part of a disturbed country. The year 1920 saw the struggle between the British forces and the Irish Republican Army reach a very vicious and bloodthirsty phase. Cork newspapers of the period reported a continuous list of shootings and reprisals, trains hold-ups and post office robberies. Cars and other vehicles were commandeered and near anarchy reigned. Strikes and industrial relations interruptions were also part of the prevailing chaos.

At the outbreak of the War of Independence, Ford's building work was well advanced. Despite regular communications between the Cork factory and headquarters in Dearborn, political events received scant mention, unless particularly dramatic incidents were highlighted by American newspapers. The management and staff of Henry Ford & Son were preoccupied with the task on hand, coping with the numerous problems associated with the commissioning and developing of the Fordson tractor plant. While the battles stayed mainly outside the plant, they were often close at hand. The political struggles, the reprisals, burnings, hunger strikes and killings did at times interfere with

the factory operations. This chapter will deal with a number of occasions when local politics and external struggles affected Ford's operations.

The Ford technical experts, brought in to help with setting up the plant were affected by the events in the country. The demands and stress of the work, together with the external and domestic pressures weighed heavily on some. While Edward Grace seemed to take the problems in his stride, William Jackson, who was in charge of the foundry, was less comfortable. He cabled Sorensen, behind Grace's back, threatening resignation.<sup>1</sup> Ostensibly, the reason for his unhappiness was to do with finding a suitable house. Grace's strenuous attempts to resolve this issue were undermined by Jackson's wife. Grace concluded: 'He does not want to buy a house because of it being here in Ireland, and I think the chief trouble is due to the fact that his wife is discontented here and perhaps a little frightened because of the political unrest'. Grace convinced Jackson not to leave, as his 'wife is going to England for the summer, after which time I have no doubt that she will return to Ireland contented'.<sup>2</sup> His colleague, Port Stewart was more sanguine, he reported that:

Conditions in Ireland seem to be getting worse instead of better....a raid on the city hall last night...the lord mayor and ten of his associates were arrested. It is a nightly occurrence to see armoured cars running around the street and to hear machine guns fire all night; the next morning the show windows in the main street can be seen full of bullet holes. My wife and children and myself were held up the other evening whilst we were out for a drive; we were placed under arrest and made [to] drive to the barracks between

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<sup>1</sup> Edward Grace to C. E. Sorensen, 23 June 1920 (BFRC, Acc. 266, Box 1).

<sup>2</sup> Ibid.

two truck loads of soldiers, with guns pointing all round us; but we got off all right without any serious mishap.<sup>3</sup>

With all the turmoil going on, Grace realised that he needed to keep a low profile and avoid taking sides or getting into public controversy. When, in the autumn of 1920, Grace heard that Sorensen had decided not to make his regular visit to Cork, he presumably breathed a sigh of relief. Tactfully, he confirmed this approach to ‘Cast-Iron Charlie’. He suggested that the visit should be postponed, as the blunt and outspoken Sorensen was very likely to upset one or other sides of the conflict. Grace said: ‘It would be much harder for a man in your position to keep out of the press than it is for me, and, I am sure, you would be quoted or misquoted in such a way as to cause unjust comment from one side or another’.<sup>4</sup>

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Shortly before Percival Perry’s departure from Henry Ford & Son in September 1919, J. L. Fawsitt, who had supported Ford in setting up their factory, was nominated by the CIDA to go to the United States and investigate the development of trade between the two countries. Born in Bandon in 1884, Fawsitt had acted as secretary of the organisation from 1902 to 1919 and was viewed as having a wide knowledge of Irish industrial conditions, making him the ideal person for the task.<sup>5</sup> Éamon de Valera was also keen on promoting the industrial development of Ireland amongst wealthy Americans of Irish extraction and in July 1919 he wrote to Arthur Griffith, acting-president and Minister for

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3 Port Stewart to C. E. Sorensen, 13 Aug. 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 43).

4 Edward Grace to C. E. Sorensen, 13 Oct. 1920 (BFRC, Acc. 572, Box 17).

5 Various known as J. L. (for example in his letters to Ford) or Diarmuid in political or intimate letters, Fawsitt (1884-1967), was secretary of the Department of Finance in the Provisional Government in 1922 and assistant secretary in the Department of Industry and Commerce from 1923-25. He became a barrister in 1928 and was a Judge of the Circuit Court from 1938-1954. See James A Gaughan (ed.) *Memoirs of Senator Jos. Connolly (1885-1961): A founder of modern Ireland*, (Dublin, 1996). p. 210.

Home Affairs, asking him to get Fawsitt for the job.<sup>6</sup> By late August, when de Valera raised the issue once more with Griffith, Fawsitt had been to Dublin and met Griffith who had appointed him consul-general to the United States.<sup>7</sup> Fawsitt announced his trade mission to the press and subsequently received hundreds of enquiries from businesses throughout the country, all interested in importing or exporting to the United States.<sup>8</sup> The consulate had no official recognition from the United States government, but during his two years in New York, Fawsitt worked hard establishing contacts with shipping agents, exporters and importers as well as protecting the interests of the Irish in America.<sup>9</sup>

Part of Fawsitt's brief was to visit Dearborn and pass on the CIDA's gratitude to Henry Ford for having built his tractor works in Cork.<sup>10</sup> Fawsitt, obtained a letter of introduction from Percival Perry, but this proved unnecessary as reports of his mission had already come to Ford's attention and he cabled Fawsitt inviting him to visit Dearborn.<sup>11</sup> Ford was contemplating the introduction of a line of steamers for carrying materials to Ireland and offered not only to carry back-loads of goods to America, but also to assist with the disposal of the Irish goods in the United States.<sup>12</sup> The issue of shipping was an important one for Henry Ford & Son because many of their parts were shipped from Dearborn and since there was no direct route to Cork it meant that they had to be shipped to other ports such as Dublin, Belfast or Liverpool resulting in delays and

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6 Éamon de Valera (United States) to Arthur Griffith, 9 July 1919, *Documents on Irish Foreign policy*, vol. I, 1919-1922, ed. Ronan Fanning et al (Dublin, 1998) p.36.

7 E. de Valera (United States) to A. Griffith, 21 Aug. 1919, *Documents on Irish Foreign policy*, vol. I, 1919-1922, ed. Ronan Fanning et al, p. 43 and J. L. Fawsitt to W. T. Cosgrave, 26 Sept. 1922 (NAI, Department of Taoiseach, S 3406 H/1/18).

8 *CE*, 18 Aug. 1919.

9 Gaughan, ed., *Memoirs of Senator Jos. Connolly*, p. 210.

10 *CE*, 18 August 1919.

11 Minutes of directors' meeting, 29 Sept. 1919 (BFRC, Acc. 328, Box 1).

12 *Ibid.*

handling damage. Ford's offer was typical of the generous and impulsive statements made by him, but often the ideas were dropped or left to subordinates to implement in a more business-like manner. While this was the case here, Fawsitt's enthusiasm ensured that the offer was not let lie. On 25 September 1919, he notified Henry Ford that he was leaving for United States the next day.<sup>13</sup> Upon arrival in New York City he set up as both Irish consul and Irish trade commissioner.<sup>14</sup>

When Perry and his fellow Ford directors became aware of Henry Ford's offer to Fawsitt, they cabled Ford suggesting that he 'exercise caution in making statements or commitments to Fawsitt'. Pointing out to their American counterparts 'the extreme delicacy of the political and industrial situation in Ireland, and the absolute necessity for carefully considering action so as to prevent misunderstanding and a set-back in the position of the company's goodwill'.<sup>15</sup> At this, Perry's last official board meeting, and with the War of Independence already in progress in Ireland, he was attempting to prevent Ford from becoming associated with the Republican side of the war which he felt could be to the detriment of Ford's motor business in Britain and Ireland. Despite Perry's warning, Ford met with and discussed the shipping issue with Fawsitt.

Perry's suspicions and his warning to Ford were well-founded. Fawsitt, was a member of the Gaelic League, Sinn Fein and the Irish Volunteers and while Perry was hardly aware of Fawsitt's clandestine affiliations, he probably knew of his political connections through Edward Grace or through his own dealings with him; either way he

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13 J. L. Fawsitt to Henry Ford, 25 Sept. 1919 (BFRC, Acc. 62, Box 95). The notepaper used was headed 'The Irish Industries Department of the Gaelic League of Ireland'.

14 Letter to Henry Ford & Son, Dearborn, headed 'Irish Consular Service, Irish Consulate', Suite 404, 280 Broadway, 14 Oct. 1919, (BFRC, Acc.38, Box 42). Fawsitt also wrote to Henry Ford & Son on notepaper headed 'Irish Trade Commission in America, with the authority of the Industrial Development Association of Cork, Ireland' from the same address.

15 Minutes of directors' meeting, 29 Sept. 1919 (BFRC, Acc. 328, Box 1).

suspected that Fawsitt was up to no good.<sup>16</sup> Harry Boland, who was involved in every aspect of revolutionary activity in Ireland since 1916, had already travelled to the United States in May of 1919 and was campaigning to gain support for the Irish cause, while secretly organising arms shipments.<sup>17</sup> Like Ford, he too needed a secure method of shipping his cargo to Ireland. Fawsitt's unique position offered the possibility of combining the two activities.

Not long after his arrival in the United States, Fawsitt introduced Harry Boland and Éamon de Valera to Henry Ford. De Valera, recently elected president of the first Dáil, had arrived in America in June 1919, and was travelling and lecturing, seeking American recognition of an independent Ireland, as well as funds and support for the Irish cause. On arrival in Detroit, in October 1919, de Valera's group had received a warm welcome from the civic and religious authorities.<sup>18</sup> They then made the short trip to Dearborn where they apparently arrived at the Ford complex unannounced, but got to meet Henry Ford in Sorensen's office. Sorensen subsequently sought Fawsitt's views as to how de Valera enjoyed his visit.<sup>19</sup> Fawsitt said that de Valera was pleased to meet Henry Ford and held him in high regard 'and this regard has...been in no sense lessened by the clash of active and truth seeking minds...' Fawsitt's eloquent language refers to the two men's differences over the League of Nations. Boland recorded the discussion more candidly: 'Wonderful interview with Henry Ford, extraordinary man. DeV. and Ford hot and heavy on League of Nations. Ford fanatic....argued 3 hours'.<sup>20</sup> Ford was an

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16 Gaughan (ed.), *Memoirs of Senator Jos. Connolly*, p. 210.

17 David Fitzpatrick, *Harry Boland's Irish revolution* (Cork, 2003) pp 122 and 147.

18 Harry Boland diaries, 16 Oct. 1919, Eamon de Valera Papers, P150/1170, UCD Archives.

19 C. E. Sorensen to J. L. Fawsitt, 22 Oct. 1919 (BFRC, Acc. 38, Box 42).

20 Harry Boland diaries, 16 Oct. 1919, Eamon de Valera Papers, P150/1170, UCD Archives.

ardent supporter of the League, while de Valera's wish that Ireland be represented there coloured his view.<sup>21</sup> According to Fawsitt:

Both are in agreement as to its utility and necessity; but they view it from different angles. Mr Ford acknowledges that the present scheme is not perfect, but that, good or bad, it will serve a useful purpose in the world. Mr de Valera, on the contrary, is not yet satisfied in his own mind, that an imperfect League of Nations is better for humanity at large than no League of Nations, and that can become apparent, one way or the other, only after the actual operation of the proposed league.<sup>22</sup>

De Valera had recently spoken out against the League.<sup>23</sup> Earlier, on the day after the signing of the Treaty of Versailles he had appealed to the United States 'to frame a new covenant for a League of Nations which would give Ireland a place among the nations of the world'.<sup>24</sup> While de Valera was outspoken in his desire to see Ireland represented at the League of Nations, Fawsitt made no reference to this in his letter. Nor did he mention Ford's attitude to Irish independence. No doubt Ford's knowledge of the detail was limited and his anti-war views would not have supported the violent actions being taken by the IRA in Ireland. Additionally, for Ford to be confronted in his support for the League as a vehicle for peace would have irritated him. It seems likely that de Valera's visit, while establishing a link with the great industrialist, did little to improve relations.

In early October the *New York Times* reported the news that Henry Ford was considering establishing a steamship line to Ireland. This was corroborated by Sorensen who said that a representative of the CIDA, no doubt Fawsitt, had met Henry Ford,

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21 NH, vol. II, p. 496.

22 J. L. Fawsitt to C. E. Sorensen, 26 Oct. 1919 (BFRC, Acc. 62, Box 95).

23 *New York Times*, 15 Sept. 1919.

24 *Ibid.*, 30 June 1919.

seeking that he and other American industrial concerns with Irish branches, provide a means of shipping directly to and from Ireland.<sup>25</sup> Despite Ford's offer to Fawsitt and the published reports, he was apparently making no attempt to set up a shipping line, so Fawsitt approached the Moore & McCormack Shipping Company, who managed ships owned by the United States government as one of three 'managing operators' of shipping.<sup>26</sup> Fawsitt convinced them to make Cork a port of call and then strongly urged the Ford firm to take advantage of the connection and to arrange to ship materials on the next outward journey.<sup>27</sup> A week later Sorensen wrote to Fawsitt saying they had offered 100 tons of freight but Moore & McCormack were only prepared to have their steamer, the *Lady Gretna*, call to Cork if given 400 tons of cargo. Sorensen suggested that Fawsitt 'have another chat with them'.<sup>28</sup> Fawsitt met Moore & McCormack again on 27 October and convinced them to reduce their tonnage requirement. He cabled Sorensen to say that while they needed 200 tons to make it a paying proposition, they were prepared to accept a load of 100 tons.<sup>29</sup> Meanwhile in Cork, the CIDA called a meeting of Cork businesses to provide return cargo for the *Lady Gretna*.<sup>30</sup> While a strike in New York delayed the Ford shipment for almost a month, no doubt, Fawsitt was happy to learn that his persistence had paid off and that Ford were shipping a trial consignment of between 250 and 300 tons of materials on the *Lady Gretna* during the week-ending 21 November

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<sup>25</sup> *New York Times*, 9 Oct. 1919.

<sup>26</sup> Fitzpatrick, *Harry Boland's Irish revolution*, p. 374. The Moore & McCormack Company was formed in 1913 by Albert V. Moore of Hackensack, N.J. and Emmet J. McCormack of Brooklyn, N.Y. (<http://www.theshipslist.com/ships/lines/americanscantic.htm>) (30 Apr. 2008).

<sup>27</sup> J. L. Fawsitt (Irish consul), to Messrs Henry Ford & Son, 14 Oct. 1919 (BFRC, Acc. 38, Box 42).

<sup>28</sup> C. E. Sorensen to J. L. Fawsitt, 22 Oct. 1919 (BFRC, Acc. 38, Box 42).

<sup>29</sup> J. L. Fawsitt to C. E. Sorensen, 28 Oct. 1919 (BFRC, Acc. 38, Box 42).

<sup>30</sup> *CE*, 21 Oct. 1919.

1919.<sup>31</sup> This shipment was expected to be the forerunner of further large consignments over the coming months.<sup>32</sup> Ford's original promise to set up a shipping line had failed to materialise and it had fallen to Fawsitt to negotiate the direct line to Cork, but this direct link to Ireland gave the cover and the opportunity to assist Harry Boland's arms smuggling operation. With the Cork destination established and Ford's materials travelling directly to the Marina factory, Fawsitt continued to work at improving the trade links between the United States and Ireland.

Fawsitt remained in regular contact with Ford and later informed him that he had concluded negotiations with Moore & McCormack for the formation of a new shipping agency in Cork. The company had been initiated by J. C. Dowdall, president of CIDA, with capital of \$25,000, half of which was subscribed by Moore & McCormack. The new agency was to have offices at Cork, Dublin and Belfast and was designed to circumvent existing agencies, as Fawsitt claimed that they were too intimately involved with English shipping and might interfere with the development of direct trade between Ireland and the United States. Closing his letter Fawsitt said: 'In the event of your company going into the business yourselves, as promised, this new shipping agency at Cork would be in a position to handle your business, and to give you every assistance in finding return cargoes for your boats'.<sup>33</sup>

In addition to his dealings with the Ford Motor Company and Moore & McCormack Shipping, in October 1919, Fawsitt had conferred with the United States Shipping Board, who regulated and controlled shipping, to get government authorisation

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31 J. L. Fawsitt to C. E. Sorensen, 28 Oct. 1919 (BFRC, Acc. 38, Box 42).

32 J. L. Fawsitt to Messrs Henry Ford & Son, 19 Nov. 1919 (BFRC, Acc. 38, Box 42).

33 *Ibid.*

for his plans.<sup>34</sup> Fawsitt's efforts were going well and he expected to have a 'mercantile fleet' of ten vessels calling to Ireland on their way to Europe. These routes offered Irish producers the additional possibility of opening up European trade by enabling them to ship foodstuffs to the continent. However, until the Shipping Board allotted the ships it was deemed necessary that nothing be announced publicly.<sup>35</sup>

Fawsitt continued to pressure the Board and at a meeting in early January 1920, he obtained a commitment that the New York to Hamburg and the New York to Scandinavia lines would call to Cork.<sup>36</sup> Previously, of four trans-Atlantic routes to Europe, only one, the New York to Antwerp route, had stopped off in Ireland.<sup>37</sup> Reporting to the cabinet in Dublin in March 1920, de Valera brought up Fawsitt's shipping scheme. He stated that Moore & McCormack had proposed an arrangement which would have given the Irish government 'a one half-interest in four ships for trade between Ireland and the continent'.<sup>38</sup> To clarify matters, de Valera asked Fawsitt to prepare a comprehensive memo for the cabinet, since presumably this meant that the government would have to invest in the project. De Valera urged the cabinet: 'When you receive it we would like you to take action on it at once'.<sup>39</sup> According to Fitzpatrick this ambitious plan was 'never fully realised'.<sup>40</sup>

While the various discussions were taking place, Moore & McCormack clearly

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34 J. L. Fawsitt to C. E. Sorensen , 26 Oct.1919 (BFRC, Acc. 38, Box 42).

35 Harry Boland to E. de Valera, 4 Nov. 1919, Eamon de Valera Papers, P 150/1132, UCD Archives.

36 In Apr. 1918 the United States Shipping Board began liner services to Scandinavian and Baltic Ports under the name of the American Scantic Line. (<http://www.theshipslist.com/ships/lines/americanscantic.htm>) (30Apr.2008).

37 *CE*, 5 Jan. 1920.

38 Eamon de Valera (United States) to Arthur Griffith (for Cabinet ), 6 March 1920, *Documents on Irish Foreign policy*, vol. I, 1919-1922, ed. Ronan Fanning et al, p. 56.

39 *Ibid.*

40 Fitzpatrick, *Harry Boland's Irish revolution*, p. 148.

had concerns about the profitability of the additional routes, so one of the company's principals, E. J. McCormack, visited Ireland to investigate matters for himself. Despite Fawsitt's efforts, the quantity of cargo on offer for the recently introduced Cork stop-off was not reaching expectations and the company were anxious about adding vessels into the Irish-continental trade.<sup>41</sup> McCormack arrived in Cork in early May 1920 and was entertained by the Harbour Commissioners, as well as by Grace and Clarke. By this time, eight steamers were stopping off at Irish ports carrying \$8 million worth of goods. McCormack, who was sympathetic to the Irish situation, promised to open up the New York–Scandinavia service, but reminded Irish suppliers of the necessity to develop suitable goods for the various markets; this was crucial, as while other Americans were also supportive and prepared to pay good prices for Irish products, the development of permanent shipping connections would depend on the ongoing volume of trade.<sup>42</sup>

Fawsitt played a central role in improving shipping arrangements between the United States and Ireland, he was tireless in his attempts to solve Ford's difficulties as well as opening routes for general cargo, but his part in the shipment of arms is less clear. While Harry Boland went about his secret arms deals, using his public work as a cover, Fawsitt's role in the conspiracy appears to have been to develop legitimate shipping links and then for these to be used to transport Boland's weapons to Irish ports.<sup>43</sup> The introduction of additional ships obviously increased the number of opportunities for smuggling, but I have found no evidence of his direct involvement in the smuggling operation. According to Fitzpatrick, the Cork service facilitated trans-Atlantic arms

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41 Clip from unknown newspaper, J. L. Fawsitt to Harry Boland, 16 Mar. 1920, Eamon de Valera Papers, P150/1141, UCD Archives.

42 *CE*, 5 May 1920.

43 Fitzpatrick, *Harry Boland's Irish revolution*, p. 147.

shipments, but despite the opening of the new routes only a trickle of arms and ammunition was getting through, meanwhile Michael Collins kept the pressure on Boland to procure and ship weapons for the armed struggle in Ireland.<sup>44</sup>

In March 1921, Boland took delivery of a consignment of 653 Thompson sub-machine guns and expected to use a Moore & McCormack vessel to ship them to Ireland. Instead, he found that despite the money which, according to Fitzpatrick, Fawsitt had apparently poured into Moore & McCormack ‘in the hope of guaranteeing security for the mission’s human and material freight’, that shipment was not possible. Particular difficulties were encountered ‘in seeking employment for Irishmen on the Moore & McCormack line’.<sup>45</sup> In the end, the arrangements with Moore & McCormack failed to provide the means to ship the consignment. Boland recorded in his diary on 30 March 1921 that ‘M.Mc have given us a raw deal’.<sup>46</sup> It is not clear what the impediment was, but since Boland was unable to ship the guns as a single consignment, he was forced to send several small shipments; a delivery of 30 sub-machine guns arrived in Queenstown in late April, this was followed by another batch of 51 guns into Dublin shortly before the Truce.<sup>47</sup> Subsequent attempts to find an alternative shipper led to delays which left the operation exposed and ultimately led to the seizure of the remaining weapons by American customs agents.<sup>48</sup>

Fawsitt’s efforts in opening trade links proved very successful, but significantly, failed to provide transport for Boland’s cache of guns. Remarkably, Ford never linked

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44 Fitzpatrick, *Harry Boland’s Irish revolution*, p. 148..

45 *Ibid.*, p. 213.

46 *Ibid.*

47 *Ibid.*

48 *Ibid.*, p. 214.

Fawsitt with the gun smuggling. During his period in the United States he enjoyed Henry Ford's confidence and support, while both Ford and Sorensen apparently took his efforts to improve shipping links for Ford and Ireland at face value. As a pacifist, if Henry Ford had discovered that his company's shipping was being organised to facilitate the shipment of arms to Ireland and that his Irish visitors were actively plotting to use his good offices for nefarious purposes, he would no doubt been very unhappy at this abuse of his benevolence. Ford's emphatic instruction to his Irish management was that they should avoid involvement in the politics of the Troubles. Sorensen instructed Grace: 'Be careful in the future, not to ally yourself with any organisations that are foreign to your business! Politics and politicians, particularly, are things that you must be absolutely free and clear of.'<sup>49</sup> The face-to-face deception and breach of trust perpetrated by Fawsitt and Boland would have angered him and could have lead to drastic action being taken at the Marina.

With the ongoing attempts to smuggle arms into Ireland on Moore & McCormack vessels, it was almost unavoidable that this activity would impinge on the company affairs in Ireland. Late in 1920 the local Cork newspapers reported that a military search-party had found a small packet of ammunition on board the *Mason City*, a steamer carrying Ford parts amongst its cargo.<sup>50</sup> This incident, which Grace believed was part of a plot by British intelligence, threatened to bring Ford into conflict with the British authorities, worse still, from Ford's point of view, it could have interfered with tractor production by cutting off the flow of parts from Detroit.

On 17 September 1920, soon after the arms discovery, Grace cabled Sorensen:

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<sup>49</sup> C. E. Sorensen to Edward Grace, 11 Nov. 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 43).

<sup>50</sup> CE, 16 Sept. 1920.

‘large quantity ammo aboard *Mason City* unloading warn Moore & McCormack that it places us disagreeable position troops and armoured car guarding ship’.<sup>51</sup> Sorensen immediately contacted Moore & McCormack, who replied that they had no foolproof system of preventing such an occurrence. As there was a considerable quantity of ‘household furniture’ amongst the cargo, they seemed certain that the ammunition was amongst this consignment. They also contacted the British embassy and informed them of the situation. The embassy said that they would have some of their officials inspect all future cargoes. Sorensen responded to Grace and reminding him of the delicacy of the situation and advised him to lend all assistance to the authorities.<sup>52</sup>

Later, when a more thorough investigation had been carried out, Grace wrote that the ammunition was not among the furniture, but was in a ‘large box [which] was found in the cupboard where the wiping rags and waste are stored in the engine room’.<sup>53</sup> The box had been put there unbeknownst to the ship’s officers. Suspicion for the ammunition smuggling fell on Sinn Fein, but if they were responsible, it was remarkable that the ammunition had not been removed earlier, as the ship had been in dock for almost twenty four hours before being checked by the authorities. When a combined group of customs officers, police and military finally arrived, they went directly to the engine room and asked for the cupboard to be opened. Without opening the plain, unlabelled box, the British officer was able to state that it contained ammunition. Grace closed:

It seems to the opinion of certain people here that this was planted in New York by some agent of the spying system for the purpose of proving that it was not policy to allow boats or ships direct from New York to call at Irish Ports east-bound...the day following this

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51 Edward Grace to C. E. Sorensen, 17 Sept. 1920 (BFRC, Acc. 266, Box 1).

52 C. E. Sorensen to Edward Grace, (day illegible) Sept. 1920.(BFRC, Acc. 266, Box 1).

53 Edward Grace to C. E. Sorensen, 13 Oct. 1920 (BFRC, Acc. 572, Box 17).

occurrence, east-bound passenger ships were stopped from calling at Irish ports. This, however, has not yet been applied to cargo ships.<sup>54</sup>

On the face of it, it seems clear that it was a British scheme to end passenger traffic disembarking in Cork and thereby to reduce the opportunity for arms smuggling. Whether Grace was mistaken or misled in this opinion is not clear, no doubt given the activities of Fawsitt and Boland it is possible that the cargo had emanated from them. Either way Sinn Fein lost one of its arms smuggling routes. For Ford, fortunately, no accusations of illegality were levelled against them. Equally, no further action was taken to prevent cargo vessels calling at Cork, permitting shipment of Ford's tractor parts and supplies to continue uninterrupted. Yet despite this outcome, the incident would have served to remind Sorensen and Henry Ford of the risks of doing business in the troubled Ireland of the time.<sup>55</sup>

By 1925 with tractor parts being manufactured in Cork and little cargo coming from Dearborn, Moore & McCormack, having failed to find adequate cargoes for the westbound run, discontinued the service.<sup>56</sup>

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Like its parent, the Ford Motor Company in Dearborn, Henry Ford & Son of Cork maintained an open-door policy to visitors.<sup>57</sup> Political personalities were always keen to inspect the factory and to benefit from the resultant publicity. Tomás MacCurtain, Sinn Fein Lord Mayor of Cork was elected to office on 30 January 1920 and soon after paid a visit to the works and attended a Fordson demonstration, where he was photographed

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54 Edward Grace to C. E. Sorensen, 13 Oct. 1920 (BFRC, Acc. 572, Box 17).

55 Sorensen copied the letter of 13 Oct. 1920 to E.G. Liebold, Henry Ford's secretary.

56 'Mr Moore, Mr McCormack and the seven seas!' (<http://www.moore-mccormack.com/The-Company/Newcomen.htm>) (2 Feb. 2008).

57 For details of other visitors, see chapter nine.

driving a tractor.<sup>58</sup> Ten days later, on the 20 March, he was murdered in his home by several masked raiders believed to be members of the RIC.<sup>59</sup> Later that year, the hunger strike of Terence MacSwiney, posed a delicate political situation for the company. The issue involved the attendance by Ford employees at a mass for the dying hunger striker. Grace confronted his employees about absenting themselves from the plant without permission or agreement, asserting his right to manage his business without interference from outsiders, however, the issue involved was a very emotional one and one that was bound to be highly publicised. Coming to the notice as it did of senior American management, it set alarm bells ringing in Detroit.

Terence MacSwiney, Tomás MacCurtain's successor as lord mayor, was arrested when Cork City Hall was raided by British army personnel on the 12 August 1920. Taken to prison he immediately went on hunger strike.<sup>60</sup> In order to highlight his situation and to support his case, a call was issued by the Joint Labour and Civic Council of Action to all workers for a stoppage of work. The call got a wide response in Cork city; all work ceased, shops and factories closed, according to the *Cork Examiner* 'even the tram workers thronged to the nine churches'.<sup>61</sup> The newspaper reports claimed that this happened in a disciplined manner and that the workers returned to work with 'conscientious punctuality'.<sup>62</sup> A month later, masses were again said for the lord mayor, whose hunger strike continued in Brixton Prison. Again, Cork workers responded and the Ford workers were included. Under a photograph of marching men published in the

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58 Photo and caption, Ford & Son, *Ford in Ireland*, p. 16.

59 F.S.L. Lyons, *Ireland since the Famine* (London, 1973), p. 413.

60 *CE*, 14 Aug. 1920.

61 *CE*, 25 Aug. 1920.

62 *Ibid.*

*Examiner*, the caption read: ‘the employees of the Fordson factory marching in huge numbers in processional order to mass’.<sup>63</sup> As MacSwiney’s hunger strike continued and his state of health declined, feelings in Cork ran very high. A notice in the local papers on Friday 15 October 1920 called the workers out once more:

Masses for the hunger strikers...at the request of Irish Volunteers, Civic and Labour bodies, Mass will be celebrated on Friday 12 o’clock. Employers and shopkeepers are requested to close their premises 11.45 this day to allow their employees to attend.<sup>64</sup>

On this, the third occasion that the men had abandoned their workplace, Grace attempted to prevent the walkout. His attitude was driven by his need to keep the plant in production. The previous week, factory output had been disrupted, when he had to report to Sorensen that there had been ‘no production this week due to seamen’s strike just ended today’.<sup>65</sup> The previous mass stoppages had occurred during his absence from the factory and none of his subordinates had taken the responsibility to refuse the workers permission to leave the factory. When the workers had walked out for the second mass there had been an implied understanding that it was to have been the last time, however, given the atmosphere in Cork as MacSwiney approached his death, any implicit agreement was unlikely to be heeded.<sup>66</sup> Additionally, another Republican, Michael Fitzgerald, was very weak and was to die two days later, on Sunday 17 October.<sup>67</sup>

Grace, disregarding the heightened political and emotional state of the people of

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63 *CE*, 23 Sept. 1920.

64 *CE*, 15 Oct. 1920.

65 Edward Grace to C. E. Sorensen, 16 Oct. 1920 (BFRC, Acc. 880, Box 7, Wilkins Papers, re:Acc. 38, Box 43).

66 Terence MacSwiney died on the 25 Oct. 1920, after 74 days on hunger strike. Fawsitt, who was in New York acting as Sinn Fein Consul General, was a schoolmate of MacSwiney’s and sent messages of sympathy. He told the *New York Times* that MacSwiney was a martyr to the Irish cause and, responding to American accusations, declared it an outrage to refer to him as a suicide. *New York Times*, 25 Oct. 1920

67 The papers of the 20th reported details of the funeral which was due to take place that day, see *CE*.

Cork city and the feelings of his own workers, believed he had to assert his authority over his employees. When he read the notice on Friday 15 October he decided that things had gone too far, that he should end the disruptions. Accordingly, he notified his foremen that the works would operate its normal hours and that he would dismiss anyone who disobeyed these instructions by leaving the plant.<sup>68</sup> Grace was conscious that his notice appeared ‘peremptory’ and ‘severe,’ but he was not prepared to tolerate a situation where an external political organisation, apparently had the right to call his workers away from their jobs whenever it suited them, despite them being employed by Henry Ford & Son. The majority of the workers ignored his threat and attended the mass, as Grace put it, ‘fearing to disregard the notice’.<sup>69</sup> When the mass was over and employees attempted to return to work they found the Ford management resolute in their determination to discharge all who had left the plant.

In order to break the impasse, the Sinn Féin T.D., J. J. Walsh, a man respected by both Grace and the workers, was called upon to intervene and act as a mediator.<sup>70</sup> In a later interview, Walsh explained that the elected workers’ representative committee, designed to act as an intermediary between the workers and the company management, had, due to the short notice, no opportunity to consult, leading to a situation where the workforce took their action in a spontaneous and essentially unorganised manner. On the other side, Ford management contended that they had no right to leave without company approval, and insisted that they should have been sought the permission through the committee. Walsh pointed out the necessity of maintaining discipline, stating ‘that

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68 Edward Grace to C. E. Sorensen, 20 Oct. 1920 (BFRC, Acc. 572, Box 17).

69 Ibid.

70 Sinn Féin T.D. for Cork Borough, later postmaster-general in the Free State government.

everyone who went against the interests of Henry Ford & Son went against the interest of the country'.<sup>71</sup>

Despite his earlier threats, Grace listened to the subsequent pleadings and assurances and relented. In a letter to the *Cork Examiner*, he set out to defuse the anger that his insensitive actions had generated. He stated that his action was not 'motivated by any religious or political feeling against the sympathies of those workers who chose to leave the job without our permission'. Pointing out that his managers had a duty to their employer during working hours, to work conscientiously in the firm's interest and that duty necessitated that the workers do the same. Re-emphasising the need to consult company representatives, he claimed that: 'had he been consulted he would have willingly conceded to anything within reason'. Having been assured that no future breaches of discipline would occur he agreed to reinstate the staff and reopen the factory on the following Monday.<sup>72</sup>

On Monday, a letter from the Sinn Fein deputy lord mayor, Donal O'Callaghan, appeared in the *Cork Examiner*.<sup>73</sup> Speaking on behalf of the Irish Volunteers and the Civic and Labour Council he insisted:

that we had, and have, an absolute right to issue such a call-or such other call as we deem necessary or expedient, whenever such is in our opinion advisable. Further, while it was fortunate that Mr J. J. Walsh T.D.E. [sic] was successful in removing whatever misunderstanding arose and in saving the management from carrying out their projected line of action, I have to make it clear that all workers who obeyed the call were not only

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71 *CE*, 16 Oct. 1920.

72 *Ibid.*

73 O'Callaghan became lord mayor for Cork city following the death of Terence MacSwiney and for two terms after; 1920 was dubbed the 'year of the three mayors'.

justified in so doing, but were bound to do as loyal citizens.... Mammon is not paramount in Cork.<sup>74</sup>

O’Callaghan’s very public assertion of his right to do whatever he deemed ‘necessary or expedient’ was a clear rebuttal of Grace’s right to control his works and his employees. The remarks infuriated Grace who described it as ‘one of the most foolish productions I have ever read, and as soon as I saw it...my blood boiled’.<sup>75</sup> He immediately contacted ‘men higher up in authority than he is and told them clearly and definitely that I considered this letter entirely unwarranted’ demanding that O’Callaghan recall the letter or he threatened, somewhat cryptically, that he:

Would print an answer to it which would set our men straight, as well as the general public. My answer would have been that we did not doubt or question the authority of the lord mayor in civic matters, but that we reserved the right, and would exercise it, to dismiss any man who left these works without our permission.<sup>76</sup>

It is not clear what he meant when he stated he ‘would print an answer that would set our men straight’ but, in the light of his recent actions, his threat to dismiss men leaving the plant without permission, was sufficiently powerful to ensure that he got his way. Not for the last time, Grace forced O’Callaghan to back down. The *Cork Examiner* printed the retraction, which Grace claimed was dictated by him and accepted by O’Callaghan. Grace felt that the original letter to the paper had been written by the deputy lord mayor against the advice of older and more experienced men; ‘(he is only a boy of 25 years), and I am sure he was forced to do so by some two or three of the more rapid [sic]

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74 *CE*, 18 Oct. 1920.

75 Edward Grace to C. E. Sorensen, 20 Oct. 1920 (BFRC, Acc. 572, Box 17).

76 *Ibid.*

members of his organisation'.<sup>77</sup> He also left O'Callaghan in no doubt 'should there be a recurrence that we will close the works up tight until we get an entirely new crew, which I may mention, would not be a very hard thing to do here'.<sup>78</sup>

O'Callaghan's letter of explanation appeared in the *Examiner* on the 20 October. In it he said:

As some misunderstanding has occurred over my letter of the 16th, I wish to make it clear that it was no way my intention or that of the bodies on behalf of which I wrote, to interfere with or undermine the authority of the management of Messrs Henry Ford & Son. Such would be very regrettable, as the maintenance of efficiency at an establishment like Fords is of great importance to the city.

A misunderstanding also seems to have arisen over the reference to Mammon. This was not a reference to Messrs Ford's establishment but was obviously, merely a general statement.<sup>79</sup>

Reporting to headquarters in Dearborn, Grace claimed that 'every man came back on Monday a chasten [sic] and better man...and that he had to obey orders in future in order to retain his job'. Insisting that his action was necessary to prevent an escalation of such stoppages and was 'absolutely unprecedented, because any employer of labour in Cork has been afraid to take such action'. The habit of employees walking off the job anytime they wished had become a question of debate and concern amongst employers. Grace claimed that not only had the leaders of the Catholic Church supported him, but so, too, had the leaders of Sinn Fein.<sup>80</sup> In confronting the political intimidation of the Ford employees, he believed he had won a major battle not only for Ford, but also for the other

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77 Edward Grace to C. E. Sorensen, 20 Oct. 1920 (BFRC, Acc. 572, Box 17).

78 Ibid.

79 *CE*, 20 Oct.1920.

80 Edward Grace to C. E. Sorensen, 20 Oct. 1920 (BFRC, Acc. 572, Box 17).

employers of Cork, and perhaps elsewhere in the country as well. He had tackled the issue, despite being a non-Catholic in a predominantly Catholic city, which could have lead to accusations of religious bigotry. He felt that he had brought home to Sinn Fein the damage they were doing to the workers and the country, and believed that the adverse publicity which they had received in Britain and the United States would be harmful to them.<sup>81</sup> Grace fought this issue purely on a point of principle, his right to manage his plant without interference from outsiders, making it clear that Henry Ford & Son would not tolerate political interference in the running of their business.<sup>82</sup>

Despite Sinn Fein's popular support in Cork and Peter Hart's assertion that the Ford plant was 'a hotbed of republicanism', Grace's threat to dismiss a thousand men from relatively well-paid jobs was a powerful warning to those involved and would test the political resolve of the majority.<sup>83</sup> Regardless of the levels of republican support in the factory, Henry Ford & Son enjoyed relative political peace over the next few years. Grace's action of 'drawing a line in the sand' may have helped focus otherwise militant minds to act with restraint where Ford was concerned. Grace also hinted at disloyalty amongst his management staff when he remarked that 'I truly believe, had I had the proper co-operation on the part of some of our works officials, this thing would have not happened'.<sup>84</sup> It is not clear who these works officials were or how their lack of co-operation contributed to the disagreement.

Within the Ford company, this confrontation highlights Grace's dilemma in dealing with Sorensen, who in one breath harangued Grace to increase output and in the

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81 Edward Grace to C. E. Sorensen, 20 Oct. 1920 (BFRC, Acc. 572, Box 17).

82 *CE*, 16 Oct. 1920.

83 Peter Hart, *The I.R.A. and its enemies: violence and community, 1916-1923* (Oxford, 1998), p. 157.

84 Edward Grace to C. E. Sorensen, 20 Oct. 1920 (BFRC, Acc. 572, Box 17).

next demanded that he stay out of the politics which were disrupting that output.<sup>85</sup> Despite Sorensen's remarks, when it came to the control of Ford's operations, Grace knew that in asserting control of their business, that he had the support of both Sorensen and Henry Ford. The aggressive, no-nonsense Ford management approach used on this occasion clearly demonstrated the drastic action they were prepared to take when confronted with opposition, regardless of the sensitivity of the situation. Their high-handed attitudes and demands should have acted as a warning to local politicians to be in no doubt as to their likely actions in any situation. In the not too distant future, Donal O'Callaghan would have another opportunity to confront Grace, when the Ford company was found to be in breach of their lease agreement with Cork Corporation. Ford management would prove even more intransigent when that occasion arose. This issue will be dealt with in chapter five.

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Despite the fact that Fords had been producing tractors for over a year, at the end of 1920, building work was still ongoing at the plant. Of the 1,429 workers employed by the company, 236 were engaged in construction. Grace confidently promised that construction work would be finished in the next few weeks- 'except for the power house which can be delayed'.<sup>86</sup> Around the same time, Sorensen wrote in a slightly less trenchant manner, acknowledging Grace and Clarke's numerous letters describing the situation that existed between the manufacturing operation and the sales organisation. Sorensen promised to try and find a way to get over to England and sort matters out, he

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<sup>85</sup> WH, p. 105.

<sup>86</sup> Edward Grace to C. E. Sorensen, 4 Dec. 1920. (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 43). [See Acc 38 Box 46, 5 Aug. 1920 re Electrical issues.]

continued:

But business here has taken such a bad turn none of us have felt that we want to leave here....We haven't made a tractor here in three months and it does not look as though we will start up before the 1 February; so you can see we are as bad off as you are.<sup>87</sup>

He cautioned Grace to slow down the building programme and to reduce stocks and expenditures to a minimum, warning him that 'you must not get yourself into a position where you have to call over here for help on finance.'<sup>88</sup>

Ireland, was still in the grip of depression, while hostilities continued, and on 10 December 1920 martial law was proclaimed in County Cork and the adjacent counties of Kerry, Limerick, and Tipperary. The following night the commercial centre of Cork was burnt out by Crown forces, in reprisal for an IRA ambush. On the same night seven people were shot dead by the Auxiliaries. American newspapers carried the story with all the sensational details. When Sorensen read the reports, no doubt alarmed by the story and the accompanying dramatic photographs, he cabled Grace demanding a report, 'How do matters look at works. Many papers report big disturbance yesterday.'<sup>89</sup> Grace cabled back promptly that the works were not in danger.<sup>90</sup> Later, he reported more fully and had photographs taken of the scene on the Sunday morning after the fire 'while the ruins were still burning'. He also sent copies of the local newspapers. Explaining the different British military groups in Ireland at the time, he described the Black and Tans as the 'scum of England' while he says that:

the burning of Cork is alleged to have been caused directly by a lorry full of Auxiliary

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87 C. E. Sorensen to Edward Grace, 6 Dec. 1920 (BFRC, Acc. 38, Box 46).

88 Ibid.

89 Ibid., 13 Dec. 1920 (BFRC, Acc. 266, Box 1).

90 Edward Grace to C. E. Sorensen, 14 Dec. 1920 (BFRC, Acc. 266, Box 1).

Police having been fired upon and sixteen of them wounded and one of them killed...all went mad and sought to destroy the City as a reprisal. As much as all sane thinking people deplore the act of cowardly murdering men from ambush, still, one cannot imagine a modern government allowing its armed forces to take part in such an orgy of crime.<sup>91</sup>

Having had assurances from the officer in charge of the British forces that Ford need have no fear of any recurrence, he opined that though the recently imposed martial law deprives people of ‘a great many privileges,’ people were apparently satisfied since a reoccurrence is unlikely, as all of the British armed forces have been placed under the control of the district commanding military officer and thereby subject to strict discipline. Grace reckoned that the only part of the factory vulnerable were ‘the wooden buildings which are well covered by insurance’. Reassuring Sorensen that the main works were not in any danger he pointed out that:

Because it is owned by an American, and they fear that it might involve international complications, and next because we have about 1,500 men employed, and while so employed they have no time to think of other matters than their work.<sup>92</sup>

The following year, 1921, tractor output from the Cork plant was considerably reduced, the recession was still having an effect and demand for tractors remained poor in Britain and on the continent.<sup>93</sup> In addition, European markets were introducing tariff and currency barriers hindering exports to many countries.<sup>94</sup> The combined effect of strikes by seamen, followed by coal and railway men and the disruption arising from the War of

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91 Edward Grace to C. E. Sorensen, 17 Dec. 1920 (BFRC, Acc. 38, Box 46). This letter was copied to W. J. Cameron, editor of the *Dearborn Independent* which was published by Henry Ford from 1919 to 1927 and which later became notorious for its anti-Semitic articles.

92 Ibid.

93 Down from 3,626 tractors in 1920 to 1,443 in 1921, see Appendix 2.

94 Ford & Son, *Ford in Ireland*, p. 16.

Independence all had a negative effect on the running of the plant. These problems and the poor relative efficiency meant that, when the tractor production resumed in Dearborn midway through 1921, Cork's tractors were overpriced in the marketplace and European agents could import tractors from the United States more cheaply than from Cork.

In January, Grace reported that 'sales have fallen off to nothing' and that during December 1920 he had shipped 67 tractors to England, 100 to Cadiz and 110 to Copenhagen. The impact of the curfew introduced on 11 December 1920 meant that the factory could no longer work its normal three eight-hour shifts, but had to temporarily introduce two ten-hour shifts.<sup>95</sup> Grace finally agreed to implement Sorensen's demands to eliminate all non-productive activities and concentrate on items for which he had a market. With one hundred and fifty tractors in stock and few orders, in January 1921, he completely stopped tractor production, let go all of the workers involved as well as many of the construction workers, a total of about 600 employees.<sup>96</sup> Construction work was reduced to protective activities such as the completion of the foundry roof. With orders for twelve hundred cast-iron parts per week, production efforts were now concentrated on Model T parts for Manchester, almost the only source of revenue.<sup>97</sup> This layoff was a severe blow to the men concerned as well as the local economy, but it paled into insignificance beside the Dearborn cutbacks where Ford had stopped all production work on 24 December 1920 and let 150,000 employees go.<sup>98</sup>

Grace was very conscious of the effects of the recession on Cork, as well as the

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95 Edward Grace to C. E. Sorensen, 17 Dec. 1920 (BFRC, Acc. 38, Box 46) and Edward Grace to C. E. Sorensen, 10 Jan. 1921 (BFRC, Acc. 572, Box 17).

96 Ibid.

97 Edward Grace to C. E. Sorensen, 6 Jan. 1921 (BFRC, Acc. 572, Box 17).

98 NH, vol. II, p.157.

factory cut-backs. Acknowledging the social effect of the layoffs Grace said ‘there is terrible lot of unemployment here this winter, and if our funds were in better shape it would be a charity for us to build the road, which we are obligated to build, at this time’.<sup>99</sup> The only bright spot on the scene was that they ‘were installing the foundry conveyors, and putting up Model T machines, which we must get going as quickly as possible’.<sup>100</sup> Production for the week ending Saturday 8 January 1921 confirmed that the efforts to produce parts for Manchester was paying off as over 21,000 parts were turned out.<sup>101</sup>

Meanwhile, in Ford of England, after only nineteen months in charge, Warren Anderson was dismissed. Liebold, Ford’s executive secretary, cabled him to return to Detroit immediately. Having been informed that he would not be returning to England, he arrived in Detroit where he was ignominiously fired without even being seen by any of the senior managers. His dismissal seems quite arbitrary and unfair in that he had operated the business very profitably, returning substantial sales volumes and profits for his period in office.<sup>102</sup> At that time in Detroit, Henry Ford was slashing expenditures in all areas. Senior executives as well as factory and office workers were summarily dismissed, some were discharged due to ineptitude others went as they were considered by Henry to be too independent.<sup>103</sup>

When Grace heard the news about Anderson, he cabled Detroit to find out what

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<sup>99</sup> Edward Grace to C. E. Sorensen, 10 Jan. 1921 (BFRC, Acc. 572, Box 17). Previously, Grace had asked Sorensen for permission to donate £1,000 to the Y. M. C. A. but had been refused. Presumably, the Association provided accommodation for men, of the kind who might have been attracted to Cork hoping to work at Ford. Edward Grace to C. E. Sorensen, 16 Nov. 1920 (BFRC, Acc. 38, Box 46).

<sup>100</sup> Edward Grace to C. E. Sorensen, 10 Jan. 1921 (BFRC, Acc. 572, Box 17).

<sup>101</sup> Weekly production report, 8 Jan. 1921 (BFRC, Acc. 572, Box 17).

<sup>102</sup> WH, p. 107, he returned profits of £852,652/\$3,138,000 in the period Oct. 1919 to Dec. 1920.

<sup>103</sup> WH, p. 107, Dec. 1920, Knudsen and Klingensmith also suffered similar fates around this time.

the situation was. He had been advised by London that Anderson had resigned as ‘European Commercial Engineer’ and he enquired disingenuously if he had also resigned as director of Henry Ford & Son. As the manager of the Cork plant and the sole senior manager in Britain and Ireland, he no doubt saw himself as a potential successor to Anderson. Sorensen replied that ‘Anderson has resigned and his affairs have been cleaned up so that he will not be returning to England’. Grace must have been relieved at this decision and optimistic of his chances of replacing him. Sorensen went on to explain that ‘things are horribly jammed up as a result of some of his attempts in managing financial as well as sales affairs’.<sup>104</sup> Sorensen complained that he had had so much dumped on him that he would be unable to travel to Europe, so instead Grace would have to visit Dearborn. Sorensen demanded that Grace bring Port Stewart with him. While Stewart had been sent to Ireland to utilise his knowledge of Ford’s metallurgical developments and methods of working, he had achieved little, worse still Sorensen grumbled: ‘I do not know what he is doing, only having received three letters from him since he left’. Dismissively he commented, ‘he is the most hopeless man I have ever seen’.<sup>105</sup> As always, he had a complaint about costs: ‘your list [of employees] still shows too big, and your overhead [is] very large...I do not understand why you cannot cut down this office and overhead considerably more than you have’. Sorensen closed by telling him to prepare for his trip to the United States by getting together all his tractor costs as well as his anticipated Model T castings costs.<sup>106</sup>

In the plant, the problems persisted, but some were easier to deal with than others

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104 C. E. Sorensen to Edward Grace, 1 Feb. 1921 (BFRC, Acc. 572, Box 17).

105 Ibid.

106 Ibid.

and the versatility of the Fordson tractor was able to solve at least one. When the power company employees went on strike, Grace harnessed his idle tractors to provide electrical power, permitting him to continue to operate the foundry and the machine shop.<sup>107</sup> By mid-April, operations and employment numbers were down to the bare minimum. Sorensen was again cabling Grace and demanding: ‘Have you pulled down tight, no word as yet from you how many men in plant’.<sup>108</sup> Grace replied that in total he had 196 people working; production 57, office 33, non-production 78, and construction 28.<sup>109</sup> Even this shadow of its productive self did not satisfy Sorensen who responded immediately by cable: ‘office and non-production force too high...any prospects from Bate for tractors I am looking to you now to get some results’.<sup>110</sup> While Grace’s responsibility was solely for the Cork plant, with the gap created by Anderson’s departure and armed with this prompt from Sorensen, he now assumed the role of senior manager in his dealings with the Ford European organisation. He cabled Harrington the English agent, demanding ‘a more determined effort on your part to market our product’, adding that he was ‘not satisfied with the [sales] estimate you sent me’.<sup>111</sup> He also cabled Bate in Manchester informing him that he wanted ‘a redoubled effort from your end so that we can commence production’.<sup>112</sup> Subsequently, Grace’s aspiration was to be frustrated and despite his posturing and his ambition, he was no doubt disappointed when H. A. Bate was appointed manager of the English operation. Bate was even less fortunate than

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107 C. E. Sorensen to Edward Grace, 23 Feb. 1921 (BFRC, Acc. 266, Box 1).

108 Ibid., 11 Apr. 1921 (BFRC, Acc. 266, Box 1).

109 Edward Grace to C. E. Sorensen, 18 Apr. 1921 (BFRC, Acc. 266, Box 1).

110 C. E. Sorensen to Edward Grace, 18 Apr. 1921 (BFRC, Acc.572, Box 17).

111 Edward Grace to J. J. Harrington., 22 Apr. 1921 (BFRC, Acc.572, Box 17).

112 Edward Grace to H. A. Bate, 22 Apr.1921 (BFRC, Acc.572 , Box 17).

Anderson and destined to be fired some seven months later.<sup>113</sup>

Undaunted, Grace continued to try and find sales. In desperation, he came up with a plan to sell tractors to Russia. It is not clear whether this was Grace's imagination or a genuine creative opportunity, either way he proved himself indefatigable in pursuit of markets. Detroit had received their first Russian tractor orders in late 1918 and by 1921 was doing a significant trade with them.<sup>114</sup> With poor sales in England and little prospects in Europe, Grace was now trying to get a slice of this market. The scheme had stalled because of the Russians' problems in obtaining hard currency. Grace's solution was to get into barter. He claimed to have reached agreement with the Irish millers to accept Russian wheat. Of the 100,000 tons of wheat imported into Cork annually, the millers were prepared to accept up to 25 per cent from Russia, giving an approximate purchase value of 2,500 tractors. Putting such a scheme into operation all over the country, Grace believed, that he could get enough currency to 'pay for' 10,000 tractors, which the Russians had intimated they needed. He and Harrington had scheduled a meeting with a Russian commission which was due to arrive in London in mid-May 1921.<sup>115</sup> In spite of his optimism, it is clear nothing came of the idea, as there is no record of the meeting or subsequent developments along these lines.

In contrast with his hopes for Russia, by May 1921 he was pessimistic about prospects in England, though in the near future he was hoping for better results on the continent, as soon as exchange rates 'become somewhere near normal'. To this end, he

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113 WH, pp 107/108. Anderson had benefited from strong postwar sales and a lack of effective local competition, but his policies were to lead to problems, which Bate inherited, so that by the time of his departure, the British company was for the first time operating at a loss.

114 NH, vol. II, p. 255, total sales for the period 1920-26 was 24,600 Fordsons.

115 Edward Grace to C. E. Sorensen, 9 May 1921 (BFRC, Acc. 38, Box 46). See Tolliday about later Soviet dealings.

continued to act as the senior manager, putting pressure on Harrington and Bate. He informed Sorensen that:

While in the past I do not believe they have paid as much attention to the tractor as they should have, you can rest assured that they are working hard on it now, and if they don't you can believe that I am going to know the reason why. I am continuously getting after them both on any little thing that I can think of in order to keep them moving and keyed up.<sup>116</sup>

Notwithstanding Grace's optimism and schemes, there was no improvement in sales and consequently tractors were only being produced intermittently. On the other hand, in June 1921, the demand for Model T cast iron-parts for Manchester was showing positive signs. They wanted him to produce additional parts, namely transmission covers, which would employ several hundred men. Except now he had another problem-lack of coke to fire his foundry. Having cut back material inventory as well as manufacturing operations, he was caught out by the additional orders. After being refused permission by the British authorities to ship coke from South Wales as 'Ireland had plenty of supplies', Grace was forced to borrow 10 tons from the 'Admiral in charge of the Navy in this district' while he arranged for 50 tons to be shipped from Holland to tide him over for a week.<sup>117</sup>

Around the same time Cork's competitive inadequacies were finally exposed. In May 1921, the Fordson tractor distributor for Poland wished to buy 100 tractors, but insisted on getting prices from the New York office.<sup>118</sup> From 1918, when Henry Ford & Son Ltd of Cork had been the appointed agents for all tractors sold in Europe and in the Middle East, it had been company policy that American prices were not to be quoted to

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116 Edward Grace to C. E. Sorensen, 9 May 1921 (BFRC, Acc. 38, Box 46).

117 Ibid., 11 June 1921 (BFRC, Acc. 572, Box 17).

118 Ibid., 9 May 1921 (BFRC, Acc. 38, Box 46).

European agents, but instead they must order from Ireland.<sup>119</sup> Grace protested at the Polish agent's action and demanded that Sorensen issue firm instructions to the New York office not to encourage or deal with European dealer's representatives.<sup>120</sup> Grace thought this would be an end to it, but Borkowski, the Polish distributor, repeated his request for prices from the New York office. In response, Grace accused W. A. Ryan, head of Ford sales, of instigating the issue, by sending a cable to managers in continental Europe enquiring, 'what saving could be affected by shipping from New York instead of from Cork and...would [this] effect the bulk of sales'.<sup>121</sup> As always, Grace was convinced that sales would not be affected 'providing they understand firmly that their only market is from here'.<sup>122</sup>

For almost two years Grace had sought permission to increase prices and improve his costs. He had also prevented agents from buying tractors from the United States, but this time neither the extra costs nor his arrogant and hectoring attitude were acceptable. Sorensen referred Grace's letter to Ryan, with the handwritten note: 'Can you give me what you have done on this'.<sup>123</sup> Subsequently, the matter was referred to Edsel Ford who consulted with his father. Despite Henry's support for the Cork factory, selling tractors at an inflated price was contrary to his business ideology. As a result, Grace was overruled. The tractors were to be supplied from the United States. Edsel wrote to Sorensen:

We have decided to accept orders for these tractors from New York, versus Cork, after very careful consideration, and I have discussed this matter very thoroughly with Mr Henry Ford and further wish to state that we are accepting orders today for ten tractors

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119 Minutes of board of directors' meeting, 24 Aug. 1918 (BFRC, Acc. 328, Box 1), see also WH, p. 106.

120 Cable from Edward Grace to C. E. Sorensen, 30 Apr. 1921 (BFRC, Acc. 38, Box 46).

121 Edward Grace to C. E. Sorensen, 9 May 1921 (BFRC, Acc. 38, Box 46).

122 Ibid.

123 Ibid.

for Tunis on the same basis. The writer feels that the only excuse for a foreign plant is the ability to serve the people surrounding it with our products at a reduction of the price from Detroit, plus freight and duty. We have thus far been unable to accomplish this at Cork.<sup>124</sup>

Thus, Grace's attempt to build an efficient tractor plant was shown to have been a futile endeavour. Despite his best efforts he could not compete with the production efficiency, the volume and ultimately the costs out of Detroit. Ford management were now faced with a decision about the future of the Cork plant. While the issue was being considered in Detroit, Sorensen prompted Grace to get out into the field and push the dealers once more.<sup>125</sup>

Shortly afterwards, Grace set off for Europe to investigate the conditions there and to try to drum up sales. In his absence, Clarke reported that he was first taking a close look at the sales situation in England. Pointing out that while the economic conditions in England were very poor, exacerbated by the strikes and high agricultural wages, he felt that these difficulties did not account for the terrible slump in sales. He believed that Ford dealers had enjoyed such flourishing sales over the previous few years, 'when they had practically queues waiting at their doors to take any cars that they could get delivery of from the factory' that they had not yet realised the necessity to work at creating demand and concluding sales.

Discussing the Irish sales situation, with the War of Independence still in progress, Clarke noted that the problem was still the political one; while there were signs that the situation was coming to an end, tractors were still not selling, as 'farmers are

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<sup>124</sup> Edsel B. Ford to C. E. Sorensen, 13 June 1921 (BFRC, Acc. 38, Box 46), also WH, p. 106, (see endnotes, p. 475).

<sup>125</sup> C. E. Sorensen to Edward Grace, 27 May 1921 (BFRC, Acc. 38, Box 46).

reluctant to lay out any money while they run the risk of having their farms burned out as official or unofficial reprisals.’ Painting a very positive picture of the Irish farmer’s prospects and attitude in the event of that threat being removed, he continued:

I believe there is a keenness on the part of the Irish farmer to adopt the most modern methods of agriculture. Also, practically all the Irish farmers (contrary to the practice prevailing in England) have bought their farms out at very reasonable prices, spread over a number of years’ purchase and, consequently, there is more of that personal interest that makes for efficiency and success. The country is fairly prosperous, and if a suitable form of government is reached, should make strides very quickly.<sup>126</sup>

Working on the basis that if tractors could be sold in Ireland, Clarke believed that Ford would sell them, he described the efforts they were making to fully exploit the market potential. They had appointed a champion tractor man to give demonstrations round the south. He also assisted farmers with their running problems, as well as evaluating existing dealers and assisting with appointing new dealers. Within the factory Clarke set about identifying target customers by canvassing workers ‘ who come from the country districts to give us lists of the big farmers with whom they are acquainted...and these have been circularised and the names given to the dealers’.<sup>127</sup>

The truce that marked the end of active hostilities in the Anglo-Irish war came into effect on 11 July 1921. Meanwhile, Grace was continuing his European tour where he was apparently having some success. He had sold and shipped ten tractors to Germany. Clarke expressed the hope that having broken into that market that they might

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<sup>126</sup> E. L. Clarke to C. E. Sorensen, 22 June 1921 (BFRC, Acc. 38, Box 46).

<sup>127</sup> Ibid.

be able to expand it greatly.<sup>128</sup> Attempting to find a way around an old stumbling block, he broached the issue of separate tractors dealerships, enquiring tentatively if it is it ‘fixed policy of the company in America to only appoint as Fordson dealers those firms who are already Ford car dealers, or who are willing and capable to take all Ford products under dealership?’<sup>129</sup> To this Sorensen responded: ‘We deem it advisable over here to continue with all Ford agents with a full line of Ford products represented....We find it is the best policy... and therefore think that you should follow out the same policy in Ireland’.<sup>130</sup> This closed off the option of appointing specialised Fordson dealers who could deal directly with farmers. It left Fordson sales in the hands of Ford car dealers who were suspected of not having any real interest in promoting sales of tractors.

Grace and Clarke continued to exhaust all avenues in their efforts to find sales, but their schemes achieved little in the face of the economic circumstances of the time. Without substantial sales to absorb costs, the price problem still hung over them. The decision by Edsel and Henry Ford to permit United States-made tractors to be purchased by European branches, sounded the death knell for Fordson tractor production in Ireland, as the small number of tractors sold in Europe could easily be supplied from Detroit which was now back in full production. Finally, with little or no sales, Sorensen instructed Grace to dispose of his remaining stock.<sup>131</sup> No specific date was yet stated for ending production, but the departure of the tractor business, meant that a huge void would be left in Cork’s business, raising serious questions about its long-term future. While Grace had been scouring Europe for sales, Ford management in Detroit had been

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128 E. L. Clarke to C. E Sorensen, 14 July 1921 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

129 Ibid., 16 July 1921. (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

130 C. E. Sorensen to E. L. Clarke, 8 Aug. 1921 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

131 WH, p. 106.

considering Cork's future, particularly in relation to Model T parts. In late July 1921, Sorensen announced some extremely good news to Grace. Previously when discussing the manufacture of different parts in Cork he said:

We hesitated from time to time to give you the go head on these parts, but now we intend to push the Cork plant to the limit. There has been considerable discussion on the Model T motor as to whether it should be built at Cork and assembled at Manchester, but we now want it definitely understood that the Model T should be built and completely assembled at your plant in Cork.<sup>132</sup>

This meant that as tractor production was being phased out, the new Model T business could be phased in. Henry Ford & Son, Cork would henceforth supply the Irish market with Model T motor cars, while continuing to manufacture engines, rear-axles and other parts for Manchester.

In Britain, H. A. Bate was replaced by Charles L. Gould who had been head of a branch assembly plant in Omaha, Nebraska. Gould was supported by a senior machining manager from Highland Park, W. E. Davis, whose job was to supervise manufacturing operations and to improve Ford-England's manufacturing efficiency.<sup>133</sup> Well aware of his differences with the previous managers, Sorensen admonished Grace, 'if you and Davis will work hand in hand on this, we are sure that you can put this across satisfactorily'. Davis was given the additional role of improving engineering in Cork. 'We want to get you three fellows working together more than you ever have before', was Sorensen's advice.<sup>134</sup> Now with a new high-calibre management team and the go-ahead to produce Model T's in Cork the future looked positive again. The new arrangements would

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132 C. E. Sorensen to Edward Grace, 19 July 1921 (BFRC, Acc. 38, Box 46).

133 Tolliday, 'Ford in Britain', p. 14.

134 C. E. Sorensen to Edward Grace, 19 July 1921 (BFRC, Acc. 38, Box 46).

eventually replace American imports with parts manufactured in Ireland, reducing freight charges and eliminating import duties.<sup>135</sup> At the same time, it would eradicate problems brought on by poor handling and sea salt corrosion on the long sea voyage across the Atlantic. But Sorensen's entreaties fell on deaf ears, as the three managers resisted cooperation. Within a short while Gould and Davis were not even talking to each other, despite attempts by Detroit to mediate a solution.<sup>136</sup>

With preparations being made to begin assembly work and the relative peace following the truce, Grace's hopes rose and he set out to exploit this improvement and get local tractors sales moving again. Writing to Sorensen, he claimed to have received orders from 16 agents already, adding that 'the only trouble here now is that the agents have been dead so long we have to get to shine the rust off them before they get moving'. He threatened that any agent unwilling to carry tractors would 'get the axe'. However, since there were lingering fears that hostilities might resume, people were still wary of the future, 'the farmers are not going to take any chances on purchasing new equipment which may be destroyed if hostilities are again resumed'.<sup>137</sup> More generally, he described the very difficult conditions which motorists faced:

because nearly all the bridges are blown up, and the roads are trenched, which makes it very dangerous for road travelling. I went the other day a distance of six miles and it took me 1 <sup>3</sup>/<sub>4</sub> hours through fields, up lanes, and through small streams,....I hope you will try and appreciate the obstacles we are up against.<sup>138</sup>

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135 WH, p. 111.

136 Meanwhile, Gould's bullying attitude to his sales agents and dealers tended to undermine sales and sales figures started to decline. Sales fell from 46,362 in 1920 to 31,955 vehicles in 1921 and 27,303 in 1922. In 1922 Sorensen allowed right-hand drive cars to be made, which helped somewhat. See Tolliday, 'Ford in Britain', p. 14.

137 Edward Grace to C. E. Sorensen, 6 Aug. 1921. (BFRC, Acc.572, Box17 ).

138 Ibid.

As he struggled with the after-effects of the war, trying to find sales as well as converting the plant to assembly work, Grace had his hands full. Sorensen's constant barrage of questions and criticisms finally provoked Grace. Exasperated, he had recourse to sarcasm. Answering Sorensen's criticism regarding the number of millwrights being employed Grace replied:

You must understand we have been erecting the reel type conveyer and that takes a lot of millwrights...you can also rest assured that everybody here on the staff is working hard and conscientiously, and we don't go fishing or playing golf every afternoon at 4.30 p.m. I don't know whether you realise over there the hell we have gone through here for the past year, and I feel quite proud of the fact that I have been able to keep out of politics as well as I have.<sup>139</sup>

Grace felt particularly aggrieved by Sorensen's accusation that he set out on the visit to Europe of his own initiative. He said: 'You intimate that I have gone into this German thing off my own bat'. As he explained his attempt to obtain tractor sales in the interest of the firm, he reminded Sorensen that he 'only did so after receiving instructions from you to do so—both by cable and letter'.<sup>140</sup> This self-pitying epistle from Grace got no sympathy from Sorensen who responded with an angry letter which concluded:

I should prefer very much if your letter of 12 September was not in your files at all, as I certainly do not intend to file the one that you sent me this morning. As I see it, it has no particular value and does not show the spirit that I had been expecting to receive from Cork.<sup>141</sup>

Charlie Sorensen visited Cork in December 1921 and spent three days there dealing with

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139 Edward Grace to C. E. Sorensen, 12 Sept. 1921 (BFRC, Acc.572, Box 17).

140 Ibid.

141 C. E. Sorensen to Edward Grace, 30 Sept. 1921(BFRC, Acc.572 , Box 17). Ironically, despite his comments it was still in the archives in 2005!

the various issues relating to the conversion of the plant to Model T assembly. One of the decisions to be agreed upon was where the tractor production equipment plant should be sent. Sorensen's view was that it should be shipped to Germany and set up there. He sought Edsel Ford's opinion on the matter.<sup>142</sup> Despite the apparent plan to shift it immediately to Germany, the equipment remained on site for another year, producing tractors occasionally until it was finally removed at the end of 1922 and shipped back to Dearborn.

Thus, the Ford tractor plant that was introduced in 1917 with such great expectations was now facing a new future as a parts and assembly plant. Originally designed to produce in excess of 20,000 tractors per annum, this capacity proved to be far in excess of demand in post-war Europe. In total 7,605 tractors were produced in just over three years, the largest output in 1920, when 3,626 units were produced.<sup>143</sup> The effect of the world-wide recession came at a crucial time for the emerging Ford factory. The dearth of sales, apart from depriving the business of revenue, also undermined management's ability to get the plant up and running with a degree of momentum that would have permitted the factory to achieve both quality and quantity goals; it never had the opportunity to reach its potential capacity.

In his communications with Grace and Clarke, the issues that concerned Sorensen were sales, output, costs and quality. These never reached an acceptable standard. The plant lost money for all of the time it produced tractors; it needed a volume of sales that could only be achieved by producing motor car parts for Manchester. In competition with Dearborn's massive manufacturing capacity, which in 1922 had seen 66,752 tractors

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142 C. E. Sorensen to Edsel Ford, 6 Dec. 1921 (BFRC, Acc. 38, Box 45).

143 See Appendix 2.

produced, followed by 101,898 in 1923, there was no business logic to retain a plant in Ireland producing a couple of thousand units.<sup>144</sup> The decision to supply the European market tractors from America, ending tractor production in Cork was made by Edsel and Henry Ford and communicated to Sorensen.<sup>145</sup> When closing down Cork, the question was, should the equipment be kept within Europe and perhaps another attempt made to produce. Sorensen had proposed sending it to Germany. Presumably, he had some hope of a large enough market being found there to support such a plant. In the end, the equipment was shipped back to the United States, suggesting that the only plant capable of producing the quality and quantity at low enough cost was Dearborn.

The political activities in Ireland had little or no bearing on the decision to discontinue tractor production. The various political issues encountered were dealt with as any other production problem. Sorensen was insistent on being kept informed of unfolding events, but was equally adamant at all times that the company and Grace not get embroiled in the fickle and changeable business of politics. Political problems were seen as issues to be avoided at all costs, curiosities or distractions from the serious business of building cars and tractors. On the occasions when an incident occurred in the vicinity of the plant, Sorensen having satisfied himself on the detail, always reverted quickly to the production problems.

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<sup>144</sup> See Appendix 2.

<sup>145</sup> See page 188, Edsel B. Ford's memo to C. E. Sorensen, 13 June 1921 (BFRC, Acc. 38, Box 46).

## **CHAPTER FIVE**

### **Sabotage and threats:**

#### **Problems with local powers (1921-1923)**

For Henry Ford & Son the truce signed between the representatives of the Dail and the British government promised an improvement in the business environment, and though their business was mainly export, the prospect of additional local sales, particularly of the locally-assembled Model T, was welcome. Unhappily, just when Ireland looked forward to the possibility of peace, a new challenge to Ford's business emerged. The Cork Corporation, which formerly had been supportive of the Ford venture, demanded in 1922, that the Ford company conform to the stipulations in its original lease and increase employment numbers to 2,000 workers, in line with the covenants agreed in 1916. The intervening years had seen the replacement of many conservative members of the Cork Corporation, replaced by younger and more radical Sinn Fein councillors, eager to put their stamp on matters. The dispute which followed pitted the corporation against a very stubborn Henry Ford and came close to closing the Cork plant.

The land on the River Lee occupied by Henry Ford & Son was originally obtained by Richard Woodhead, acting as agent for Ford, under an option to purchase or lease which he negotiated with the Cork Corporation in late 1916. The agreement contained conditions which called for the erection of a factory and offices with an estimated building expenditure of £400,000, half of which was to be expended within three years, as well as the creation of a manufacturing operation employing 2,000 adult males at a

minimum wage rate of one shilling per hour.<sup>1</sup> The original option was succeeded in November 1917 by a lease, whereby Woodhead agreed to lease the premises to Henry Ford & Son. The price agreed was £11,500 including £500 for the surrender of the racecourse tenancy.<sup>2</sup> The contract also stipulated that in return for the above lease, the corporation and the Cork Harbour Commissioners, were to use ‘their best endeavours to apply and obtain from parliament such powers and authorities as may be deemed necessary to enable the corporation to complete said lease’.<sup>3</sup> Later, in a lease from the Cork Harbour Commissioners and the City of Cork to the company, on 27 February 1918, Ford undertook to build a new roadway through its property to replace the road closed along the water front.<sup>4</sup> A further agreement between the parties committed Henry Ford & Son to assume Richard Woodhead’s obligations, including the agreement on building expenditures, numbers employed and rates of pay.<sup>5</sup>

Percival Perry was acutely conscious of these conditions. Days before he left the company in September 1919, he pointed out that the available company financial resources were insufficient to finance the building extension as well as meeting its obligations under the agreements with the corporation.<sup>6</sup> He reminded Sorensen that they were committed to the corporation to spend £200,000 and to employ 2,000 men. He said that these commitments, which were now unlikely to be achieved, were made during the war and had a time limit, which was now running out. Typically, Perry recommended following the political route. He suggested that ‘if Cork city fathers are kept under the

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1 Memo by E. J. Matz, Ford auditing department, 28 Mar. 1933 (BFRC, Acc. 38, Box 16).

2 See chapter two.

3 Copy of contract, 28 Nov. 1917 (BFRC, Acc. 328, Box 1).

4 Memo by E. J. Matz, 28 Mar. 1933 (BFRC, Acc. 38, Box 16).

5 Dated 24 Aug. 1918, See E. J. Matz., 28 Mar. 1933 (BFRC, Acc. 38, Box 16).

6 Minutes of directors’ meeting, 29 Sept. 1919 (BFRC, Acc. 328, Box 1).

impression that we are acting in good faith...they will not seek to impose literal interpretations'. He believed that they had a way-out legally, because of the war, but was against taking 'advantage of any legal excuses'. An added complication was that the legal advisers to both Cork Corporation and Cork Harbour Commissioners had died recently and Ford would now have to establish relations with two new and unknown men.<sup>7</sup> Despite the fact that the date for compliance with the terms of the lease was still some years away, Perry was extremely keen that the management in Detroit were reminded of the issue. Whether he was anticipating problems arising from the changing political attitudes in Ireland and the increased influence of Sinn Féin, or whether he was attempting to prevent some other more personal information from emerging is not clear. Later, when the dispute with the corporation was in progress, Sorensen tried to use Perry as a scapegoat and shift the blame to him for going behind Henry Ford's back and making an unacceptable agreement with Cork Corporation.

Following Perry's departure in September 1919 almost two years elapsed before the problem manifested itself. Under the terms of the lease, Ford was committed to building the road through the Marina and handing it over to the corporation by April 1921. In January of that year, when Ford of Dearborn and Cork were both struggling financially, Grace wrote that 'if our funds were in better shape it would be a charity for us to build the road, which we are obligated to build at this time. However, we will stall them off I think until the coming summer'.<sup>8</sup> By the time summer came around, no start had been made on the road and Grace was starting to feel pressure from the corporation who were becoming impatient with the lack of progress. Grace appealed to Sorensen for

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<sup>7</sup> P. Perry to C. E. Sorensen, 1 Oct. 1919 (BFRC, Acc. 328, Box 1).

<sup>8</sup> Edward Grace to C. E. Sorensen, 10 Jan. 1921 (BFRC, Acc.572, Box17).

permission to proceed, as he believed the corporation had been ‘very patient and lenient over the whole proposition’.<sup>9</sup>

Municipal elections held in mid-January 1920 had returned thirty Sinn Fein (and transport workers) as well as sixteen other Nationalists out of a total corporation membership of 56.<sup>10</sup> The matter of the lease came up for debate at a meeting of the corporation in late July 1921, following which the Law and Finance committee was instructed to prepare preliminary steps to serve notice on Henry Ford & Son Ltd.<sup>11</sup> The committee, with Councillor French in the chair, decided that notice should be ‘drafted by the city solicitor to be served on the company *calling attention* to a breach of a covenant in the lease binding them to employ 2,000 adult males’.<sup>12</sup> They also decided that there was a need to clarify the corporation’s view to the management of Henry Ford & Son. Consequently, Councillors Sean French and Barry Egan met with Edward Grace at the Victoria Hotel in August. French explained to Grace that the corporation ‘believed that Messrs Ford had done more than anyone could expect them to in the circumstances’ and they were not demanding any increase in the numbers employed until ‘Ford were in a position to do so’. He claimed to have suggested that the date in the covenant could be extended to some future date ‘when, and if, Messrs Ford are able to employ the stipulated number’. According to French, Grace replied that he did not see any difficulty in such an approach and undertook to write to the corporation outlining his position.<sup>13</sup>

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9 Edward Grace to C. E. Sorensen, 11 June 1921 (BFRC, Acc.572, Box17).

10 *CE*, 19 Jan. 1920.

11 *CE*, 6 Mar. 1922, the record of French’s 4 Mar. 1922 statement in the corporation minute book in Cork City and County Archive comprises of a clipping of the published record taken from *CE*, 6 Mar. 1922. In general, the reports published in the local newspapers are more comprehensive than that available in the corporation minutes.

12 Minutes of corporation meetings, Law and Finance Committee, 27 July 1921, Cork City and County Archive. Italics by author.

13 *CE*, 6 Mar. 1922, Sean French statement.

Following this meeting, Grace wrote to the lord mayor, Donal O'Callaghan, his adversary in the mass attendance dispute a year earlier, outlining the company's situation. He acknowledged that more than the stipulated three years had passed since the lease of 27 February 1918 and admitted that 'the corporation as representing the citizens of Cork are entitled to some account of our stewardship'. He went on to describe their progress and problems. On the positive side he stated that:

Despite the most formidable difficulties due in the first instance to the war and after-war restrictions, and in the second to the hostilities in this country, we have erected buildings which cover over six acres of ground at a cost of £250,000, and equipped them with the most modern machinery at a cost of approximately half a million.

He explained that from an initial state when only ten per cent of the Fordson tractor was manufactured at Cork, this had now risen to ninety per cent, as well as engine and cast iron parts for the Ford Model T car produced in the Manchester factory.<sup>14</sup> Addressing the contentious issue of the employment of 2,000 men, Grace stated that the serious slump which had taken place in the motor trade worldwide had forced the company to reduce its workforce from 1,500 in January to a current complement of 940 men. He pointed out that the men were being paid at a minimum rate of 2s.1d. per hour, double the rate stipulated in the agreement, amounting to a total of £425,000 up to that time.<sup>15</sup> He emphasised that it was in the company's interest, having invested very large sums in machinery and buildings, to employ as many men as possible to make the 'expenditure of capital productive,' and it was the company's intention to do that.<sup>16</sup> He concluded by saying that he was hoping they would 'realise the serious difficulties with which we have

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14 Edward Grace to Donal O'Callaghan, 25 Aug. 1921 (BFRC, Acc. 38, Box 45).

15 Rate equivalent to £5 for a 48 hour week

16 Edward Grace to Donal O'Callaghan, 25 Aug. 1921 (BFRC, Acc. 38, Box 45).

had to contend since starting our operations here'.<sup>17</sup> Tellingly, he made no reference to the key issue, the proposal to extend the date for fulfilling the employment numbers. The vagueness of his reply led Councillor Fagan to telephone Grace who responded that he had, as yet, received no reply on the matter from Henry Ford. French agreed to postpone his motion until Ford's reply was received. Again, on 22 October he contacted Grace for a reply to his proposal that 'an extension of one year to the term during which they agreed to employ 2,000'. Still, according to Grace, there was no reply from Henry Ford. Thus, the issue was deferred for a number of months.<sup>18</sup>

Grace sent a copy of his letter to the lord mayor to Detroit headquarters and followed this up with a letter to Sorensen, informing him that the issue had come up at the corporation's meeting some three weeks before and seeking his views on the matter. He mentioned that the corporation 'were willing to postpone the period of this obligation to 1 January 1922, rather than 27 February 1921'.<sup>19</sup> Sorensen failed to reply until early November when he cabled to say that he would be in Cork in December.<sup>20</sup> During this period, Grace was in regular contact with Sorensen on other issues, normally he kept Dearborn informed of his actions and problems and in turn got immediate replies from Sorensen with his comments or instructions, but on this matter he seems to have delayed writing to Sorensen until after he had written to the corporation. Also, his remark in the letter to the corporation about Fords 'accounting for their stewardship' subtly suggests that he was writing of his own initiative, rather than replying to the corporation's proposal.

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17 Edward Grace to Donal O'Callaghan, 25 Aug. 1921 (BFRC, Acc. 38, Box 45).

18 *CE*, 6 Mar. 1922, Sean French statement.

19 Edward Grace to C. E. Sorensen, 31 Aug. 1921 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

20 C. E. Sorensen to Edward Grace, 9 Nov. 1921 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

In Detroit, Sorensen was extremely busy and preoccupied with the massive River Rouge project. While the plant was still in the course of construction, production had already started in the foundry.<sup>21</sup> Whether Grace was conscious of Sorensen's workload or was holding back the information for some other reason is not clear. Around this time, he was struggling with the tractor sales problems and also dealing with the issue of the Cork Building Sites & Construction Company which may have left him reluctant to raise another contentious issue with Sorensen.<sup>22</sup> While the corporation were seeking an answer to the postponement issue, Grace was clearly in regular communication with Sorensen, but was not pressing for an answer. In the event, no answer was forthcoming until Sorensen's three day visit to Cork in December 1921. During Sorensen's visit, O'Callaghan invited him to discuss the problem privately. He said: 'I hope to have present with me the chairman of the Cork Harbour Commissioners. His interest, like my own, is simply the welfare alike of Cork and of Henry Ford & Son'.<sup>23</sup>

There is some doubt over what was agreed at this meeting as both sides have different versions of the discussions. Representing the Cork Corporation, Sean French claimed that 'in the presence of several members of the council, Mr Sorensen agreed to the corporation's demand, saying that instead of 2,000 men there would be more than 20,000 employed in Ford in the future'. Thus, when Sorensen departed from Cork, the corporation were left with the understanding that 'that he fully appreciated and agreed to the corporation's demand'.<sup>24</sup>

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21 NH, vol. II, p. 212. Blast furnaces had already come into operation and in Nov. the casting of Model T cylinder blocks began.

22 The issue of the Cork Building Sites & Construction Company will be dealt with below; see Edward Grace to C. E. Sorensen, 4 Oct. 1921 (BFRC, Acc.38, Box 45).

23 Donal O'Callaghan to C. E. Sorensen, 3 Dec. 1921 (BFRC, Acc. 38, Box 45).

24 *CE*, 6 Mar. 1922, Sean French statement.

In contrast, Sorensen who had attended the meeting in the company of Grace and John J. Horgan, the Ford company solicitor, never mentioned any such agreement when he wrote later to Grace from Berlin. Instead he demanded that Ford ‘be relieved of this ridiculous situation’.<sup>25</sup> Grace replied promising to see the lord mayor and to do his best to correct matters when O’Callaghan returned from the Treaty debate in Dublin.<sup>26</sup> He pointed out the difficulties, not to mention the risk of bad publicity, and that the corporation might want compensation. He enquired: ‘If they gave us fee simple title to the property now wiping out all the conditions of the lease-would you be willing to consider giving back to them a portion of the property, or a sum of money in compensation?’<sup>27</sup> This appears to be the first mention of fee simple, while previous comments were made about ‘impossible arrangements’ and ‘ridiculous situations’, Grace had now inadvertently articulated what would become Ford’s demand. While the idea of a bargaining tool might have eased Grace’s difficulties with the corporation, it was unlikely to find favour with ‘Cast-Iron’ Charlie Sorensen. There is no record of Sorensen’s reply, but he is unlikely to have agreed.

In subsequent letters, Sorensen failed to mention any agreement on the troublesome covenants or any commitment to achieve the manpower numbers. Instead, he went on the attack, blaming Percival Perry for agreeing a bad deal, alleging that he had structured the deal so that he could purchase land and take advantage of a subsequent property boom in the city.<sup>28</sup> While Perry’s plan had apparently failed, Sorensen, refused

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25 C. E. Sorensen to Edward Grace, 17 Dec. 1921 (BFRC, Acc. 38, Box 45).

26 The Treaty was signed on 6 Dec. 1921 and Treaty debates took place between 14 Dec. 1921 and 7 Jan. 1922.

27 Edward Grace to C. E. Sorensen, 23 Dec. 1921 (BFRC, Acc. 38, Box 45). ‘Fee simple’ represents absolute ownership of land and the right to use or dispose of it as one wishes.

28 See chapter three.

to operate under the terms of the agreement, as he claimed that Henry Ford & Son were being forced to live up to ‘impossible arrangements’ which were unfair to both the city of Cork and the company.<sup>29</sup>

Armed with the justification that Perry had misled the company, Sorensen was unwilling to permit any concession on the lease issue and while he had the luxury of threatening and ranting from a distance, Grace had to deal with the issue locally and attempt to get the corporation to agree terms. He was less aggressive and more attuned to the local political situation and was keen to avoid unnecessary negative publicity. In discussions with Horgan, the company solicitor, Grace suggested that he have a quiet talk with his counterpart, Galvin, the city solicitor. Deciding that their best course of action would be to avoid mentioning the contract, while at least maintaining, if not increasing, employment levels. In this way, they could avoid questions being raised about the issue. Immediately after the Treaty debate he wrote: ‘If we bring it forward now it is sure to be used as a plank in the platform of some of our local politicians at the coming elections’.<sup>30</sup> Grace pursued a restrained and low-key approach to the issue, aware of the sensitivities of the political situation. No doubt, he was also conscious of the general state of politics and of the changes which could arise as a result of the newly independent status of the Free State. He was soon to meet with Arthur Griffith to explain the company’s problems in relation to any new customs arrangements.

With Grace’s lack of action on the corporation’s demands it was inevitable that they would return to the issue eventually. On 25 February 1922, the councillors’ patience finally ran out and they voted to force Henry Ford & Son to comply with the terms of the

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<sup>29</sup> C. E. Sorensen to Edward Grace, 1 Mar. 1922. (BFRC, Acc.38 , Box 45).

<sup>30</sup> Edward Grace to C. E. Sorensen, 10 Jan. 1922 (BFRC, Acc. 38, Box 45).

lease and employ 2,000 men within two months. The news immediately made headlines on both sides of the Atlantic. In Detroit, the evening papers carried the news that Cork Corporation had voted '18 to 8...to demand that Henry Ford & Son comply with the terms of the lease by which they were granted Cork Park for a tractor plant'. The city 'attorney' was quoted as saying that if Ford refused to comply he would be 'compelled to proceed to eject the firm from Cork Park'.<sup>31</sup> Locally, the *Cork Examiner*, reporting on the corporation meeting of 25 February 1922 stated that Sean French, who had proposed the motion, claimed to be 'tired of postponing the motion' and being put off by the local management who claimed to be willing 'to comply with the clause, saying they would get back in touch with America', but this had not happened. With only 1,600 men working 'three or four days a week, Messrs Ford were not entitled to any preferential treatment'. Other councillors, such as Sir John Scott 'would not agree to anything so drastic to such a large firm which gave so much employment'. John Good suggested that the issue be postponed for a month 'and that in the meantime they could get the opinion of the trade and labour bodies'. In reply, Mr D. Gamble pointed out correctly that the Ford workers were not trade unionists. The lord mayor, Donal O'Callaghan, felt that the corporation had been 'very lenient with Messrs Ford in the matter of the employment and had not been treated properly by the firm'. He continued that the corporation 'had all along made allowances for the exceptional circumstances that prevailed'. Galvin, the corporation solicitor and earlier described by Grace as somebody 'who has always been our friend' suggested that if the covenants of the lease were not complied with they 'would have to

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<sup>31</sup> *Detroit News*, 27 Feb.1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

take proceedings for forfeiture of the lease and proceed for ejection'.<sup>32</sup>

The threat of ejection implied in the corporation's motion infuriated Henry Ford, who seems to have been unaware of the issue until it was published in the Detroit newspapers. On reading the reports he reacted angrily and immediately cabled his views to Grace:

Papers here tonight state that Cork Council voted to evict us if we don't live up to terms of lease. Make no changes in our plans and operations whatever. We stand ready to go and will do so immediately on their order without any further protest on our part, further, we will go no further under any restrictions of this lease. If this lease is not removed at once we will proceed to move to localities where we are not handicapped. Sorensen discussed this question with present mayor of Cork also Mr Horgan who knows what we want.<sup>33</sup>

This cable became Charlie Sorensen's mandate for all further dealings with the Cork Corporation. Immediately following Ford's cable came Sorensen's version, addressed to both Grace and Horgan and reinforcing Ford's message. 'See Mr Ford's cable to Grace today both of you now understand that the lease which was drawn up unfairly to ourselves and Cork Council must be cancelled at once or we will leave Cork.'<sup>34</sup> In Grace's absence, Horgan replied agreeing with Sorensen's view. Horgan had immediately contacted the city solicitor and warned him as to the consequences if the notice was served by the council.<sup>35</sup> The following day Grace received the notice from the corporation demanding that they increase the workforce to two thousand men in

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32 *CE*, Monday, 27 Feb. 1922. 'Friend' quote in Edward Grace to C. E. Sorensen, 10 Jan. 1922 (BFRC, Acc.38, Box 45).

33 Henry Ford cable to Edward Grace, 27 Feb. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 285, Box 56).

34 C. E. Sorensen to J. J. Horgan and Edward Grace, 27 Feb. 1922 (BFRC, Acc. 266, Box 1).

35 J. J. Horgan to C. E. Sorensen, 1 Mar. 1922 (BFRC, Acc. 266, Box 1).

two months time.<sup>36</sup> Acknowledging the notice, Grace suggested that the original object of the disputed covenants had been to ‘ensure that the company should start a bona fide manufacturing enterprise’ and that objective had been achieved. Consequently, he continued:

Mr Ford was determined not to submit further to conditions which would be a perpetual irritation and handicap to our business and which cannot be just. If the council persist...and refuse to settle the matter permanently...we are to take the necessary steps to close the Cork factory, surrender the premises and transfer our enterprise to some other locality where it will not be similarly handicapped.<sup>37</sup>

Again, Sorensen confirmed this as the correct approach.<sup>38</sup>

This was a new situation. Initially the corporation had tried to get Ford to live up to the covenants in the original agreement, or at least to agree arrangements which would see the covenants implemented at some suitable time in the future, however, Henry Ford and Sorensen were now not even prepared to discuss the employment levels, but were arrogantly demanding that the covenants be removed completely and that they receive fee simple title to the property.

Meanwhile, the *Cork Examiner* launched a blistering attack on the corporation for its foolhardy decision, making clear its antagonism towards the new Sinn Fein controlled corporation. Pointing out that the citizens viewed ‘with alarm and a keen sense of anger, the grave situation which has developed out of the unwise and unjustifiable vote’ they:

Bitterly resent any attempt by a little coterie temporarily entrusted with authority to

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<sup>36</sup> Edward Grace cable to C. E. Sorensen, 2 Mar. 1922 (BFRC, Acc. 38 , Box 45). Quoted in Sorensen’s reply to Grace same day.

<sup>37</sup> *CE*, 2 Mar. 1922.

<sup>38</sup> C. E. Sorensen to Edward Grace, 2 Mar. 1922 (BFRC, Acc. 38 , Box 45).

set in a manner which is unIrish, unwarranted, and unworthy. This city cannot afford that a corporation cabal ...should jeopardise the employment of 1,500 men, dictate conditions to the greatest employer of labour the world has ever known and crush out a great industry that through Mr Ford's beneficence has been nursed through trying and troublous times.<sup>39</sup>

More pragmatically, they pointed out that the consequences of the corporation's decision affected more than just Ford's employees. As well as 'four outside firms in Cork doing production work for the Fordson Company', one of which employed 40 men on Ford work alone, hundreds of others, including carters and dockers also benefited. Regular outward shipments of about 150 tons weekly together with cargoes of tractors to the continent had 'helped the Moore & McCormack line to get freight carrying trade developed'. Pointing out that even if the original jobs target had not been reached the economic effect was the same due to the higher wages paid.<sup>40</sup> Calling on the corporation to rectify their error, they said that 'citizens will not submit to corporate dictatorship'.<sup>41</sup>

A separate contribution from the *Examiner* sarcastically pointed out that while the action cost the corporation nothing:

The bright young men whom the recent election placed in power, egged on by advisors that ought to know better...threaten to give Cork a very severe lesson on the dangers of entrusting to inexperienced hands the conduct of the affairs of a great city....They will show the world how they can put Henry Ford in his proper place

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39 *CE*, Th., 2 Mar. 1922. As well as the leading article, they published two photos, one taken before the arrival of Ford and the other of the Fordson works on the Marina, which demonstrated graphically the scale of the company's plant.

40 *CE*, Th., 2 Mar. 1922: Ford had committed to 2,000 jobs at a shilling an hour which equated to about £2,400 per week; despite the lower numbers, the 'actual average wages is between £7,000 and £8,000 per week'.

41 *CE*, Th., 2 Mar. 1922.

...they will evict him from his establishment and find-if they can-a new tenant. Youth, youth [sic] you are a marvellous acquisition...we ought to cherish you forever. Bluff is a dangerous game at best and bluffing Henry Ford with his hundred thousand employees is not safe.

A favourite theme amongst Irishmen is that our industries were cribbed, cabined and confined by English trade jealousy. None would be more ready to advance charge than I, but if I were put upon proof, I would find it difficult to show that any action the British government –well say in the last century– took meant the closing of an industry where 1,500 men at excellent wages were employed. Will our corporation have more courage than the British government?<sup>42</sup>

Ford's workers too were anxious to have their voices heard when, despite very inclement weather, several hundred of the Fordson employees attended a meeting outside the works and were pictured in the *Cork Examiner* protesting against the action of the corporation. Addressed by one Dan Fitzgibbon, they unanimously called on the corporation to take immediate steps to rectify the situation, which they feared may 'become a serious calamity to us, our families and the city of Cork'.<sup>43</sup> The chairman of the *ad hoc* committee cabled Henry Ford dissociating the workers from the action of the corporation, stating that they appreciated and endorsed Ford's position.<sup>44</sup> While the Cork workers were keen that Henry Ford was aware of their loyalty, others saw an opportunity. The editor of the *Belfast Telegraph*, seeing an opening for industry in the north of Ireland, cabled Henry Ford saying 'try Belfast

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42 *CE*, 2 Mar. 1922, The Corporate Dilemma, 'a special contribution by Murrcaun.'

43 2 Mar. 1922 in *CE*, 3 Mar. 1922.

44 *CE*, 3 Mar. 1922, Also BFRC, Acc.38, Box 45.

instead [of] Cork welcome assured and Ulstermen can work'.<sup>45</sup>

Other local organisations, too, were alarmed at the situation and a flurry of meetings was reported. The Chamber of Commerce invited councillors Barry Egan and Sean French to address their meeting to hear a résumé of the negotiations which had led to the impasse. They decided that corporation should be requested to 'get in touch with Ford to agree an amicable settlement'.<sup>46</sup> Meanwhile a deputation from CIDA met with Edward Grace.<sup>47</sup> The CIDA had always had a special interest in improving the industrial base of Cork as well as assisting Ford in establishing their new industry in Cork.<sup>48</sup> After their meeting they expressed the view that they were 'hopeful that a satisfactory settlement is yet possible'.<sup>49</sup> The Cork Ratepayers Association who stated that they had 'rarely known such a universal outburst of public indignation against any local act of the corporation', also supported Henry Ford, demanding that the corporation rescind the objectionable resolution and that Ford be granted the new clauses that he sought in the lease.<sup>50</sup>

As we have seen, the editor of the *Cork Examiner* was very critical of the corporation's action and many letters published in the paper supported this stance. Several were anonymous, while at least one gave a false address.<sup>51</sup> Nonetheless, they offered some interesting views. One contributor suggested that 'Henry Ford...has not transformed our city into Tir na nOg, but has contributed to the happiness and

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<sup>45</sup> Editor of the *Belfast Telegraph* to Henry Ford, 2/3 Mar. 1922 (BFRC, Acc. 38, Box 45).

<sup>46</sup> *CE*, 3 Mar. 1922.

<sup>47</sup> *CE*, 3 Mar. 1922. Delegation comprised J. C. Dowdall, chairman, M. O'Herlihy, secretary, and E. Sheehan BL.

<sup>48</sup> See Riordan, *Modern Irish trade and industry*, p. 267.

<sup>49</sup> *CE*, 3 Mar. 1922.

<sup>50</sup> *CE*, 10 Mar. 1922, Meeting presided over by Sir John Scott, High Sheriff and councillor.

<sup>51</sup> *CE*, 7 Mar. 1922. The owners of an address at Wolfe Tone Street stated that one 'M. J. O'Sullivan' who had written to the newspaper earlier did not live at the address mentioned.

prosperity of 1,500 families'. He suggested that Ford's wage rates were not appreciated by other employers. 'Is the corporation,' he asked, 'unconsciously fighting a battle for the employers federation?...four days per week in the Ford works is equivalent to full time work in these concerns'.<sup>52</sup> Another writer suggested that it was 'strange that the elected representatives of the workers-the Cork Trades Council-have not a word to say on a question affecting the welfare of 1,500 of their own class'.<sup>53</sup> He went on to outline the benefits provided by the company, and referring to the Ford worker's elected representative committee, described the company as 'the first experiment of democracy in industry in Ireland'. On the same day as this anonymous letter was published, a report on the discussion at the Cork United Trades and Labour Council meeting appeared. The council pointed out that while Ford workers were not 'organised workers', they nonetheless did not wish to hunt Ford out of Cork, but called on the anonymous writers to come out into the open.<sup>54</sup> The appearance of so many well-informed contributions suggests that an organised propaganda campaign was underway by either the company or the *Cork Examiner*. However, despite the bulk of writers supporting Ford, a few wrote criticising the company. One correspondent, who was not afraid to give his name, blamed Ford's local supporters. He wrote: 'That Henry Ford puts a pistol, in the shape of a threat to close down, to the Cork Corporation and to the citizens of Cork is surely humiliating enough, but it would not be possible if he did not get backing from your campaign of

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<sup>52</sup> *CE*, 3 Mar. 1922, Letter from 'Tactics.'

<sup>53</sup> *CE*, 10 Mar. 1922, signed 'An Organised Worker'.

<sup>54</sup> *CE*, 10 Mar. 1922

misrepresentation'.<sup>55</sup>

Later Sean French and the lord mayor would claim, with some justification, that the newspapers were biased against the corporation and orchestrated public opinion against them. Certainly they gave little publicity to the fact that Fords were reneging on a legal agreement and using strong arm tactics to get their way. The approach by the corporation in dealing with this matter reflected their political immaturity and naiveté. While they may have had a legal right to demand implementation of the labour clause, any consideration of the contemporary state of business, and Cork in particular, would have suggested caution. Even a cursory examination would reveal that the Fordson tractor business was operating at a loss and to demand that the company should employ hundreds of additional workers for whom there was no justification, was unrealistic and was bound to raise the ire of Henry Ford. Yet the corporation had a duty to seek to implement the agreement made earlier and while Ford management had engaged in prolonged delaying tactics, they may have felt that a 'warning shot' across Ford's bows might speed up negotiations. What they did not anticipate was Ford's intransigent and stubborn response when he was threatened. Neither did they anticipate the response of public opinion articulated and perhaps orchestrated by the *Cork Examiner*. Ford had invested heavily in the tractor plant in Cork against advice and arguably, even against business logic. They had been operating for approximately two and a half years during which time they had coped with the difficulties of the post-war recession and the Irish War of Independence and they had seen the tractor business all but disappear. Now, to be

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<sup>55</sup> *CE*, 10 Mar. 1922, S. O'Hegarty.

threatened with closure after bringing substantial employment to the city, no doubt seemed like ‘biting the hand that fed you’. Over half a century later, Henry Ford & Son’s publicity department put a benign slant on events:

Henry Ford was doing his utmost to provide more employment for the citizens of Cork, but knew the council was trying to force him create extra work where none existed. Feeling that such a rash move could jeopardise the future of those men already employed, he opposed it.<sup>56</sup>

The confrontation gives an insight into the stubbornness of Henry Ford and Sorensen’s role in implementing Ford’s wishes. Ford was apparently prepared to shut down the Cork plant. Whether this was a bluff or not is hard to be sure. During this period the decision had been taken to wind-down tractor production and replace it with Model T work. Given the state of the world-wide economy and the excess capacity in Dearborn, it might in fact have suited Ford to close Cork completely and transfer all production back to the United States. Grace was caught in the middle, trying to walk a tightrope between the two militant forces. Henry Ford on the one hand, and a newly-elected council, with a substantial majority of uncompromising nationalist Sinn Fein councillors, on the other. As the man on the ground, Grace tried to deal cordially with the corporation. Acting as mediator, he tried to soften the remarks of each side while achieving Ford’s demand of a title free from ‘noxious clauses’. He was aware of the very real risk of closure if the stubborn Ford management was pushed too far, but at the same time he was conscious of the new political forces exerting their political muscles in the council chamber. Sympathetic to the workers and people of Cork, he also had to

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<sup>56</sup> Ford & Son, *Ford in Ireland*, p. 17.

protect his own future career. His extensive European dealings and experience, together with the ineffectiveness of the contemporary managers in England, would have led him to believe that his future promotion prospects lay in Europe. For him to lose a business as substantial as the one in Cork would reduce his potential empire considerably.

However, his actions were not always effective. He seems to have acted hesitantly and only reluctantly faced the issue, when to act earlier might have avoided the confrontation. With his knowledge of local politics and conditions, he was better placed to negotiate with the corporation. Despite the regularity of his communications with Sorensen, he was slow to raise the lease issue with him and seems to have ignored the corporation's offer of a postponement. His failure was to allow the issue to drift out of control. However, once the issue blew up he worked hard to find a satisfactory solution for the company. If Henry Ford had been determined to bring a plant to Cork, Grace's role in mediating between Cork and Dearborn was instrumental in ensuring that it stayed there, despite the obstinacy and inflexibility of the two opposing sides.

While the stalemate with the corporation continued, Sorensen instructed Grace not to make any changes in his operations, but to discontinue all construction and installation work. 'Employ no more help. Close up employment department.' More ominously he demanded to know what Ford's total current investment in Cork was.<sup>57</sup> Three days later Grace replied that he had 'complied with instructions...our total investment £1,097,089'.<sup>58</sup> At this point, it seems likely that a review of Ford's situation in

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57 C. E. Sorensen to Edward Grace, Sat., 4 Mar. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

58 Edward Grace to C. E. Sorensen, 7 Mar. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

Investment made up as follows:

Real estate and buildings                      £271,400

Machinery tools and general equipment    £503,254

Cork was under way on whether or not to continue manufacturing in the light of poor sales and the present political problem.

The *Cork Examiner* of 7 March 1922, reporting the effect of these decisions said that: ‘construction work and the erection of all machinery and equipment at Messrs Ford’s factory was discontinued yesterday. As a result 500 men will be thrown out of work until such time as the present dispute is settled’.<sup>59</sup> Soon the local labour exchange was having difficulty dealing with the additional influx of unemployed workers in a city where ‘already between 7,000 and 8,000 are in receipt of unemployment benefits’.<sup>60</sup> Meanwhile, the lord mayor, presumably concerned by Grace’s messages and the reports in the newspapers, cabled directly to Henry Ford: ‘Regret you appear misled by hostile press misrepresents corporation attitude anxious to sympathetically cooperate with you attitude already explained to Mr Sorensen who was quite satisfied’.<sup>61</sup> By this stage, the expression of ‘cooperation’ was unlikely to sway Henry Ford or Sorensen.

With the chorus of criticism aimed at the corporation from all directions and another meeting of the corporation scheduled for Friday 10 March, a deputation of local dignitaries arranged a meeting with the Ford management. Grace and Clarke met the group which included Alderman Liam de Roiste, T.D., Diarmuid Fawsitt and Senator J.C. Dowdall, of CIDA.<sup>62</sup> Later, Fawsitt circulated a minute of his interview to all the government ministers. According to this, Grace accused the corporation of ‘pin pricking’ in a variety of ways, but especially in relation to the fulfilment of the lease. This had led

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Production stores	£247,151
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Non-production stores	£75,284
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<sup>59</sup> *CE*, Tu., 7 Mar. 1922.

<sup>60</sup> *CE*, Wed., 8 Mar. 1922.

<sup>61</sup> Lord mayor Donal O’Callaghan to C. E. Sorensen, 8 Mar. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

<sup>62</sup> *CE*, 9 Mar. 1922.

Mr Ford ‘without reference to his Cork advisers and representatives, to decide to close the entire plant’ unless the corporation relented.<sup>63</sup>

Attempting to break the impasse Fawsitt expressed himself ‘satisfied that the Ford company has passed the stage when the bona-fides of the undertaking might be called into question’ and that there was ‘no longer any grounds for Cork Corporation insisting on the fulfilment of the clause in the lease’. Nevertheless, he suggested that Mr Ford should be advised not to seek, at this stage, the fee simple, but that steps could be taken later. Meanwhile, he proposed that at Friday’s meeting: ‘the corporation would be asked to refer the matter in dispute to their law adviser for settlement with the law adviser of the firm, the understanding being...that the clause...would be waived by the corporation’.<sup>64</sup>

The Ford management agreed to this suggestion and Grace gave a verbal assurance that the men recently let go would be taken back and the new road built, as required by the lease. According to this minute ‘suitable steps were then taken by Alderman de Róiste and others’ to ensure that the corporation cooperated with this agreement and voted to rescind the recent resolution.<sup>65</sup>

There was a large public interest in the subsequent corporation meeting. To ensure that only those who had business in the courthouse entered, in the absence of a police force, members of the Fire Brigade were on duty at the door. The *Cork Examiner’s* report of the meeting included French’s explanation and justification for his actions. He claimed that when it became clear that Ford had not lived up to its commitments, the corporation had only two choices, either to close their eyes to the facts

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63 Minute of interview with Messrs Ford, Cork by Diarmuid Fawsitt, Ministry of Economics, 9 Mar.1922 (NAI, Department of Taoiseach, S 5782A).

64 *CE*, 11 Mar. 1922.

65 *Ibid.*

or take action. In advising the company of their responsibility, he denied demanding that 2,000 be employed by Ford, but had assured Grace and Sorensen that they could comply when 'they were in a better position' and that corporation was prepared to extend the period for a year. Nevertheless, to say the motion which had been passed-the motion to force Ford to comply with their lease-was a motion to quit as the *Cork Examiner* and the American papers had done was 'false and malicious'. He believed that the attitude of the corporation had been grossly misrepresented to Mr Henry Ford.<sup>66</sup>

Following French's presentation, the corporation debated the issue and was still divided and not easily convinced of Ford's bona fides. Councillor S. Nolan, referring back to early 1921 when men had been let go by Ford, felt that the layoffs were being contrived by the company for sinister reasons. He continued, stating that his grievance was that:

The Ford factory was being run in the interests of a certain definite set of men and these were not Irishmen or Nationalists. There was a conspiracy down there to keep out the workers of Cork and to import foreigners and men from the North of Ireland. They had employed even ex-Black and Tans. Those who had been dismissed during the week were not Englishmen; Englishmen, Scotchmen and North of Ireland men were working there still, and the 'ring' at Fords must be broken sooner or later in the interest of the workers at Cork and the Catholic workers of Ireland.<sup>67</sup>

The lord mayor also complained of 'a campaign of scurrility and falsification' by the newspapers which had misled the public, while the truth was the corporation had made no attempt to force Messrs Ford to employ additional men they did not require.<sup>68</sup>

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66 CE, 11 Mar. 1922.

67 Ibid.

68 Ibid.

In return for Grace's assurances, Fawsitt and de Róiste had given a commitment to have the corporation see sense, now true to that promise, the corporation was persuaded to rescind their previous decision. They voted unanimously to withdraw their employment demand and thus lifted the implied threat of ejection. 'It was also resolved "that the city solicitor confer with the legal representatives of Messrs H. Ford" with a view to an amicable settlement.' The corporation also agreed that if necessary a delegation of two of its members would be appointed to visit Mr Henry Ford and explain the matter to him in person.<sup>69</sup>

Generally, there was a huge sense of relief that the immediate threat to the plant had been removed. The *Cork Examiner* welcomed the decision and expressed a feeling of relief that the wishes of all the citizens had been implemented. No doubt the workers, too, echoed these sentiments. Fawsitt also seemed to think this was the end of the matter. He later wrote: 'I believe that matter is now well under way to a permanent settlement being carried out'.<sup>70</sup> On Saturday 11 March, the day after the corporation meeting, Michael Collins, Chairman of the Provisional Government arrived in Cork by train from Dublin. On Sunday he addressed a massive pro-Treaty rally in the city, and before departing from Cork on Monday, accompanied by Fawsitt, he paid a surprise visit to the Fordson factory.<sup>71</sup> As Collins approached the plant 'the quay workers immediately identified the distinguished visitor, and cheers were raised all along the riverside'.<sup>72</sup> Later, the *Cork Examiner* enthused:

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69 CE, 11 Mar. 1922.

70 Memo by Diarmuid Fawsitt, 21 Mar. 1922 (NAI, Department of Taoiseach, S 5782A).

71 On 6 Mar. 1932, the *Cork Examiner* reported that a national campaign in support of the Irish Peace Treaty and the Irish Free State had been inaugurated; on 8 Mar. they reported that Michael Collins had spoken on Sun. 5 March 1932, at a Free State demonstration in Dublin.

72 CE, 14 Mar. 1922 and Ford & Son, *Ford in Ireland*. p. 17.

The party was taken all over the really wonderful works, the system of working and the procedure being lucidly explained by Mr Grace. The enormous mass of machinery which was fully employed and the great numbers of men surprised the visitors. In the casting room Mr.Collins cast four motor-car cylinders....Mr. Collins completed his visit by taking a turn on a tractor.<sup>73</sup>

The issue of the recent controversy was raised in the meeting between Fawsitt, Collins and Grace. Grace assured them ‘that all the discharged hands would be reemployed’.<sup>74</sup> Before departure, Collins had the ritual photograph taken aboard a Fordson tractor.<sup>75</sup>

With the immediate threat removed, the *Cork Examiner* reported that some of the men were being reemployed at once, with the remainder of the 600 returning ‘in a day or two’.<sup>76</sup> While, on the face of it, a resolution had been reached, the issue of the lease simmered on for some months. With the Anglo-Irish Treaty recently signed, the treaty debate, which would soon turn into a civil war, was raging. Against this background of turmoil, Grace continued to make contacts, working to find a complete solution, but when Sorensen detected this he commanded: ‘your last cable indicates you are still dealing with corporation. Read Mr Ford’s cable again nothing else goes. Get proper title with no obligations. Nothing else will be considered’.<sup>77</sup> Quite how Grace was supposed to get a solution without dealing with the corporation is not clear.

Henry Ford was adamant that he wanted not just the employment clause removed, but title to the land in fee-simple, without any impediments at all. As the solicitors from the two sides worked to find a formula for agreement before the next corporation

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<sup>73</sup> *CE*, 14 Mar. 1922.

<sup>74</sup> Memo by D. Fawsitt, 21 Mar. 1922, (NAI, Department of Taoiseach, S 5782 A).

<sup>75</sup> Reproduced in *CE*, 14 Mar. 1922.

<sup>76</sup> *CE*, 14 Mar. 1922.

<sup>77</sup> C. E. Sorensen to Edward Grace, 17 Mar. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

meeting, the corporation's solicitor, Galvin, was instructed to seek a number of minor concessions to benefit the interests of the citizens of Cork. The first related to a 'right of passage' on the waterfront, while the second asked: 'Will Messrs Ford give any undertaking that the number of men at present employed in the factory will be maintained for any period, or that the factory will be carried on on its present scale for any period?' Thirdly, he enquired: 'Will Messrs Ford give any undertakings that they will not sell or sublet their holding without consent of the corporation?'<sup>78</sup>

In reply, J. J. Horgan said that he was 'acting on Mr Ford's direct instructions' and that 'our clients cannot consent to any of the conditions you suggest'. Reminding them that Mr Sorensen had made it clear to the lord mayor:

That the only limitations our clients would place on the development of the Cork factory would be those imposed by trade conditions and that they were fully determined to develop it to the greatest possible extent...these developments will eventually be on a large scale.<sup>79</sup>

Thus, right up to the final decisive meeting of the corporation, Ford through his legal representative, remained rigidly intransigent, not prepared to give any concessions or commitments on either land or labour. The only commitment was of a vague and unspecified prosperous business future.

On the eve of the meeting, Sorensen's message was calmer, but the underlying threat was the same, that if the outcome of the meeting did not meet Henry Ford's demands then there was only one course left: 'Close the plant until they can look into Mr

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<sup>78</sup> *CE*, 11 Apr. 1922.

<sup>79</sup> *Ibid.*

Ford's wishes. They will find he is doing the right thing'.<sup>80</sup> There is no documentary evidence of decisions being made in Detroit at this point regarding the future status of manufacturing in Cork, but it seems certain from Sorensen's comments that if the corporation's decision had been contrary to Ford's demand, then the plant would have been closed, perhaps permanently. Later Sorensen wrote in a more conciliatory, almost optimistic tone that 'everyone of us here are very keen to do all to expand the facilities of the Cork plant, but at this moment none of us know whether we will have a plant there in a short while or not'.<sup>81</sup>

The corporation meeting of the 10 April 1922 finally settled the issue. Following a number of adjournments, the meeting was held in private with public and press excluded. A letter from Henry Ford to his solicitor, John Horgan, was read out which restated Ford's demand for the removal of the conditions under the lease and rejecting the recent conditions suggested by the corporation. After a protracted debate, Barry M. Egan moved that the conditions be waived and this motion was seconded by John F. Sullivan.<sup>82</sup> The outcome of the corporation's ballot, fortunately for the citizens of Cork, was a vote of 18 to 13 in favour of the motion that waived the requirement to employ 2,000 adult males for a period of five years. It also conceded fee simple title to the land as soon 'as the Central Park Road has been completed and handed over to the Corporation'.<sup>83</sup> The following day, Grace cabled the good news to Dearborn. 'Council granted all our requests, last night. Horgan sailing Saturday *Mauretania* with draft deed for your

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80 C. E. Sorensen to Edward Grace, 10 Apr. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

81 Ibid., 11 Apr. 1922 (BFRC, Acc.572, Box 17). While the date on this letter is the 11th, presumably it was posted before Sorensen received the cable from Grace reporting the result of the corporation vote.

82 Minutes of corporation meetings, 10 Apr. 1922, Cork City and County Archive.

83 CE, 11 Apr. 1922.

approval.’<sup>84</sup>

Amongst those who voted in favour of the motion was the lord mayor, Donal O’Callaghan. He did this despite the fact that it was against his inclination to do so, but given the circumstances and for the good of the city and its citizens, he felt compelled to ‘make a sacrifice’ and support waiving the covenants. He went on, in a persuasive analysis of the issue, to explain his actions. Pointing out that the dispute had not been just a ‘difference of opinion’, but was ‘a case of a definite legal agreement voluntarily entered into by Messrs Ford and their predecessors in the corporation’. He insisted that the corporation had not attempted to ‘violate that lease’, but had acted as custodians of the city’s property and attempted to implement the agreement, as was their duty. He went on to accuse Ford of ‘hold-up’ tactics in their approach to the legally binding agreement. He said:

Nothing could be said...to justify the attitude taken by Messrs Ford to justify their demand. It was new to enter into an agreement and when one failed to carry out a particular part of that argument to insist that that particular part must be removed. When that kind of thing was done today with a revolver to force home the argument, it was generally known as a hold-up. The tactics of Messrs Ford were hold-up tactics introduced into business.<sup>85</sup>

Originally at the meeting in December, he claimed Sorensen had accepted the clause and had ‘agreed with him that the clause would have to be carried for some time before the reversion to fee-simple’, but subsequently, Ford’s representatives had gone back on that agreement and demanded that clause be waived even though it could be ‘of no possible

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<sup>84</sup> Edward Grace to C. E. Sorensen, 11 Apr. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

<sup>85</sup> *CE*, 11 Apr. 1922.

advantage to Mr Ford to give them relief from corporate tyranny'. O'Callaghan felt that 'public opinion had been stamped' by certain elements and an 'effort has been made to show that the corporation had been dealing in a petty spirit with Mr Ford'. He refuted that view, identifying instead Ford's petty attitude. He placed on the record that he had, on behalf of the corporation:

asked Mr Ford's representative for a particular site and later on for any site in a part of the property for a particular public purpose which was badly needed at the time, he was definitely told that there was not one square inch of that property which could be parted with by Messrs Fords as it would all be needed for the purpose of development.<sup>86</sup>

In conclusion, he felt that Cork had not been treated fairly in the matter and reiterated an accusation heard earlier from Councillor Nolan, that 'they had complaints and reports from all over the city that very little over five per cent of the employees of Messrs Ford at the present time had been citizens of Cork'.<sup>87</sup> With Horgan on his way to Dearborn to explain the details of the agreement, Grace wrote to Sorensen asking him:

To look over [overlook]...the apparent antagonism of some members of the corporation. If you fully understood the conditions here and knew under what circumstances the corporation was elected, you could make allowance for the action of some of the members. The present corporation is not a representative body, and when things settle down here, we will have a better set of men to run the city.<sup>88</sup>

Grace was referring, no doubt, to the Sinn Fein majority of 30 out of the 56 corporation seats, many of whom, including O'Callaghan, were anti-Treaty.<sup>89</sup>

While the corporation might have agreed to waive the 'noxious clauses', the legal

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<sup>86</sup> *CE*, 11 Apr. 1922.

<sup>87</sup> *Ibid.*

<sup>88</sup> Edward Grace to C. E. Sorensen, 12 Apr. 1922 (BFRC, Acc. 38, Box 45).

<sup>89</sup> *CE*, 19 Jan. 1920.

details had to be agreed between the two sides. Sorensen was impatient and unhappy with the legal wrangling which followed and was unwilling to accept the replacement clauses being proposed by the corporation, he wrote to Grace:

Your letter of 23 May infers that there are no real changes of any importance, which they are asking for, but read the changes over very carefully yourself and you will see the things they are suggesting are absolutely nonsensical. The changes as I see them are made in order to implicate somebody. Now then what has that got to do with giving us fee simple title to the property?...No records of past actions on our part or on the part of the corporation or any other individuals who took care of this are necessary in the final document...there is plenty of room for accusations, but as I stated before we would prefer to have a very simple transaction.<sup>90</sup>

Whatever allegations he may have made to Grace or verbally to the lord mayor, Sorensen now had no desire to see these views written into a legal document. More aggressively, in case anybody had forgotten, he reminded Grace that Henry Ford's original cablegram of February 1922 was still the policy, that 'we will go no further under any restriction of this lease and we stand ready to go'.<sup>91</sup> Despite the foregoing, Sorensen finally accepted the agreement. In early July, Horgan wrote: 'I am glad to be able to advise you that the Harbour Commissioner executed and sealed our deed of agreement on the 25 June, and I hope the Cork Corporation will finally approve of their deed of agreement and execute same on the 14<sup>th</sup> inst.'. <sup>92</sup> Finally, the agreement was signed on 17 July, following which Grace, no doubt expressing his feelings truthfully following more than a year of bickering, when he closed, 'it is a great relief to have finally closed off these matters of

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90 C. E. Sorensen to Edward Grace, 19 June 1922 (BFRC, Acc. 38, Box 45).

91 Ibid, Ford's original cable to Grace, 27 Feb. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 285, Box 56).

92 M. J. Kennedy, Ford Legal Dept., to Sorensen (re letter from Horgan dated 8 July 1922) 26 July 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

contention between the Cork Harbour Board, Cork Corporation and ourselves'.<sup>93</sup>

For Cork and Ford's employees, whether they realised it or not, this whole saga was a close call. Despite Ford's aim of bringing industry to Cork, his patience was severely tested in this confrontation. The threats to cancel the lease if 400 additional people were not immediately put to work was like 'a red rag to a bull'. Ford prided himself on his generosity. While he was hostile to charity, his philanthropic method was to provide people with the means to help themselves.<sup>94</sup> This is what he had done for Cork, he had provided a manufacturing business in which men could work to improve their prosperity, but if the city was to threaten him, as he saw it, then he was clearly ready to leave. He had the pretext and he had the power. He could be very stubborn when confronted or did not get his way. Perhaps, if the demand had been couched in more conciliatory language, the contest might have been avoided, but publication of the ultimatum in the American papers in such a lurid manner, put him in a corner. He then laid down his demands and he, or perhaps Sorensen acting on his instruction, was never prepared to deviate from them. Ford was whimsical and stubborn and if he felt that the gift he had bestowed on Cork was not being appreciated, he was just as likely to withdraw it. Over the years, he implemented irrational decisions against all advice and often fired men who became too independent, regardless of how loyal or long-serving they had been.<sup>95</sup> Sorensen's staying power in the Ford organisation resided in his ability to carry out Henry Ford's instructions, to act as his watchdog all the way through, never deviating until the stated goal was achieved. William Greenleaf described Sorensen and

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93 Edward Grace to C. E. Sorensen, 19 July 1922 (BFRC, Acc. 38, Box 45).

94 NH, vol. II, p. 493.

95 Brinkley, *Wheels for the world*, p. 269/70, also chapter eight.

the clique which surrounded Ford as ‘servile and obsequious’ toward him but ‘hard-fisted and overbearing in their relationships with others’.<sup>96</sup>

Fortunately, the initial impulsive and obstinate response of the corporation was moderated, though the final vote was still very close and three extra votes could have sent it the other way, with potentially unfortunate consequences for employment in Cork. Grace’s role as mediator must also have played a crucial part. Despite a barrage of instructions not to engage with the corporation, he kept getting on his message across, mainly through the Ford’s solicitor, J. J. Horgan. Additionally, his attempts to clarify the difficult political situation may have had some restraining influence on his senior management in Detroit.

Ford’s attack on the corporation was based solely on bullying tactics and brute force and was a very unequal contest. Ford could remove the jobs and with it a large part of Cork’s prosperity, all the corporation had was the power of the law. As the lord mayor had pointed out, for someone who failed to meet an agreement to then demand that the agreement be replaced by one more beneficial to them, was both illogical and illegal. The corporation had only demanded its rights under the lease. The attitude adopted by the newspapers, particularly the *Cork Examiner*, presented the corporation’s claim as a threat to both Henry Ford & Son and the jobs of Ford’s workers. When this view was in turn taken up by other influential public bodies, the resultant ‘stampede’ of public opinion had the effect of reinforcing Ford’s bullying tactics. While the corporation claimed at all stages to be willing to compromise with the company, Ford were unwilling to budge on any aspect. This was typical of Henry Ford’s attitude on so many issues-absolutely

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<sup>96</sup> Greenleaf, *From these beginnings*, p. 24.

obstinate, stubborn and unmovable once he made a decision or adopted a position.

Paradoxically, it may have been Henry's stubbornness that kept the plant open in this period. Having had his way in the lease confrontation, this victory may have left him satisfied to revert to his original aim of bringing industry to Ireland. From a purely business point of view, this would have been a good time to close the Cork plant. Ford's expenditure in Cork amounted to more than \$5 million and was unlikely ever to provide an adequate return on investment.<sup>97</sup> With tractor sales depressed and production restarted in the Rouge plant, any decision on the future of production in Cork, if taken by accountants alone, would probably have been to close it down. A further concern was the issue of tariffs. The Treaty negotiations which had concluded in December 1921, had created a self-governing state with power to set its own trade tariffs. Henry Ford & Son needed to establish what these political changes and the new reality would mean for their business. Since, increasingly, the Cork plant's role was as a parts supplier to Manchester and there were suspicions that tariffs could be introduced, Grace sought a meeting with Arthur Griffith in early 1922 to air Ford's concerns.<sup>98</sup> Despite assurances given by Griffith, tariffs were in the offing and the economics of the plant were about to deteriorate further.<sup>99</sup> The emergence of the Irish Free State introduced new question marks over the viability of the factory and tested Henry Ford's commitment to bring industry to Ireland.

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The shelling of the Four Courts on 28 June 1922 signalled the outbreak of the

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<sup>97</sup> WH, p. 107.

<sup>98</sup> Edward Grace to C.E. Sorensen, 6 Feb. 1922 (BFRC, Acc.572, Box 17). Sorensen forwarded this letter to Edsel Ford with the comment 'A little side light on the new Government in Ireland'.

<sup>99</sup> See chapter six.

Civil War and created a new era of instability for Ireland and for Ford. Most Cork IRA units supported the anti-Treaty side and their forces quickly took control of Cork city and the surrounding counties and declared the so-called 'Munster Republic'. This situation posed immediate problems. Grace cabled Sorensen from England in early July in something of a panic: 'Political crisis here may mean that we will be forced to close this plant. Banks are not able to function.'<sup>100</sup> He had transferred his account to England, but was concerned that he would not be able to pay the workers. He was also convinced that the war would paralyse the country and suggested that Manchester should draw its supplies from Dearborn.<sup>101</sup> Two days later Sorensen responded and instructed him to pay the workers with cheques, which he believed merchants would accept if they were backed by Ford. On the question of closing the plant, Sorensen was resolute, he said: 'Our wish is to keep every man employed no matter what the political situation may be. Don't close plant under any circumstances'.<sup>102</sup>

Albert L. Byrns, a Dearborn auditor and one of Sorensen's key overseas inspectors, despite his need to visit Cork said: 'It is impossible to visit Ireland at the present time, owing to the inclination of the Irish, persist in fighting anybody and everybody'.<sup>103</sup> Instead, he met Clarke in London. Clarke was there to open a bank account with Lloyds to be used to pay English suppliers as cheques deposited in Ireland were not being cleared. Byrns found Clarke very pessimistic and disheartened by the situation in Cork at the time. Describing the wholesale commandeering of vehicles, he stated that the Irregulars 'were patrolling the streets and river-banks all the time looking

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100 Edward Grace to C. E. Sorensen, 4 July 1922 (BFRC, Acc. 38, Box 46).

101 Ibid.

102 C. E. Sorensen cable to Edward Grace, 6 July 1922 (BFRC, Acc. 38, Box 46).

103 WH, p. 295.

for someone to shoot at and that there were no roads nor bridges passable round Cork, and he feels that in a very short time they will come to a standstill'.<sup>104</sup>

By mid-July, keeping operations going was proving very difficult. As usual, Grace was keeping Sorensen up to date on the local conditions. He reported:

Up to this point no actual fighting has yet taken place in this district, but it is expected at any time. Business is of course considerably hampered through the commandeering of motor cars, motor trucks, etc. A sedan of ours was taken, but returned again after they used it for a few days.<sup>105</sup>

Communications with Britain and the Continent were proving difficult with consequent effect on materials supply. 'All mail, telegraph and phone communication stopped except local and American,' Grace wrote on 17 July. The payment of the men by cheque was going smoothly and despite the various challenges production was still going at full pace.<sup>106</sup> By the end of the month, all of Cork was holding its breath. The Irregulars were still in control of the area, but the Free State troops were expected to attempt to reclaim control. The *Irish Times* was pessimistic about the coming battle, it reported that the national forces were advancing 'by way of Kerry, Bantry Bay and Mallow, and the Irregulars fighting stubborn rearguard action, the struggle will end in or about Cork, and that city will suffer severely'.<sup>107</sup> No one could guess how much damage or injury the impending battle would cause. In the face of the many difficulties, Grace did everything in his power to keep the plant going and believed that he could succeed despite the imminent battle. He anticipated having to close the plant down for a few days, or a week

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104 A. L. Byrns to G. R. Brubaker, Highland Park, 8 July 1922 (BFRC, Acc. 572, Box 17).

105 Edward Grace to C. E. Sorensen, 14 July 1922 (BFRC, Acc. 572, Box 17).

106 *Ibid.*, 17 July 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 46).

107 *IT*, 7 Aug. 1922. During this period the *Cork Examiner* was in the control of the Irregulars and publishing propoganda. See Diarmuid O'Murchadha, *Liam de Roiste* (Dublin, 1976) p. 285.

at most, while the actual battle for possession of Cork took place. Despite the potential dangers, he also resisted any intrusion by the Irregulars into Ford's business. During the period some of Ford's employees joined the Irregulars. Grace reported that 'about 50 of our men have gone to fight with the Republicans. We have replaced these with new men and have not granted leaves of absence'.<sup>108</sup> This action was in direct defiance of the demands by the Irregular forces who were 'conscripting' volunteers under threat, 'some were taken from their business houses and their employers told their places must be kept for them'.<sup>109</sup>

When officers of the Irregular forces arrived to commandeer some of Ford's machines, Grace resisted strongly. He told them that:

They were playing with fire, and admitted to them that while I could not resist their arms, I still had a greater weapon and that was the fact that if they hampered and we were unable to keep running that they would be making enemies of our nearly 2,000 men, and I did not believe that they wanted a condition of that sort...a lorry came down prepared to remove some machines and I told them they could not have them and they were to get out and stay out, which to my surprise, they did, and have not troubled us since.<sup>110</sup>

On a personal note, Grace had sent his wife back to the safety of Detroit and was keen to have Sorensen reassure her that there was 'no necessity for her to worry about his personal safety'.<sup>111</sup>

To add to the other difficulties, at the beginning of August, the Irregulars took over the offices of the income tax inspector for Cork. With access to the books and

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108 Edward Grace to C. E. Sorensen, 22 July 1922 (BFRC, Acc. 572, Box 17).

109 Diarmuid O'Murchadha, *Liam de Roiste*, pp 284/285.

110 Edward Grace to C. E. Sorensen, 22 July 1922 (BFRC, Acc. 572, Box 17). This report of the situation in Cork, as well as the impending risk to the Ford plant, was circulated to senior managers including Edsel Ford and Henry Ford's secretary, E.G. Liebold.

111 Ibid.

records they were demanding that firms pay taxes due for the financial year 1921/22 'to the Collector of Customs and Excise, Cork within three days from the date hereof'.<sup>112</sup> Following a meeting of all the major industrial groups, including Henry Ford & Son, the group agreed to refuse to pay taxes to anyone other than the accredited representatives of the government. When a deputation visited the lord mayor, Donal O'Callaghan, to convey their views, he 'did not conceal his grave anxiety that the consequences might be serious'.<sup>113</sup>

To counter the pressure from the Irregulars, Grace needed support from headquarters. Direct communication was not possible so Grace was forced to communicate with Sorensen through the State Department and the American Consul, J. A. Gamon, located in Queenstown. As a precaution, he sought 'a strong cablegram ordering me to close the plant entirely if any troops interfere too much'. Using the threat of closure, he explained that he wanted the stiff cable 'so as to bluff these people and make them stop bothering us by commandeering our men and equipment'.<sup>114</sup>

By 4 August, developments were expected daily and all were of the opinion that it would not be long before the battle. The only question was 'whether the rebels will make a firm stand or whether it will be a running fight'.<sup>115</sup> With the attack by Free State troops imminent, demands from the Irregulars grew more persistent, chief amongst these was the demand for manpower. Despite the pressure Grace reported that 'at present, there are about a hundred men out of the works with them, some who went willingly and some who were conscripted'. Ford had also received demands to do work for the Irregulars, to

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112 *IT*, 7 Aug. 1922.

113 *Ibid.*

114 Edward Grace to C. E. Sorensen, 2 Aug. 1922 (BFRC, Acc. 38, Box 46). Transmitted by State Department on 4 Aug. 1922.

115 *Ibid.*, 4 Aug. 1922 (BFRC, Acc.38, Box 46).

help with their defensive arrangements. Grace continued steadfastly to resist supporting them in any way. He was conscious of his limitations in dealing with armed soldiers and informed Sorensen, ‘naturally, if they come down and use force, we have no other option but to carry out their demands’.<sup>116</sup> Within the plant work continued on converting the foundry for the manufacture of engines and axles, with drag conveyors for the foundry almost completed and scheduled to come into operation in about a week.<sup>117</sup>

After what must have seemed like an interminable wait, on the following Tuesday the Free State attack came by sea. The previous day a convoy of ships commanded by Major General Dalton had left Dublin with the aim of using the element of surprise to dislodge anti-Treaty forces from the city of Cork. Dalton ‘had hoped that they could dock at Ford’s wharf, near the city’, but was informed by the local pilot that the channel had been blocked by a ship sunk to deny access. Instead, Dalton opted for Passage West, the only other deep-water berth available and came ashore there early on the morning of Tuesday, 8 August. The Irregulars made a stand at Rochestown, located halfway between Passage West and the city. For the following two days fighting continued in the area until the Irregulars were routed and retreated to the city, followed by the Free State forces.<sup>118</sup>

Grace kept the factory working until 3 o’clock on Thursday afternoon, by which time the public buildings in the city were in flames. At this stage they ‘thought it best to get all the people home before any harm came to them’ as a furious battle was expected to ensue. Fortunately, despite having to run the gauntlet of rifle fire, none of the employees were wounded. In the city, the fight continued ‘until Thursday night at about 7

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116 Edward Grace to C. E. Sorensen, 4 Aug. 1922 (BFRC, Acc. 572, Box 17).

117 Ibid.

118 Paul V. Walsh, ‘The Irish civil war, 1922-1923’, A paper delivered at the CUNY Graduate Center, N.Y.

(<http://www.libraryautomation.com/nymas/irishcivilwar.html>) (12 Jan. 2007).

o'clock when the Republicans decided it was unhealthy to stay in the city any longer, and after burning all the public buildings, excepting the courthouse, made a complete evacuation'.<sup>119</sup> Grace was able to report that the factory had suffered no damage 'with the exception of the loss of one Touring car'.<sup>120</sup> Grace was fortunate that his obduracy in protecting Ford's production facility and assets did not have serious consequences for him. He had a close call after his car was fired upon by Irregulars, who commandeered the car and incarcerated him. Charged with not stopping when instructed, the man who arrested him was, in Grace's own words 'a former employee whom I was forced to sack about a year ago because of laziness'. After a brief confinement, he was released following the intervention of some of his local friends.<sup>121</sup> By Saturday the crisis was over and Grace informed Sorensen that:

The city is now occupied by Free State Troops and everything is again normal. There is a feeling of relief after getting rid of the rebels, who are composed of a lot of irresponsible corner boys and people who have no responsibility or property coupled with a lot of fanatical leaders. Our friend, the lord mayor was amongst them, and I understand did a bunk in my car.<sup>122</sup>

For Ford and its employees the fact that the crisis had passed without damage or loss of life must have been a great relief, tempered by the shock at the chaos left behind by the Irregulars, of the railway bridges blown up and the consequent elimination of trains to Cork. 'The telephones and telegraph are crippled by all the wires being cut and the switch

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119 Edward Grace to C. E. Sorensen, 12 Aug. 1922 (BFRC, Acc. 572, Box 17).

120 The car was fully covered by insurance – both Ordinary, Riot and Civil Commotion.

121 Edward Grace to C. E. Sorensen, 12 Aug. 1922 (BFRC, Acc. 572, Box 17). According to A. O'Callaghan in *The Lord mayors of Cork*: '...by the summer of 1922 [O'Callaghan] was forced into hiding, taking no part in the public life of the city of which he was lord mayor. Nevertheless he retained his position for the year 1923 *in absentia* through the efforts of his long time republican colleagues, particularly Liam de Roiste.'

122 Ibid.

board being smashed up with sledge-hammers, likewise the telegraphic instruments.’<sup>123</sup> Meanwhile, Grace’s wife, receiving the news in Detroit, must have been equally relieved, unfortunately the problems in Ireland meant that money could not be transferred to the United States so Grace found it necessary to call on his boss, Charlie Sorensen, to advance her two hundred dollars to tide her over.<sup>124</sup>

\* \* \*

Away from the publicity of the lease dispute and the subsequent activities of the Irregulars, work in the Marina plant carried on as normal. The market for tractors did not improve significantly and in the year ending December 1922, only 2,233 Fordson tractors were produced. Cork’s price disadvantage remained and, as we have seen, Detroit took the decision to discontinue tractor production at Cork. The final Fordson tractor, serial number 253,562, came off the line and shortly thereafter, the tractor machinery was shipped back to Detroit, clearing space for full scale concentration on Model T parts production.<sup>125</sup> More mundane matters came back into focus. For example, the quality of the parts being produced was an issue due to the high level of reject material. During week ending 1 April, the average quantity of bad parts was running at almost ten per cent on a mixed production of tractor and Model T parts. Individual, particularly low-volume items, had a reject rate as high as thirty five per cent. As the year progressed the proficiency of the workers improved and demand became more consistent, so that by December 1922 the foundry was operating at a more acceptable five per cent average

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123 Edward Grace to C. E. Sorensen, 12 Aug. 1922 (BFRC, Acc. 572, Box 17).

124 Ibid., 15 Aug. 1922 (BFRC, Acc. 38, Box 46).

125 Montgomery, *Ford manufacture*, p. 17, also Ford & Son, *Ford in Ireland*, p. 17.

wastage and output was up considerably from 11,863 to 46,146 units per week.<sup>126</sup> On the April foundry report a hand-written note by J. F. Miller, who was in charge of the Rouge foundry, states that the 'high loss on finished items no doubt due to low production, otherwise a fair report'.<sup>127</sup> This supports the view that the problems caused by low and variable production, had a detrimental effect on all aspects of costs, making life doubly difficult for Grace in his attempts to achieve profitability. At least now, as the year 1922 closed, he could anticipate a high volume of production which would allow him to operate the plant to better quality standards and achieve the profitability which had so far eluded him.

At the time the English company was buying parts from Detroit, Cork and suppliers in the Manchester area, as well as making some of its own. With the Marina plant now available to concentrate on Model T parts, the aim was to reduce costs by substituting Cork parts for parts from other sources. One substantial item which they were just getting started on was the rear axle assembly; in December 1922 Grace had confidently promised that: 'we will be ready in plenty of time before Manchester's stocks run out'.<sup>128</sup>

At every stage of his career in Cork, Grace had worked conscientiously to defend his plant and to ensure that the production output and quality were maximised, making sure that his customers were supplied on time. As the year 1923 began, Manchester was his major customer, so ensuring that they did not incur any disruption of supply was of

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126 Weekly foundry cost reports, week ending 1 Apr. 1922; also week ending 9 Dec. 1922 and others from 1922 (BFRC, Acc. 38, Box 46).

127 Ibid., the period from Mar. to Dec. showed a significant improvement in foundry costs and output. For example, output of foundry castings increased from 13,232 units per week in w/e 1 Apr. to 48,795 w/e 9 December. While percentage of units 'bad' dropped from 10.35 to 5.22 per cent and though this represented a dramatic improvement was far from excellent.

128 Edward Grace to C. E. Sorensen, 11 Dec. 1922 (BFRC, Acc. 880, Box 7, Wilkins Papers, re: Acc. 38, Box 45).

paramount importance to him. In mid-January 1923, Cork dock workers went on strike. Ford, operating a non-union business attempted to ship their goods as normal. As with politics, Grace was neutral on the issue of the strike, but was determined to ship his parts out to Manchester, if necessary using his own employees. The dockers naturally tried to prevent Ford from loading and unloading cargoes.

The cargo ship *Cumbria* had been loaded with parts destined for the Ford Manchester plant 'when', according to Grace, 'the crew assembled before the captain and told him that they had been intimidated by the strikers and as they were residents of Cork they would not be able to sail the ship'.<sup>129</sup> Grace was not about to see Manchester left short of parts, so he hired a volunteer crew from the factory to sail the ship. With the necessary crew in place and the ship about to sail they it was discovered that the Steam Packet Company had not supplied bedding for the men. When Grace arrived by truck on Penrose Quay, he was informed of the problem and went directly to the *Glengariff*, another of the Cork Steam Packet Company's vessels, to borrow blankets, only to be immediately surrounded by angry pickets. Despite the threatening situation, Grace forced his way up the gangway of the *Glengariff*, to reappear soon after with the necessary bedding materials. As he made his way back down the gangway, his progress was halted by stones and bricks thrown at him by the striking dockers. At this stage, believing his life to be under threat he drew a revolver to protect himself. Pointing the gun at the strikers, he made his way to the Steam Packet Office. On the way, he was warned by the men 'that if he fired he would immediately be shot'.<sup>130</sup> In the safety of the office, he waited until a military escort had been summoned. The truck that he had arrived in was

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<sup>129</sup> Edward Grace to C. E. Sorensen, 20 Jan. 1923 (BFRC, Acc. 38, Box 108).

<sup>130</sup> *Detroit Free Press*, 19 Jan. 1923.

sent away to get military protection, but in attempting to leave was stopped by the picketers who beat the driver and set fire to the truck. Grace, however, was not injured and was subsequently able to leave under armed military escort.

Grace did not clarify where he got the gun in his possession, but the action of using it to protect himself during the dock strike was bound to gain him international notoriety and to send ‘Cast-Iron Charlie’ Sorensen into a fit of apoplexy. On reading the dramatic report in the *Detroit Free Press*, Sorensen despatched a cable to Grace: ‘Papers here say that you were in a roit [sic] after you displayed a revolver. Do you carry gun or did you carry one at the time. Cable reply’.<sup>131</sup> Yet it was Grace’s drive to meet his commitments to Manchester and his previous promise to Sorensen that resulted in him acting in such an extreme fashion.

Reporting to the Dearborn office, Grace suggested that: ‘the sooner we get our own boats to carry goods between here and our English plant the quicker we will be getting rid of such troubles’. In explaining his use of the firearm he stated that he had carried a weapon as protection because of recent threats that he had received arising out of the strike.<sup>132</sup> He explained:

I hope you will clearly understand that the incident on the quay was not brought about through any desire of mine to flourish a gun but merely to protect myself, because I know if they had got me I would have gotten a terrible messing around.<sup>133</sup>

Ford’s non-union status together with Henry’s well publicised anti-union stance would have angered the more militant striking dockers, while Grace’s blatant attempt at strike-breaking would have provoked extreme reaction from them.

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131 C. E. Sorensen to Edward Grace, 20 Jan. 1923 (BFRC, Acc. 38, Box 108).

132 Edward Grace to C. E. Sorensen, 22 Jan. 1923 (BFRC, Acc. 38, Box 108).

133 Ibid., 20 Jan. 1923 (BFRC, Acc. 38, Box 108). See also *Cork Examiner* c.17-20 Jan. 1923 also *Detroit Free Press*, 19 Jan. 1923.

Grace's battles to keep the plant going, as this event shows, were quite extraordinary. His efforts played a big part in ensuring that the plant continued operating and maintaining its role as a supplier of parts. Meanwhile, Manchester was a difficult customer always ready to stab him in the back, to make life difficult over supply issues. A subsequent cablegram from Sorensen highlighted the dilemma Grace faced. Sorensen warned him against guns, 'Don't carry any firearms. Won't have any of our employees taking chances. It gives everybody the privilege of shooting you down when they know you go armed'.<sup>134</sup> Having warned him against using a gun to protect himself, he immediately attacked Grace on his supply parts to Manchester: 'Understand that Manchester is now being held up for stock from Cork. Give us the facts about this. They are asking for two thousand cylinders and other parts to be shipped from here. Want full details on delay'.<sup>135</sup>

The aim of Grace's dramatic efforts had been an attempt to ensure that the cargo of parts left Cork, so that Manchester's production might not be interrupted and thus complaints to Detroit avoided. Now, despite his efforts, he was being taken to task for causing delays. Grace was emphatic that Cork was fulfilling its commitments to Manchester and the fault lay with themselves for inaccurate scheduling and erratic inventory policy. The issue of supplies, as well as quality, was a regular source of contention between the Manchester and Cork plants. Clearly, shortage of supplies and poor quality parts could have a very detrimental effect on the production lines in Manchester, but they proved to be very intolerant in dealing with these problems. They demanded apparently impossible standards of quality while producing and shipping very

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134 C. E. Sorensen to Edward Grace, 30 Jan. 1923 (BFRC, Acc. 38, Box 108).

135 Ibid.

shoddy workmanship to Cork. Whether this friction was due purely to productivity reasons or whether there was a political, anti-Irish motive, is not clear. Sarcastically, Grace retorted that ‘someone at Manchester must be suffering from brainstorm’.<sup>136</sup>

Despite the battle with the dockers and the disruptions associated with removing tractor assets, the plant continued to expand its range of parts.<sup>137</sup> As well as axle assemblies, plans were afoot ‘to bring the balance of the assembly equipment over here from Manchester and do the whole motor assembly job here...by the end of this month’. Other parts such as wheels were also being considered. Grace could say with some pride that: ‘January was the biggest production month we ever had, and we are increasing every day’.<sup>138</sup> Prospects for the future success of the plant looked secure in the early months of 1923. Despite the loss of the tractor operation, its replacement seemed destined to become a substantial and successful business.

Following a request from Sorensen in late February 1923 for an update on the political situation in Ireland, Grace passed the request to J. J. Horgan. Horgan, writing on 21 February, suggested to Sorensen that ‘the one bright spot here amidst all the turmoil, is your factory which has given a constant example of what industry and determination can accomplish, and the lesson has not been wasted’.<sup>139</sup> He was optimistic about the political state of the country. On the one hand the government was gaining control and normality was returning, ‘firing at night has practically ceased, also street ambushes and bomb throwing, the theatres are running normally, and once more we have a mail train to

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136 Edward Grace to C. E. Sorensen, 31 Jan. 1923 (BFRC, Acc. 38, Box 108).

137 Ibid., 20 Jan. 1923 (BFRC, Acc. 38, Box 108).

138 Ibid., 1 Feb. 1923. (BFRC, Acc. 38, Box 108).

139 J. J. Horgan to C. E. Sorensen, 21 Feb. 1923 (BFRC, Acc. 38, Box 146). The letter was circulated to a number of senior managers, including Edsel Ford.

Dublin and London every day'. He was hopeful that the June election would 'sweep both contending factions of ex-assassins into the political waste paper basket with the formula "A curse on both your houses", and this after all would be the most satisfactory finale to the opera bouffe which began with Easter Week 1916'.<sup>140</sup>

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<sup>140</sup> J. J. Horgan to C. E. Sorensen, 21 Feb. 1923 (BFRC, Acc. 38, Box146).

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**VOLUME 2.**

**THOMAS GRIMES**

**Ph.D**

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NUI MAYNOOTH  
Ollscoil na hÉireann Má Nuad

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INDUSTRY: HENRY FORD IN CORK**

**IN TWO VOLUMES**

By

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THESIS FOR THE DEGREE OF Ph. D  
DEPARTMENT OF HISTORY  
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## ABBREVIATIONS

<b>AIFTA</b>	Anglo-Irish Free Trade Agreement 1965.
<b>AMB</b>	Agricultural Machinery Branch.
<b>BFRC</b>	Benson Ford Research Center, Dearborn, Michigan.
<b>CIDA</b>	Cork Industrial Development Association.
<b>CIO</b>	Committee on Industrial Organisation.
<b>EEC</b>	European Economic Community.
<b>FIC</b>	Fiscal Inquiry Committee.
<b>FPD</b>	Food Production Department.
<b>IDA</b>	Industrial Development Authority.
<b>ITGWU</b>	Irish Transport and General Workers Union (SIPTU).
<b>MOM</b>	Ministry of Munitions.
<b>NAI</b>	National Archives of Ireland.
<b>NH, vol. I</b>	A. Nevins, (With F. E. Hill), <i>Ford: the times, the man, the company</i> .
<b>NH, vol. II</b>	A. Nevins and F. E. Hill, <i>Ford: Expansion and Challenge 1915-33</i> .
<b>NH, vol. III</b>	A. Nevins, and F. E. Hill, <i>Ford: Decline and rebirth 1933-62</i> .
<b>NLI</b>	National Library of Ireland.
<b>NPC</b>	National Prices Commission.
<b>WH</b>	M. Wilkins, and F. E. Hill, <i>American business abroad: Ford on six continents</i> .

## CHAPTER SIX

### Tariffs:

#### **McKenna's revenge and Cumann na nGaedheal inertia (1922-1926)**

For the employees of Henry Ford & Son, any disappointment felt at the winding up of the Fordson tractor production in December 1922, would have been mitigated at the sight of the Marina plant being transformed into a major supplier of parts for Ford of Manchester and an assembler of Ford cars for the Irish market. In the same month, the Irish Free State came into existence. Cork plant's *raison d'être* had been endangered by the departure of tractor manufacture and in order for Ford's new business to be successful and profitable they needed free trade to continue between the two islands. In the years leading up to independence, Irish nationalists had talked of protectionist policies, yet Griffith, arguably the greatest proponent of protectionism, when interviewed by Ford management in February 1922 had assured them of a continuation of the *status quo*.<sup>1</sup> The generally expected outcome to demands for Irish independence had been a version of home rule, which, while granting some degree of political independence had not envisaged fiscal autonomy and the imposition of tariffs between England and Ireland. From the introduction of the Act of Union in 1800, more than a century of free trade had led to a high degree of integration between Britain and Ireland, resulting in many respects in a single integrated economic unit.<sup>2</sup> Ford's decision to develop a manufacturing base in Cork was based on this reality. The 1914 Government of Ireland Act, which had been suspended until the end of the war, had in effect, precluded the imposition of tariffs. Ford's factory in Cork, while established primarily for the production of tractors,

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<sup>1</sup> Edward Grace to C. E. Sorensen, 6 Feb. 1922 (BFRC, Acc. 572, Box 17).

<sup>2</sup> David Jacobson, 'Motor industry in Ireland', p. 73.

incorporated the only Ford foundry on these islands and could equally serve as a parts producer for Manchester. To achieve flexibility of supply between the two plants, Ford needed and assumed that the existing fiscal arrangement would continue.<sup>3</sup>

On 1 April 1923, Britain introduced a 22.22 per cent duty on imported car parts from Cork, the Irish Free State followed with a similar tariff on cars and motor parts into Ireland.<sup>4</sup> So, Ford, having weathered the disruption of the war of independence and the civil war, found that their former location within the free-trade zone of the United Kingdom was transformed. Now, with the dissolution of the customs union, Ford faced tariffs on imports into both countries. The unforeseen additional costs that accrued altered the economics of the Cork operation, divided it from its major customer, and threatened its viability as a manufacturing operation. Ford, was the only significant company which was manufacturing in both countries and trading between them in products which from 1923 attracted tariffs in both directions.<sup>5</sup> Uniquely, Ford's situation was to pose a conundrum which defied easy solution for almost a decade.

Before the First World War Britain had operated a free trade foreign economic policy. Reginald McKenna became Chancellor of the Exchequer in May 1915 and in the interest of freeing up scarce shipping space and conserving foreign exchange, introduced the McKenna duties. He 'doubled the duties on tea, tobacco, coffee, chicory and dried fruits'.<sup>6</sup> He also introduced a 33.33 per cent *ad valorem* tax on imported luxury goods

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3 David S. Jacobson, 'The political economy of industrial location: the Ford Motor Company in Cork 1912-26', in *Irish Economic and Social History*, iv, (1977), p. 47.

4 *IT*, 23 Mar. 1923.

5 *Ibid.*, pp 73/74.

6 Hew Strachan, *The First World War*, vol. I, (Oxford, 2003), pp 859 and 870.

including cars, cycles, watches, clocks, musical instruments and film.<sup>7</sup> These protective duties were retained after the war to the benefit of the British motor industry.<sup>8</sup> While cars and car parts were subject to the 33.33 per cent tariff, tractors were not.<sup>9</sup> Ford's change from producer of tractors to motor parts manufacturer came just in time to incur the tariff on parts imported into Britain.

Despite McKenna's justification of the duties as a wartime necessity, it seems that American industry's capability at mass-producing low-priced vehicles represented a threat to British motor makers which needed to be countered. According to Jacobson, the British government were conscious of the situation with motor car supplies and keenly aware of the likely post-war situation and the necessity to protect the British motor industry once hostilities ceased. Tellingly, Wilkins and Hill suggest that there were rumblings as early as October 1912, when sales of the Model T Ford began to climb dramatically, that 'the rapid progress of the ungainly American car shocked British manufacturers, who were soon to seek tariff protection against the alien in their midst (and got it, but not for a number of years)'.<sup>10</sup>

Clearly, with most of Britain's engineering industry involved in war production and the motor industry doing its share, the output and development of private cars in Britain and on the continent of Europe was almost stagnant, while in America the motor industry was in full production, leaving European industry at a potentially significant technological disadvantage after the war. Hobsbawm goes so far as to claim that:

The motor industry was preserved from destruction after World War I by the McKenna

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7 'According to value', duty levied as a percentage of the value of the goods.

8 Eric J. Hobsbawm, *Industry and Empire*, (Harmondsworth, 1990), p. 203.

9 Jacobson, 'The Ford Motor Company in Cork 1912-1926', p. 43.

10 WH, p. 51. See Appendix 1.

duties, which safeguarded it from the overwhelmingly greater American industry, at that time virtually the only exporter in the world and undoubtedly capable of swamping all other mass-produced car manufacturers.<sup>11</sup>

The duties, having served their purpose of protecting Britain's motor industry during the war, were not repealed afterwards, but continued to provide protection up until the 1950s with a short break in 1924-5. A modification of the duty improved matters for Commonwealth countries when the Finance Act of 1919 introduced the idea of Imperial Preference. This had the effect of reducing the tariff from 33.33 per cent to 22.22 per cent for goods imported from the British Empire.<sup>12</sup> When Ireland's financial relationship with Britain changed as a result of the Anglo-Irish treaty agreement, Appendix 10 of the agreement stated that:

Ireland shall have the same constitutional status in the Community of Nations known as the British Empire as the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, and the Union of South Africa, with a parliament having powers to make laws for the peace, order and good government of Ireland and an executive responsible to that Parliament, and shall be styled and known as the Irish Free State.<sup>13</sup>

The interpretation of the Anglo-Irish Treaty that treated Ireland as part of the Commonwealth, meant that the McKenna duties applied to motor parts exported by

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11 Hobsbawm, *Industry and Empire*, p. 217. Note: In 1929 the US exported about three times as many motor cars as Britain, France, Germany and Italy put together and almost twice as many as were manufactured in Britain. (Hobsbawm, p. 217).

12 David Jacobson, 'Motor industry in Ireland', pp 77/78.

13 Houses of the Oireachtas, parliamentary debates, Conference on Ireland, Appendix 10, Anglo-Irish agreement, 10 Jan.1922. (<http://historical-debates.oireachtas.ie/D/DT/D.P.A.100001.html>) (30 Apr. 2007). In the Anglo-Irish negotiations of 1921 Lloyd George proposed that there should be no protective barriers within the islands of Britain and Ireland, this was rejected and ultimately full fiscal independence similar to that of the Dominion of Canada was agreed. See James Meenan, *The Irish Economy since 1922*, (Liverpool, 1970), p. 137.

Henry Ford & Son of Cork to Britain, forcing the Ford Motor Company of England to pay 22.22 percent duty to the British Exchequer on all parts shipped into Manchester. By accident or design, this arrangement ensured that motor parts for American cars imported into Britain, whether manufactured in the Irish Free State or elsewhere, were subject to duty and therefore, continued to protect British motor industry from American imports.

In addition to protecting the motor industry using the McKenna tariffs, the British government introduced further support with the Roads Act of 1920 when the method of implementing excise tax was altered to favour British motor cars. The new excise duty came into effect on 1 January 1921. Its main effect was to tax motor bicycles, lorries and tractors by weight, but to tax private cars by horsepower using the Royal Automobile Club formula. This formula arrived at a horsepower rating based on the diameter of a car's cylinders, ignoring its stroke and capacity, so that while two engines might have a similar engine capacity, the one with larger diameter cylinders was deemed to be of higher horsepower and paid a higher tax.<sup>14</sup> The government levied the tax at £1 per horsepower. Since American engines had generally much larger diameter cylinders they incurred the higher rates. The annual licence fee for the Model T had previously been £6. 6s. 0d., but its horsepower rating of 22.5 under the new scheme increased this to £23.<sup>15</sup> In comparison, most small British motor cars qualified as eight horsepower and cost £8. Consequently, despite a low initial purchase price the cost of running the Ford became unattractive. The thrust of these measures was to protect British motor industry from imported American competition and even from locally assembled American cars. In

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14 David Jacobson, 'Motor industry in Ireland', pp 78/79. The calculation used the square of the diameter (diameter x diameter) multiplied by the number of cylinders, divided by 2.5 to arrive at the horsepower rating.

15 The "Horsepower tax" (<http://www.rrbew.co.uk/FeatureHtms/F-Excise-PB.htm>) (1 Nov. 2006).

any event, the upward trend of Ford's sales, which had seen a dramatic increase in 1920, was halted and did not fully revive until the introduction of the Model Y in 1933.<sup>16</sup>

Like Britain in the early 1920s, Ireland remained a very open economy, the exception being goods which fell under McKenna. While the British government secured the interests of its motor industry, in the new Irish Free State the new Provisional Government that took office in December 1922, had no clear view on protection and faced problems and questions which were largely unanticipated. Serious consideration had not been given to the issue of trade barriers or protection, other than a generally agreed non-specific protection of home producers. The opposition were largely protectionist, but their refusal to take their seats in the Dáil meant that opposition was weak. The deaths of Michael Collins and Arthur Griffith in 1922 deprived the government of men with some economic skills. The man who took over finance, Ernest Blythe, according to Lee, 'had virtually no economic policy, beyond the act of faith that prosperity would follow from fiscal rectitude'.<sup>17</sup> Blythe is said to have believed 'that if Finance looked after the book-keeping, the economy would look after itself'.<sup>18</sup> Thus, the first Free State government took the view that the state should 'do as little as possible'.<sup>19</sup>

With little economic experience the government were concerned mainly with the survival of the new state and delivering a return to normality. They were keen not to disrupt the country's main export which was agriculture. Prudent and careful policies were needed to cope with the results of the recent wars, and to deal with reduced revenues and high security costs, minimal state intervention was required. The decision to

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<sup>16</sup> See Appendix 1.

<sup>17</sup> Joseph Lee, *Ireland 1912 -85: Politics and society*, (Cambridge 1989), p. 112.

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*, p. 92.

retain the British arrangements unchanged left Ireland with a totally unsuitable selection of import duties. Mary E. Daly, to whom I am indebted for the following pages, states in her work, *Industrial development and Irish national identity* that: ‘These duties made the option of continuity that existed for both agriculture and banking considerably less feasible for trade and industry’.<sup>20</sup> Thus the pro-Treaty government, facing a range of pressing problems acted pragmatically, ignored the views of their fellow revolutionaries, and instead pursued a course of orthodox economics which confronted neither economic orthodoxy nor the British and Anglo-Irish establishments.

The priority of achieving independence had united nationalists in the struggle against the British; independence, it was believed, would lead to a better life for Irish people in every way, both politically and economically. Beyond achieving this goal little research or preparation had gone into planning that future. The economic views of Arthur Griffith dominated Sinn Féin, but as Richard Davis commented: ‘Griffith was a propagandist not an objective student of economic theory; like other nationalist politicians he was compelled to account in psychologically satisfying terms, for his country’s subjection.’<sup>21</sup>

Griffith drew loosely on the theories of the German economist Friedrich List for his economic inspiration. He envisaged an independent Ireland which would erect tariff barriers against goods from outside, protecting industry and encouraging the development of a sound and diversified industrial base to counterbalance and reduce the reliance on agriculture.<sup>22</sup> He had presented his ideas to the 1905 Sinn Féin convention and these

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20 Mary E. Daly, *Industrial development and Irish national identity, 1922-1939*, (Dublin, 1992), p. 19.

21 Richard P. Davis, *Arthur Griffith and non-violent Sinn Féin* (Dublin 1974), p. 127.

22 Mike Cronin, ‘An anatomy of Dominion status and after: The case of Ireland since 1922’, p. 3. Paper delivered to conference on

views remained the accepted economic policy until independence.<sup>23</sup> Griffith's view of protection was expounded by him as follows:

Protection does not mean the exclusion of foreign competition, it means rendering the native manufacturer equal to meeting foreign competition. It does not mean that we shall pay a higher profit to any Irish manufacturer, but that we must not stand by and see him crushed by mere weight of foreign capital.<sup>24</sup>

Griffith invited 'investors of capital' to profit from Irish resources: 'They can offer us in return profitable employment for our people and an enormous increase in strength socially, politically and commercially'.<sup>25</sup>

As well as developing a sound industrial base, he believed that:

The whole policy would be underpinned by the active participation in economic life by the individual, local government and a national assembly. With the onset of independence the banking system and the stock exchange would come to serve the interests of the Irish economy and would sever their links with British capital.<sup>26</sup>

There is no doubt that at the time of independence, Ireland was relatively backward industrially, this lack of industrial development was blamed by Friedrich Engels on her lack of natural resources, specifically coal. According to Daly, few Irish nationalists accepted that interpretation. Publications such as Sir Robert Kane's *Industrial Resources of Ireland*, published in 1844, argued that Ireland had sufficient resources to support a strong industrial nation. Later, other Irish nationalists such as Thomas Davis and Arthur

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the Dominion concept: Inter-state and domestic politics in the British Empire, University of Warwick, 21-25 July 1998.

(<http://www.psa.ac.uk/publications/psd/1998/cronin.htm>) ( 17 May 2006).

23 Cronin, 'Anatomy of Dominion status', p. 3.

24 Arthur Griffith, *Resurrection of Hungary* (Dublin, 1918), p. 146.

25 Ibid, p. 148.

26 Cronin, 'Anatomy of Dominion status', p. 3.

Griffith adopted this view uncritically. The restoration of an Irish parliament and some form of protection were believed to hold the solution to Ireland's problems. Looking back on the late eighteenth-century and the last Irish parliament, many 'saw the reestablishment of an Irish parliament as the solution to unemployment' and a return to the prosperity of the period.<sup>27</sup> Daniel O'Connell, also 'advocated protection for Irish industry, and in the 1840's the Repeal Association produced a report that emphasized the benefits of tariffs'.<sup>28</sup> Later, figures such as Thomas Davis and Charles Stewart Parnell expressed the view that industrial development required tariff protection. Thus, 'by the time of independence the case in favour of intervention, and specifically of protection, appeared to be well established among the ranks of the dominant Sinn Feiners'.<sup>29</sup> The idea that Ireland had sufficient resources to support a large population, but that it was not being allowed to do so by the British government, was widely believed and a new government with the power to protect deserving Irish industries, while avoiding corrupt practices, would give Irish people the jobs and prosperity they had so long been deprived of.

If the nationalist view was that Ireland's industry could be expanded to support a much larger population, then there was also the question of the kind of industrial development that was appropriate. Certainly, the idea of large industrial complexes and enclosed factories were not in the minds of the proponents of protectionism. In the nineteenth century James Fintan Lalor had expressed the view that factory work was alien to Irish society, that moral ideals were 'more dignified than the worship of

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<sup>27</sup> Daly, *Industrial development*, p. 4.

<sup>28</sup> *Ibid*, pp 4/5

<sup>29</sup> *Ibid*, p. 5.

industrial efficiency'.<sup>30</sup> Commenting on the condition of the lives of factory workers, he painted a gloomy picture:

They pass their lives from the cradle to the coffin shut from the sun and sky and air, working in the furnace and the factory, dwelling in the filthiest lanes of a filthy town, amid everything that is most offensive and disgusting and revolting, an abomination to human feelings and human senses.<sup>31</sup>

This contrasted with the rural idyll and traditional values espoused by many writers. One such, Fr. Peter O'Leary, a West Cork Gaelic Leaguer, presented what one writer has termed 'a simple-minded, evil-city-versus-virtuous-village polarity, tied up, of course, with an identification of England and English modes with the former and Ireland and Irish-language traditions with the latter'.<sup>32</sup> Therefore, in comparison with industry, agricultural output was the backbone of the country and despite the memories of the Famine it still carried all the positive images that nationalists believed in, particularly when compared to the grim, dark smoky factories of England.

Thus, according to Daly, the leaders of the new Irish state inherited a conflicting mix of ideals: 'A desire to protect rural society and its values, and to stabilize the rural population; a vision of industrial development minus the evils of capitalism, materialism and urbanisation.' They were aiming for the economic equivalent of 'wanting to have their cake and eat it'.<sup>33</sup> Economically the reality was never going to match up to the dream. Griffith did not live long enough to implement any of his theories of industry and protection, instead the pro-Treaty group who came to power quickly discarded his ideas.

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<sup>30</sup> Daly, *Industrial development*, p. 9.

<sup>31</sup> *Ibid.*

<sup>32</sup> *Ibid.*, p. 10.

<sup>33</sup> *Ibid.*, p. 11.

On the face of it, the leadership of Sinn Fein would not appear to support the kind of industry which Ford represented, incorporating as it did the worst kind of conditions—large, noisy, hot, dirty and overcrowded foundry and machine shops. Despite Henry Ford's efforts at improving his factories with airy architectural designs and comprehensive maintenance and cleaning practices, they came close to Lalor's description. On the other hand, the many visitors who toured the Marina plant spoke in glowing terms of the complexity, organisation and efficiency of the amazing array of machinery. In addition, the substantial employment and high wages paid to a large workforce provided a huge commercial boost to the city of Cork and as such was supported by all local politicians. Henry Ford & Son proved to be mixed blessing and the politician's ambivalence was apparent in the early years of the Free State as they attempted to integrate the reality of Ford's industry with their nationalist ideals. Pragmatically, the government could never turn its back on such a large enterprise and risk losing the jobs it provided and alienating its workers. Yet neither could they wholeheartedly endorse it.

Following the signing of the Anglo-Irish Treaty on 6 December 1921, no fiscal changes took place in the Irish Free State up to 31 March 1923, as the Treaty had stipulated that to allow for an orderly transfer of administration, taxes and duties would continue unchanged during the transition period.<sup>34</sup> From late 1921, Henry Ford & Son were changing over from tractor to motor parts manufacture. When it became clear that the Irish Free State would now have the same constitutional status as Canada, then by implication the same 22.22 per cent tariff would apply to motor parts imported into

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<sup>34</sup> Acts of the Oireachtas, Article 74, Constitution of the Irish Free State (Saorstát Eireann) Act, 1922. (<http://acts.oireachtas.ie/zza1y1922.1.html>) (23 Mar. 2007).

Britain. In addition, Grace was no doubt acutely sensitive to the protectionist rhetoric of republican politicians demanding tariffs on imports into Ireland. The decision to produce motor cars and parts in Cork meant there was now a risk of incurring duty in both directions. These threats of increased costs concerned the Ford management and as we have seen Edward Grace immediately sought an interview with Arthur Griffith, President of the Provisional Government.

At the meeting on 4 February 1922, Grace and Clarke set forth their views on customs duties applying to motor cars and component parts between England and Ireland. In order to plan the development of the Cork plant, they sought information and reassurance regarding the provisional government's future arrangements. Griffith, no doubt anxious not to upset a major employer:

expressed his personal wish to support us and facilitate us in every way possible, and he was sure everyone else in the provisional government would do the same. He thought that there would be no tariff wall placed between England and Ireland, and that in the future the same scheme will exist between England and Ireland as in the past.<sup>35</sup>

According to Grace, Griffith assured him that nothing would change for several months and asked him to put his questions in writing, setting out Ford's main questions, so that he could bring it before the next meeting of the provisional government.<sup>36</sup> Grace promptly did this, elaborating that since 80 per cent of Cork's production output currently went to Manchester free of duty, that if the situation that applied to Canada were it to be introduced, then this would mean an additional 22.22 per cent duty on goods into England which would place 'a serious impediment on our future developments here'.

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<sup>35</sup> Edward Grace to C. E. Sorensen, 6 Feb. 1922, see also letter to Griffith; meeting held on 4 Feb. 1922 (BFRC, Acc. 572, Box 17).

<sup>36</sup> *Ibid.*, 6 Feb. 1922 (BFRC, Acc. 572, Box 17).

Ford's wish was that free trade should continue between Ireland and England, on both motor cars and motor parts.<sup>37</sup>

Despite Griffith's assurances, in the months following his death in August 1922 rumours that the McKenna duties were to be implemented were rife. Edward Grace wrote to President W. T. Cosgrave on 8 March 1923 and outlined once more the problems that the tariff would cause for the Ford company, with the knock-on effect on the people of Cork, where he said 'at least 15 per cent of the bread winners [are] directly related to Ford'.<sup>38</sup> Many small engineering suppliers scattered around the hinterland, even as far away as Macroom, would also be affected. He pointed out that the company exported parts to the value of £1.25 million and were thus at risk of incurring an 'impossible burden' of about £275,000 in British tax. He referred back to the meeting with Griffith and the assurances which the company had been given; this had led to substantial investment by the company, now again he was seeking an assurance for the future. He said: 'We feel quite sure that when the government realise the magnitude of the issues involved they will take the necessary steps to negotiate some form of trade treaty with England that will provide for the termination of the prohibitive duty on our manufacturing goods entering England'.<sup>39</sup> In closing, he suggested that if such assurance was not forthcoming, he would 'regretfully have to confer with Mr Ford for the purpose of learning his intentions regarding the future of the Cork factory'.<sup>40</sup>

The latter comment clearly hinted, if not threatened, that the company was not prepared to sustain the additional costs and that the Cork plant's prospects were likely to

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37 Edward Grace to Arthur Griffith, 6 Feb. 1922 (BFRC, Acc. 572, Box 17).

38 Edward Grace to W. T. Cosgrave, 8 Mar. 1923 (NAI, Department of Taoiseach, S 5 782).

39 Statement by Ford re: 'New customs duties', 9 Mar. 1923 (NAI, Department of Taoiseach, S 5782).

40 Ibid.

be damaged by the decision. Within government circles Grace's implicit threat was seen as a bluff. A senior civil servant, Kevin O'Sheil, analysing Grace's letter, identified the statement as a threat similar to that used over the Marina lease which 'although veiled in courteous and formal language, is on a par with their hectoring conduct towards Cork Corporation'.<sup>41</sup> Now again, he noted that Ford were threatening to close and move to England if the government moved to erect any tariff barrier. He dismissed the idea that Ford might pull out and 'give up one of the most valuable sites in Europe'. However, in the unlikely event that they carried out their threat, he said: 'It would be undignified and improper for the government to set a bad precedent by yielding to such immoral threats at whatever cost'.<sup>42</sup>

The issue of a threat to the status of the Irish Free State or its fiscal independence clearly was a sensitive issue. Henry Ford's intransigent stance in the lease confrontation less than a year earlier rankled with sections of the new administration, while this new threat appeared to question their new-found independence and authority. It prompted the response that no company, regardless of its benefit to the economy, was to be permitted to force its views on the Irish Free State government. The view was that a concession on tariffs would be equivalent to abandoning the country's new-found economic freedom. It was repeated somewhat histrionically by government advisor, Joseph Johnston, who noted that 'any argument based on the effect of the customs barrier on Messrs. Ford's activity in Cork would be arguments in favour not of a temporary postponement of the

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41 Kevin O'Sheil, Internal memo, 'Customs, imperial preference and the North East', 24 Mar. 1923 (NAL, Department of Taoiseach, S5782).

42 Ibid. In the same memo he cast doubts on Grace's motives as anti-Irish saying "I don't know what Mr. Grace's nationality is, but I have an idea he's not an American."

barriers but of abandoning it and our fiscal freedom forever'.<sup>43</sup>

The Revenue Commissioners announced in late March that from 1 April 1923 all English-manufactured motor cars and motor cycles imported into the Irish Free State would be subject to 33.33 per cent duty, though this figure was later reduced to 22.22 per cent.<sup>44</sup> They had apparently followed the British line without significant objection or discussion on the matter, perhaps impressed by the substantial revenues to be gained from applying the McKenna duties on imports of motor cars and parts. Despite the fact that the government had earlier stated its intention 'to collect the duty on dutiable articles entering its territory', up to this time it had not been clear if the duty would apply to English-made vehicles, though most people who considered the issue had assumed it would.<sup>45</sup> Now, the retail motor trade expressed surprise and dismay at the move, due to its likely impact on trade, while Grace's plea to the government seemed to have fallen on deaf ears.

On the same day, following a request by an independent senator, Benjamin Haughton, for permission to bring forward a resolution as a matter of urgency, the Senate debated Ford's situation. The debate was typical of the confused dialogue which came to characterise discussions of the Ford issue over the coming years. Haughton, who was from Cork, introduced a resolution asking that the minister of finance enter into dialogue with the British Exchequer 'with the object of obtaining the maximum of reciprocity in import and export duties, and at a minimum of inconvenience to the respective

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<sup>43</sup> Daly, *Industrial development*, p.21.

<sup>44</sup> IT, 22 Mar. 1923, David Jacobson, in his thesis, 'Motor industry in Ireland', deals with this issue, see chapter 3, section III.

<sup>45</sup> IT, 23 Mar. 1923.

interests'.<sup>46</sup> Haughton, briefed by Grace, summarised the Ford company's situation, its background and the substantial benefits it brought to the Cork region. He reminded the house of the promise made by Arthur Griffith that there would be no tariff barrier between Britain and the Irish Free State. Seeking some accommodation for Ford, confusingly he proposed that 'if they could differentiate between the manufacture of motor cars and automobiles and other exports or imports, so that the duty we would impose on imports manufactured in Great Britain would about cover the exports of Ford cars from Ireland'.<sup>47</sup>

Another independent Cork senator, James C. Dowdall, seconded the resolution. Despite being involved in setting up a company to assist Ford with shipping issues, he confessed to 'some misgiving, because I can see the importance from the Free State point of view of being master of its financial resources and collecting its revenue, and for that purpose some sort of customs barrier is absolutely indispensable'.<sup>48</sup> While Sir Thomas Esmonde, in supporting the resolution was not sure if Ford were 'hampered under the present arrangement. Personally, I have not the remotest idea of what the present arrangements are'.<sup>49</sup> In the end the motion was withdrawn, but the issue was raised in the Dáil the following day, where an equally confused debate took place and speakers were clearly ill-informed on the state of the motor industry in Ireland and Ford's situation in particular.

Independent Unionist Sir James Craig, who instigated the debate, expressed the

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46 Senate debates, 22 Mar. 1923, vol. 1, col. 607.

47 Ibid, vol. 1, col. 607/8.

48 Senate debates, 22 Mar. 1923, vol. 1, col. 608; 'shipping issues', J. L. Fawsitt to Henry Ford & Son, 19 Nov. 1919 (BFRC, Acc. 38, Box 42).

49 Senate debates, 22 Mar. 1923, vol. 1, col. 611/2; Sir Thomas H. Grattan Esmonde, Independent

view that the announcement by the Revenue Commissioners had ‘created a panic in the motor trade, and already a considerable number of orders had been cancelled’.<sup>50</sup> He proposed that ‘instead of an *ad valorem* tax of 33.33 per cent that free trade should apply to all cars’.<sup>51</sup> Another supporter of free trade, Dr. McCartan suggested that taxing imports ‘would be a beneficial act if we were manufacturing cars in this country. But the fact is, we do not manufacture cars in this country, and therefore I think it is a tax on the user’.<sup>52</sup> While Independent Alfred Byrne protested against the tax, he supported those who were employed in the trade as motor agents, mechanics and general workers. He stated that ‘there are some thousands of persons earning a living in the motor trade in Ireland, and if this tax is imposed it will mean complete ruin both to the motor trade and the motor industry generally in this country’.<sup>53</sup> Refuting the idea that there was no motor manufacturing potential in the country, Dr White reminded the house that Chambers of Belfast, manufactured motor cars and he continued optimistically that:

Gorman, of Clonmel, and many other motor firms throughout Ireland are practically in a position to build motor cars themselves, and the sooner we start building motor cars ourselves from the wheels up to the crank and the piston rods and the cylinders and everything else connected with motor cars the better for this country. As regards spare parts, I think the sooner we make these the better. I do not know that Ford’s in Cork are making motor cars at present, but if not they ought to start.<sup>54</sup>

Later a more coherent and informed view was presented by deputy Liam de Róiste,

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<sup>50</sup> *IT*, 24 Mar. 1923, Sir James Craig, Independent Unionist of Dublin University.

<sup>51</sup> Dáil debates, 23 Mar. 1923, vol. 2, col. 2449.

<sup>52</sup> *Ibid.* Dáil debates, 23 Mar. 1923, vol. 2, col. 2455, Dr Patrick Mc Cartan, Pro-Treaty Sinn Féin TD for Leix-Offaly.

<sup>53</sup> *Ibid.*, vol. 2, col. 2452.

<sup>54</sup> *Ibid.*, vol. 2, col. 2457, Dr Vincent J. White, Pro-Treaty Sinn Féin TD for Waterford-Tipperary. White’s comment about the Chambers’ motor cars elicited a response: ‘That is a foreign car’.

supported by Cork Labour deputy, Robert Day. They highlighted the real problem for Ford which was the cost of duty applied by the British government to Ford parts entering England. To safeguard the two thousand jobs involved in this export work they requested that the government negotiate a reciprocal arrangement to remove this tariff.<sup>55</sup>

In his reply, President W. T. Cosgrave did not mention the Ford issue but concentrated on the revenue which was likely to accrue from duties on imports into the Irish Free State. He stated that: 'I have not been impressed by the case made for the motor owners, or with the fact that people who can afford to pay five or six hundred pounds for a car cannot afford to contribute anything towards the finances of the State.'<sup>56</sup> He reminded the house that the Dáil had previously passed the constitution, including Article 74 which laid down that after 1 April 1923 duties would apply on articles which were previously free of duty, and until such time as it was repealed by Dáil Éireann, it must stand. However, he said if it is repealed 'you will also have to consider in what manner you will provide the money you lose by relieving one section of the community in this respect'.<sup>57</sup>

Thus, Cosgrave followed the terms of the constitution and the McKenna tariffs came into effect despite the representations of Ford and the Cork political representatives. Cosgrave kicked the issue to touch, characterising the issue as one of taxation of the wealthy and placing the onus on those who supported free trade to find an alternative source of revenue. Whatever enthusiasm the provisional government may have had for finding a solution to the Ford dilemma and safeguarding the jobs in Henry Ford & Son of

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<sup>55</sup> Dáil debates, 17 May 1923, vol. 3, col. 1031/2, Liam de Róiste, Pro-Treaty Sinn Féin for Cork city.

<sup>56</sup> Ibid., 23 Mar. 1923, vol. 2, col. 2458.

<sup>57</sup> Ibid., vol. 2, col. 2458/2460.

Cork, they were not eager to forego the substantial revenue which derived from applying 22.22 per cent duty to imported cars and parts. Despite various attempts at solving the problem, this was to be the predominant approach to the issue for the following five years.

During the week following the Inland Revenue's statement on the McKenna tariffs there was a feverish rush by motor importers to beat the deadline of midnight on 31 March 1923. According to the *Irish Times*: 'Never since the motor car became a practical proposition have so many cars been landed in Dublin'.<sup>58</sup> For Henry Ford & Son, Cork, these duties came as a blow, given the previous reassurances they had received. As Grace had pointed out earlier, the added cost of these duties to Ford in Manchester was considerable and threatened Cork's viability as a parts producer. Ford's workforce of approximately 1,800 workers, with weekly wages in excess of £8,000 would have reason to be concerned at the possible ramifications of the new tariff arrangements.<sup>59</sup> After the duty had been in operation for six months, Grace informed Sorensen that Cork's exports were valued at £496,228.18s.11d., which meant duty amounting to £110,273.1s.8½d. was payable by Manchester.<sup>60</sup> Duty on imports into the Irish Free State was of little significance to Henry Ford & Son since most imported parts came from America whose duty rate of 33.33 per cent was unchanged, while only a small volume of parts emanating from Britain incurred additional duty.

On another front, Ford had gained a concession. Following representations by motor car owners and members of the motor trade, who appealed for an amelioration of

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<sup>58</sup> *IT*, 31 Mar. 1923.

<sup>59</sup> Cork employment and wage report, 30 Sept. 1922 (BFRC, Acc. 38, Box 46), showed 1,816 employed, with a total wage bill of £8,252.2s.7d. 563 employees worked in the foundry; 551 in the machine shop and 132 were working in construction.

<sup>60</sup> Model T sales to Ford Motor Company Manchester, 12 Oct. 1923 (BFRC, Acc. 572, Box 17).

the annual road tax, the provisional government was persuaded to change the annual motor tax with effect from 1 January 1923.<sup>61</sup> The government introduced a revised formula for horsepower calculation, which was based on the total cylinder capacity of the engine.<sup>62</sup> This calculation removed the discrimination of the previous system against the shorter-bore American engines. The maximum reduction of £5 applied only to the Ford Model T.<sup>63</sup> While this move benefited Ford's sales in the Irish market, it was unlikely to make a significant difference as they were already the predominant motor supplier with about fifty per cent of the very small market.<sup>64</sup> In contrast with the minor increase in sales which was likely to derive from the lower license fee, the introduction of the tariffs three months later had grave implications for Henry Ford & Son Cork.

Grace reported the tariff issue to headquarters in Detroit and enquired from Sorensen 'if he should protest and launch a campaign to bring about the cancellation of the duty'.<sup>65</sup> While Sorensen was prepared to lobby and bully to gain advantages for Ford's operations he was against overt political action and was not prepared to publicly denigrate the government. He swiftly cabled Grace and warned him: 'Have nothing to do with any publicity or propaganda against ruling of the Irish Government.'<sup>66</sup>

With the additional costs of parts from Ireland and the company not prepared to campaign for a change to the tariff regime, Cork's future in the Ford organisation was questionable. Even a superficial examination of the cost structure would indicate that the

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61 *IT*, 1 Jan.1923, interview with Mr Ernest Blythe.

62 'Irish Statute Book' (<http://www.irishstatutebook.ie/ZZSIV12PG179.html>) (11 Mar.2007). Section 39. (1) 'For the purposes of the Finance Act, 1920, the horse-power of any mechanically propelled vehicle...shall be taken to be equal to the total volume of the cylinder or cylinders measured in cubic centimetres, divided by the numeral 160.'

63 *IT*, 1 Jan. 1923.

64 David Jacobson, 'Motor industry in Ireland', pp 178/179.

65 WH, p. 111.

66 *Ibid*.

arrangement was unnecessarily expensive. Parts from Cork were now incurring the same duty as parts from the Ford Company of Canada which had a much better cost structure, and while its delivery charges no doubt were higher, overall, Ford could have had parts shipped from Canada at a better price than from Cork.<sup>67</sup> Equally, transferring the foundry equipment to Manchester would have provided the most cost-effective solution. In the short term, Cork continued to supply Manchester despite the additional costs involved. As a result, the financial results of the British company were very unsatisfactory. According to John O'Neill, who joined the company in 1919 and became manager of Cork in 1932: 'Manchester was required to buy from Cork. There was much debate over the prices that Cork would charge Manchester.'<sup>68</sup> He later stated that the decision was taken by Henry Ford and that 'no other organisation in the world could have undertaken that project with the generosity and determination of Mr Ford'.<sup>69</sup>

Ford's Manchester plant already had serious problems even before the McKenna tariffs went into effect and added to its woes. Sales of the Model T had been declining since 1920. In November 1922 in an attempt to reverse the decline, Sorensen had conceded that Grace should begin making parts to change from left-hand drive to right-hand drive, thus finally accepting that American cars could no longer be sold unchanged in Britain. In the marketplace, the Model T had become uncompetitive and unattractive as British manufacturers such as Austin and Morris adopted Ford's techniques and introduced smaller, inexpensive motor cars more acceptable to British customers.<sup>70</sup> Within the English company Gould and Davis both proved to be ineffective, resulting in

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67 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7), p. 3.

68 Ibid.

69 Ibid.

70 WH, p. 111.

Edsel Ford having to admonish Gould: ‘We have made you Manchester manager and expect you to run the plant.’<sup>71</sup> However the problems continued and later that year a team of experts were sent from Detroit to sort out the British mess.

Regardless of Henry Ford’s benevolence or philanthropy, the tariff situation was one that the Ford company would not continue to tolerate, so shortly after it came into effect, Grace was called to Detroit, where Manchester’s increased cost provoked a comprehensive re-evaluation of the British supply situation and finally forced the company to address an issue which had been ignored by Ford senior management since Perry’s departure in 1919. After years of vacillating over what should be done with the British business, now finally, a firm decision on the need for a custom-built plant at a new location was forthcoming. Perry had promoted Southampton as the location for the Ford factory and when Davis heard of the new tariff he raised the idea with Sorensen again: ‘This I believe should open up the Southampton proposition again as we have plenty of room for a foundry there if you allow [us] to buy the mud lands that we wrote you about sometime ago’.<sup>72</sup>

Henry Ford had disliked the Manchester site for almost a decade. Apart from its unhappy industrial relations, the site was too confined, offering insufficient space for expansion. With the growth of Ford’s business, the company needed a much larger factory to satisfy growing British and European car markets; what was needed was a plant along the lines of the River Rouge plant which Ford had recently built in Detroit; a totally integrated manufacturing operation capable of meeting the company’s European needs into the future. For it to be efficient and cost effective it was necessary to eliminate

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71 Edsel Ford to C. L. Gould, 17 Mar. 1923 (BFRC, Acc. 6, Box 5).

72 WH, p. 112.

the transportation of parts and have them produced locally or on-site. At that time Manchester was still basically an assembly plant, drawing parts from Cork and Detroit as well as local suppliers. Without its own foundry, Manchester continued to rely on Cork's production capability of key items such as engine-blocks and axles, consequently the foundry proved to be Cork's saviour in the years that followed.

Grace visited Detroit in May 1923 and reported on the situation in Ireland and particularly the tariff situation. Following discussions the decision was taken that for the immediate future Manchester's requirements of motor and axle assemblies would continue to be sourced from Cork. But it was a temporary reprieve on the understanding that, according to Wilkins and Hill, 'Cork is to stop manufacturing as soon as it is possible to secure a suitable site in England and erect buildings necessary to accommodate our Cork equipment'.<sup>73</sup> For the moment, until such time as the British plant came into operation the Cork plant was to remain open, but long-term Cork's prospects were bleak. From this time on management assumed that Cork was finished. For example, Grace, when discussing a new British location, said: 'Mr Gould agrees with me that neither Southampton nor the Bristol areas are the proper places for location with the *Cork plant as a production base eliminated*'.<sup>74</sup>

Given Henry Ford's commitment and earlier enthusiasm for the Cork factory, it was unlikely that he would close the plant completely and Cork's most likely role would have been that of assembly plant. The assembly system was one that Ford had used from the earliest days in the United States. Originally set up to minimise transport costs, even by 1914 there were 15 such branch assembly plants assembling on average about 10 cars

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73 WH, p. 134.

74 Edward Grace to Edsel Ford, 10 July 1923 (BFRC, Acc. 572, Box 18).

a day using parts shipped from Detroit. Later the number of plants and the daily output grew considerably to meet the demand for the Model T.<sup>75</sup> By the 1920s the Irish market was such that the assembly of about 10 cars per day would have been adequate to supply it. Grace wrote to Sorensen in mid-July 1923 reporting that he was about to start assembling cars from parts supplied by Manchester. He expected to sell 2,200 cars before the year end which he said ‘was equal to Manchester sales in any previous year in the whole of Ireland.’<sup>76</sup> This output puts it in the same category as American plants a decade earlier. The hypothesis that Cork’s future role was as an assembly plant is reinforced by a comment made by J. J. Horgan to Sorensen, in February 1924, when he wrote that ‘Mr Grace appears to think that it is Mr Ford’s intention to move the Cork plant to the new site near London and to leave only a small assembly works in Cork’.<sup>77</sup>

During Grace’s visit to Ford headquarters in Detroit in May 1923, Edsel Ford authorised him to examine locations in England to order to identify a suitable site for the new factory. In company with Gould, manager of the English company, Grace investigated but dismissed a range of possible locations on the East coast of England, including Hull, Grimsby and Yarmouth. Others, such as Bristol and the long-debated Southampton were also rejected.<sup>78</sup> They settled on the London area as being the most suitable. Knowing Henry Ford’s insistence that his plants should be located close to water transport, they investigated both banks of the Thames before settling on a site in the area of Dagenham. Occupied by the Ministry of Munitions, the lease on the property was due to expire within the next few months, so Grace had their solicitors contact the owners and

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75 Quivik, *The Ford Motor Company’s Richmond assembly plant*, p. 8.

76 Edward Grace to C. E. Sorensen, 10 July 1923 (BFRC, Acc 572, Box 18).

77 J. J. Horgan to C.E. Sorensen, 11 Feb.1924 (BFRC, Acc. 38, Box 146).

78 Edward Grace to Edsel Ford, 10 July 1923 (BFRC, Acc. 572, Box 18).

begin negotiations without revealing the Ford connection.<sup>79</sup> As Grace reported, despite part of the site being swampy and requiring filling, the location was excellent, well served by labour and transport facilities. Located about ten miles from central London, it had its own jetty with deep water, deep enough to accommodate the largest steamships which left regularly for destinations all over the world. It also had rail connections with the Midland Railway, which allowed uninterrupted access to the English Midlands and North, facilitating the shipment of cars to the largest of Ford's market, in addition to accessing the regions where local raw materials were sourced. Even the roads from there were good, allowing easy access to London and the North for customers wishing to collect their new cars. Finally, he reported that site was 'closely situated to East and West Ham and Barking where the best labour in London can be secured'.<sup>80</sup> Shortly after receiving Grace's report recommending Dagenham, Henry Ford sent Ernest Kanzler, his manufacturing manager, to Britain to substantiate this judgement.<sup>81</sup> Despite a fairly cursory check of the site he was impressed by its ideal location and supported Grace's choice.<sup>82</sup>

Now, with Dagenham decided upon for a new integrated factory complete with all its own manufacturing resources, Cork would only continue casting until Dagenham came into operation. Fortunately, the project took much longer to come into existence than originally envisaged. In the interval, Cork survived, acting as a stopgap, the future of the plant as yet undecided, but distinctly vulnerable. The imposition of tariffs had

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79 Edward Grace to Edsel Ford, 10 July 1923 (BFRC, Acc. 572, Box 18).

80 Ibid.

81 Kanzler was an in-law of Edsel's, he managed manufacturing and was appointed second vice-president of Ford Motor Company in 1923. He was responsible for branch plant expansion in the United States and between 1921 and 1925 spent \$125 million opening thirty one branch factories (See Bryan, *Henry's Lieutenants*, p. 148).

82 WH, p. 135.

deprived Cork of any major role in Ford's European future. The only hope for its survival appeared to be in the assembling of cars for the Irish market, but it was difficult to see how a market as small as the Irish Free State could support a business carrying the huge overheads already invested in the Marina.

Once the McKenna tariffs were applied to Irish exports into Britain in April 1923, Henry Ford & Son were bound to comply with its requirements. In addition to the duty which had to be incorporated into the Manchester costs raising the price of the Model T even further, the additional administrative effort involved annoyed Clarke.<sup>83</sup> Reporting on the first six months operation of the new tariff, he bemoaned the company's misfortune that after previously overcoming so many difficulties, the government was now introducing fresh obstacles.<sup>84</sup> Around this time, Cork had commenced assembling Model T cars for the Irish market which added further to the administrative complications.<sup>85</sup> Describing the system Clarke wrote:

The Customs Authorities in Ireland have decided to treat our factory on the lines of a bonded warehouse, and therefore all dutiable materials imported from America or England may be re-exported by us without having to pay any duty. On the other hand all motor cars parts or cars imported into Cork and distributed by us in the Free State must have duty paid on them at the rate of 33.33 per cent in the case of American materials and 22.22 per cent in the case of British materials. In other words, the Irish government allows a preferential rate in the case of British manufactured goods, one-third lower than that applying to foreign goods. The Irish Government took over the British tariff system

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83 E. L. Clarke to C. E. Sorensen, 11 Oct. 1923 (BFRC, Acc. 572, Box 17). A schedule of Model T sales to Ford Motor Company Manchester, attached to Clarke's letter of 11 Oct. 1923, showed that the invoice value of Model T parts shipped to Manchester for the six months, Apr. to Sept. 1923 amounted to £496,229, incurring a liability to duty of £110,273. 1s. 8½d, 12 Oct. 1923 (BFRC, Acc. 572, Box 17).

84 Ibid.

85 Edward Grace to Edsel Ford, 10 July 1923 (BFRC, Acc. 572, Box 18).

and applies to the outside world just the same as England does, with the addition that it is also applied to England. The British Government in turn treats Ireland in the same fashion.<sup>86</sup>

In the city of Cork, the arrival of independence and end of the civil war had not brought an end to the turmoil and chaos of recent years, instead it had been replaced by a period of industrial relations unrest which brought much of Cork's commercial life to a halt. Clarke described the situation to Sorensen:

About three months ago the employers decided to reduce the docker's wages by 20 per cent and they immediately went on strike. A similar reduction was declared in the case of workers in stores, shops, drapery houses, and the workers refused to accept the reduction and a general lock-out was immediately decided upon. The result was that for three months no ships have been unloaded in Cork except those chartered by us and during the past few weeks some ships handled by the Workers' Union.<sup>87</sup>

Henry Ford & Son avoided interruption from the strike by chartering their own ships. They handled two ships per week to and from Manchester as well as ships carrying pig iron, coke and coal from other ports. They discovered that they could reduce the cost of freight by controlling matters themselves. Surprisingly, the striking dockers did not protest or object to Ford handling goods from their own ships. On the other hand, half a dozen ships which had arrived just before the strike was declared, had been trapped and remained in place and any perishable cargo aboard was now spoiled. Writing in October 1923 Clarke said: 'It looks as though it will take a considerable time before normal relations will again be restored. The whole city has an idle appearance, and the strikers

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<sup>86</sup> E. L. Clarke to C. E. Sorensen, 11 Oct. 1923 (BFRC, Acc. 572, Box 17).

<sup>87</sup> Ibid.

are engaged in “picketing” the various business houses concerned’.<sup>88</sup> On this occasion Grace obeyed the instructions he had received from Sorensen following the *Glengarriff* incident in January and avoided unnecessary confrontation with the pickets.

With war conditions beginning to give way to more normal politics there were still difficulties achieving sales. Clarke reported that sales demand had dropped considerably during the months leading up to the general election on 27 August 1923, as people were afraid to make a large outlay anticipating further political troubles. After the election the strikes and general unrest continued, forcing industry to a standstill, tying up money and discouraging people from investing in cars and trucks. The roads which had been damaged in many areas during the civil war and had not been repaired were now in a dreadful state, adding to the high cost of motoring.<sup>89</sup>

Without any clear policy on protection, and having followed the British lead on tariffs, the Cumann na nGaedheal government decided that another opinion was necessary, so in June 1923 they set up the Fiscal Inquiry Committee (FIC). In the Dáil, Cosgrave described its purpose as ‘to secure a disinterested, balanced and exhaustive analysis of a complex problem on which the future of the whole country largely depends’.<sup>90</sup> He went on to say that the committee would deal with facts and that policy ‘will be a matter for the people and the government when they have the facts before them’.<sup>91</sup> Its terms of reference were:

To investigate and report—

(a) As to the effect of the existing fiscal system, and of any measures regulating or

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<sup>88</sup> E. L. Clarke to C. E. Sorensen, 11 Oct. 1923 (BFRC, Acc. 572, Box 17).

<sup>89</sup> *Ibid.*

<sup>90</sup> Dáil debates, 15 June 1923, vol. 3, col. 2024.

<sup>91</sup> *Ibid.*, col. 2025.

restricting imports or exports, on industry and agriculture in the Saorstát, and

(b) As to the effect of any changes therein intended to foster the development of industry and agriculture, with due regard to the interests of the general community and to the economic relations of the Saorstát with other countries.<sup>92</sup>

From the outset the committee was unlikely to support protection, being described by one of its members, George O'Brien, 'as heavily in favour of free trade'.<sup>93</sup> Lee states that a 'study of the evidence makes it clear that the committee was arranged to secure a safe majority for the views of dogmatic free traders'.<sup>94</sup> Given this situation, there was a likelihood that the committee would recommend removal of some duties and that Ford could expect some relief from its tariff problem.<sup>95</sup>

The majority of industrialists who made submissions to the committee sought protection. Ford was amongst a number of the larger companies who did not attend though their case was argued by Professor A. O'Rahilly. The views of the absent companies were given disproportionate weight over those who had made representations. The committee came to the conclusion that the majority wished no change to the existing system, while according to Daly, 'tariffs were condemned as raising prices and costs with adverse impact on exports and employment'.<sup>96</sup> Later in the Dáil, Sean Milroy, stated that: 'close on forty Irish manufacturing industries gave evidence before the Fiscal Inquiry Committee in support of protective tariffs, and each one of these, with one trifling

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92 Dáil debates, 15 June 1923, vol. 3, col. 2022.

93 Daly, *Industrial development*, p. 21.

94 Lee, *Ireland 1912 -85*, p. 119. The members were: Professor Smiddy, Chairman, Professor Bastable, Professor R.M. Henry, Mr. Geo. O'Brien and Professor J.G. Smith. See Dáil Debates, Vol. 3, 15 June 1923.

95 Jacobson, 'Motor industry in Ireland', p. 191.

96 Daly, *Industrial development*, pp 21/22, Grace may have decide to keep a low profile based on Sorensen's earlier injunction. See above.

exception, were prejudiced or damnified by the report, not upon the merits of each case, but upon general principles'.<sup>97</sup>

The first interim report of the FIC proposed, uncontroversially, the repeal of irrelevant legislation inherited from the British, while the second interim report, as well as recommending the waiving of duty on a number of other items, advised 'the withdrawal of the duty on motor accessories and component parts' as this duty yielded only a small amount of revenue, but discouraged 'any attempt at assembling in the Saorstát'.<sup>98</sup> If the Irish government was prepared to implement this recommendation, then the removal of these duties would benefit Ford's recently introduced Model T assembly, but the real issue was whether the British government could be encouraged to reciprocate and remove the duty on parts imported into Britain, which was Ford's main requirement.

Ford's representations seemed to bear fruit when in October 1923, as the FIC was finalising its report, Joseph Brennan, secretary to the Minister of Finance, wrote secretly to E. L. Clarke and offered Ford a deal. Brennan said that he was directed by the Minister of Finance who was prepared to negotiate with Great Britain with a view to the removal of the tariffs, despite the fact that its removal would be unfavourable to the Free State from a revenue point of view, provided, 'a reasonable assurance can be obtained that Messrs Henry Ford and Son will continue to carry on manufacturing business in the Free State on a substantial scale'. He continued that:

It will be appreciated that the advantage to the Irish Free State of possessing an industry such as your firm now maintains in Cork is in existing circumstances the only consideration which would afford sufficient justification to the minister for abandoning

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<sup>97</sup> Dáil debates, 15 Feb.1924, vol. 6, col. 1158, Sean Milroy, Cumann na nGaedheal, Cavan.

<sup>98</sup> Jacobson, 'Motor industry in Ireland', p. 88.

the present customs duty on imported cars.<sup>99</sup>

In closing he says that ‘the Minister expects and trusts that this communication will be treated as absolutely confidential’ due its sensitivity in relation to the fiscal policy of the Government.<sup>100</sup>

Despite Brennan’s appeal for secrecy and even as he was writing this letter, Clarke had already heard rumours about discussions between the British and Irish governments concerning the repeal of the customs arrangements and the introduction of a reciprocal trading arrangement for motor cars, parts and accessories.<sup>101</sup> While no public announcement had yet been made by either government, Clarke informed Sorensen that there was no doubt but that discussions were underway.<sup>102</sup> Clarke forwarded the minister’s offer to Grace, who was in Detroit, where he had a good opportunity to put Cork’s case strongly to both Charlie Sorensen and Edsel Ford. However, the decision already made to sideline Cork was not changed and after some delay, Grace replied that ‘in accordance with instructions he received from Mr Edsel Ford’ that no such assurance could be given.<sup>103</sup>

It is unclear why the government made this offer. Brennan commented that they had carefully considered the issue ‘especially in relation to the general inquiry which the Fiscal Commission has been conducting’.<sup>104</sup> Certainly Ford were lobbying for changes to reduce their costs, but were unlikely to offer the kind of guarantees that the government was seeking. Also, as Ford suspected that secret negotiations with the British government

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99 J. Brennan, secretary Ministry of Finance, to E. L. Clarke, 26 Oct. 1923 (BFRC, Acc. 38, Box 146).

100 Ibid.

101 E. L. Clarke to C. E. Sorensen, 27 Oct. 1923 (BFRC, Acc. 572, Box 17).

102 Ibid.

103 J. J. Horgan to C. E. Sorensen, 11 Feb. 1924 (BFRC, Acc. 38, Box 146).

104 J. Brennan to E. L. Clarke, 26 October 1923 (BFRC, Acc. 38, Box 146).

were already taking place, they might expect to see the removal of the tariffs without having to make any commitments. In turn, the Free State government may have heard rumours of Grace's site investigations in Britain and believed that the company could be encouraged to maintain its current level of activity in Cork by using the removal of tariffs as an inducement.

Blythe was determined to keep tight control of the state's finances and at this time he was having significant difficulty balancing the books and had announced cuts in the old-age pension as well as in teacher's salaries.<sup>105</sup> In that situation it seems extraordinary that he would have considered foregoing the revenue from duties on luxury goods and face a storm of criticism from the substantial protectionist lobby, unless he believed that the government would receive a very firm commitment from Ford which would allow him to publicly defend the decision on the grounds of additional jobs. In the event, despite Edsel Ford's refusal to commit to such a guarantee, the Free State government apparently continued negotiating with the British and reached an agreement some months later.<sup>106</sup>

When the final report of the FIC was presented in November, it supported agriculture as the most important industry in the country and decided that the introduction of tariffs would disrupt trade with Britain, therefore the Irish Free State should continue as a free trade nation.<sup>107</sup> Thus, according to Lee, 'the government relegated industry to second place behind agriculture' and did little to promote industrial development.<sup>108</sup>

Regarding the motor industry, the committee, in addition to its earlier

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<sup>105</sup> *IT*, 15 Nov. 1923.

<sup>106</sup> J. J. Horgan to C. E. Sorensen, 11 Feb. 1924 (BFRC, Acc. 38, Box 146).

<sup>107</sup> Daly, *Social and economic history of Ireland since 1800*, p. 140.

<sup>108</sup> Lee, *Ireland 1912 -85*, p. 119.

recommendation to remove duty on motor accessories and parts, acknowledged the representations of the coach-building industry and suggested that there was ‘a possibility of encouraging the building of bodies for motor cars’ and that to facilitate the existing local industry ‘a much lower rate of duty could be levied on the chassis when imported without the body’.<sup>109</sup> It was judged that the manufacture of chassis required a very large investment in heavy machinery, while coach-building was a traditional industry which was already in existence and capable of being developed, however this ignored the fact that increasingly motor cars were being built as unitary all-steel units and that the art of coach-building applied only to luxury or commercial vehicles.

The FIC report, having rejected the views of the majority of witnesses who sought protection, brought forward a pro-free trade recommendation which purported to be the result of a scientific investigation, but in truth had never considered the case for protection.<sup>110</sup> If this result went against the business view, it was also against public opinion. The partisan outcome increased demands for protection and increased the bitterness of Sinn Fein activists.<sup>111</sup> According to the partisan Milroy, the committee presented a report which was ‘blatant piece of propaganda in the guise of an impartial report’.<sup>112</sup> The general dissatisfaction with the outcome of the commission’s deliberations was shared by the Ford management, but for different reasons. Ford’s requirements were not just for free trade to continue, but that the existing tariff burden under the McKenna duties be reduced or removed.

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109 Jacobson, ‘Motor industry in Ireland’, p. 89.

110 Lee, *Ireland 1912 -85*, p. 119.

111 Daly, *Industrial development*, p. 22.

112 Sean Milroy, ‘Foreword’ to *Protection for Irish industries: The Report of the Fiscal Inquiry Committee: an analysis and a reply* (Dublin, 1924) in Lee, *Ireland 1912 -85*, p. 119.

In February 1924, almost four months after the Brennan's initial offer to Ford, J. J. Horgan, Ford's solicitor in Cork, raised the tariff issue again with Sorensen. Horgan said he had learned:

That the Irish government's offer still holds good and that negotiations have been satisfactorily concluded with the English government which will enable the Irish government to provide for the repeal of the motor import duties (on motors made in England) in its financial budget which will be introduced in the Irish parliament about the first week in April. A similar repeal of the English motor import duties on motors made in Ireland will follow, and the Ford plant in Cork would then be free of customs duties as between this country and England, thus returning to its original position. Before finally deciding the matter the Irish government are anxious for some kind of answer as to Mr Ford's intentions concerning the Cork plant...before the end of this month if possible.<sup>113</sup>

Having apparently negotiated an end to the problematic McKenna tariffs as they affected trade between the United Kingdom and the Irish Free State, and apprehensive that Henry Ford & Son might close down operations, the government was again seeking an assurance that Cork would not be left with just an assembly plant. They appeared ready to sacrifice the motor duties, provided they could retain Ford manufacturing jobs and the jobs of ancillary suppliers, some of whom were totally occupied with Ford production. Pointing out that a decision by Ford to move to the new site near London would be disastrous for Cork, Horgan appealed: 'I am sure it is neither Mr Ford's intention nor yours that the Cork plant should be virtually shut down and all our hopes for its future ruined but I fear other influences are not friendly to Cork'.<sup>114</sup>

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113 J. J. Horgan to C. E. Sorensen, 11 Feb. 1924 (BFRC, Acc. 38, Box 146).

114 Ibid. The public announcement concerning the Dagenham plant was not made until 10 July 1924, though Horgan would probably have been aware of the site purchase from much earlier; his remarks referred to the 'experts', Klann, Gehle, et al sent from the U.S. to

Regardless of the financial benefits which would accrue to the company as a consequence of the removal of the tariffs, Sorensen offered no commitment when he replied in late February 1924 that:

The Ford Motor Company cannot undertake to make any such promises such as requested ...because we cannot control the future....If the operating of a plant in Ireland becomes impossible under present conditions or any future condition, you know full well that we are prepared to stop, and we think it is unfair to extract promises from the Irish government which would mean guarantees to us.<sup>115</sup>

Again there was no hint of any change in the decision to downgrade Cork. Moreover in the Ford archive, this letter has no forwarding remarks or initials on it, indicating that Sorensen did not pass it to any of the other Ford executives, suggesting that the earlier discussions were final and not open to further negotiation. Ford's experience of the previous years of political and fiscal turmoil, as well as the difficulties with the local corporation two years earlier, when they had tried to use the employment guarantee against him, may also have made him wary of dealing with Irish agencies. Ford was clearly intent on replicating his Rouge plant in Dagenham. The new factory, complete with foundry and machine shops would be able to turn out a high volume of cars at low costs and consistent quality. With Cork likely to be downgraded or closed in the near future Sorensen, was making it very clear that there would be no commitments or promises by Ford.

After rejecting the government's offer Ford could not expect special treatment in the 1924 budget. The budget understandably made no reference to the offer to Ford.

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sort out Manchester and who were critical of both the Manchester and Cork plants.(See chapter seven).

115 C.E. Sorensen to J. J. Horgan, 29 Feb. 1924 (BFRC, Acc. 38, Box 146).

Instead, the government performed a pointless shuffle of tariffs. Blythe, in this, his second financial statement, introduced experimental protective duties on a range of goods including footwear, confectionary, soap, candles and bottles as well as commercial motor bodies.<sup>116</sup> In addition, the FIC's recommendations for the coach-making industry were acted upon. Blythe told the Dail: 'The tax on motor bodies will be 33.33 per cent. Chassis and vehicles designed for use in commerce or husbandry will be free of tax, as heretofore. The tax will be on the body and parts of the body solely'.<sup>117</sup> But the committee's proposals to remove the duty on motor parts and accessories were ignored.<sup>118</sup>

Despite Brennan's claim that the government had done a deal with Britain on the McKenna duties, there is no information as to what became of the agreement. In October 1923 he had stated that the government was 'prepared to negotiate' with Britain to remove the tariffs and in February 1924 said that negotiations had been 'satisfactorily concluded', but it is not clear when, or indeed if, the deal actually happened.<sup>119</sup> Soon after Joseph Brennan's overtures to Ford, Blythe was telling the Dáil almost the opposite. Speaking in the Dáil debate in April 1924 he said: 'The duty derivable from the new taxes is £324,000. Most of it, £256,000, comes from motor cars and motor car parts....It seems to us that this is, in the main, something in the nature of a luxury tax. It is certainly not a tax that bears very hardly on the poorest.'<sup>120</sup> He claimed to have sounded out the

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116 Daly, *Industrial development*, p. 25. To compensate for the effect of the new tariffs on the cost of living the duty on tea was reduced.

117 Dáil debates, 25 Apr. 1924, vol. 7, col. 43.

118 Jacobson, 'Motor industry in Ireland', p. 90.

119 J. Brennan to E. L. Clarke, 26 Oct. 1923 (BFRC, Acc. 38, Box 146) and J. J. Horgan to C. E. Sorensen, 11 Feb. 1924 (BFRC, Acc. 38, Box 146).

120 Dáil debates, 25 Apr. 1924, vol.7, col. 56.

motor trade and believed their view was that a duty on tyres should replace the tariff, but this would have to be investigated before any action was taken.<sup>121</sup>

In strengthening protection for the coach-building industry and retaining the tariffs on cars and parts the government maintained a facade of protection on luxury goods, attempting to appease protectionists, without unduly changing anything. The tariffs introduced may have marginally improved conditions for the coach-builders, but it was not enough to satisfy the protectionists, while Ford, having failed to reciprocate the governments offer to remove the McKenna duty, were left with their dilemma unchanged and continued to pay duty in Manchester.

As well as their operations assembling cars for the Irish market and manufacturing parts for Manchester, Henry Ford & Son, Cork took over the car sales in the Irish Free State on 1 July 1923. Some signs of a return to normality were apparent as customers developed confidence in the political and economic environment. In early 1924, modifications were introduced to improve the ageing Model T's appearance and performance. Sales improved somewhat, but the car was now well out of date and its demise imminent.<sup>122</sup> Normal sales and marketing activities were being reintroduced. Clarke wrote that 'the general conditions in this country do not show any great improvement as the political situation is not fully settled. Trade has been picking up splendidly until the recent split in the government and the mutiny in the army'.<sup>123</sup>

Meanwhile, in Britain, a change of government gave Ford some respite from the McKenna duties. A general election held in late 1923, resulted in the formation of a

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121 Dáil debates, 17 June 1924, vol. 7, col. 2478.

122 WH, pp 142/3.

123 E. L. Clarke to C.E. Sorensen, 5 Apr. 1924 (BFRC, Acc. 572, Box 17).

government led by Labour and supported by the Liberals. The Liberals under Lloyd George still favoured the principle of free trade and part of the price for Liberal support of the Ramsay Macdonald government which came to power on 22 January 1924, was the removal of the McKenna duties. Under the Finance Act 1924 the Labour chancellor, Phillip Snowden, repealed the duties as of 22 August 1924.<sup>124</sup> While this led to an outcry from the British motor industry who prophesied ruin and demanded restoration of the duties, Ford as substantial importers of parts from the Irish Free State into Britain, benefited from the change for almost a year.<sup>125</sup> For the Irish government this unilateral removal of the tariffs represented an ideal, albeit short-lived, solution and may explain why the agreement to repeal the duties discussed above was allowed to lapse. However, the coalition government lasted less than a year and in October 1924 the new Conservative chancellor, Winston Churchill restored the McKenna duties with effect from 1 July 1925.<sup>126</sup>

Blythe's 1925 budget imposed duty on clothing and furniture.<sup>127</sup> Demands for protection from industry and trade unions continued, but Blythe refused to introduce any other tariffs until a general election had been held.<sup>128</sup> The McKenna duties continued unchanged. Describing them as 'a tax on luxury expenditure', Blythe commented that 'the loss in revenue, if we were not to pass these duties, would amount to £370,000'.<sup>129</sup> The duty had increased from £324,000 in 1924 and the Cumann na nGaedheal government seemed to grow more dependent on it with each passing year. Despite the

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124 Charles Loch Mowat, *Britain between the wars, 1918-1940* (London, 1968) p.176 and Jacobson, 'Motor industry in Ireland', p. 89.

125 Mowat, *Britain between the wars*, p.176.

126 *Ibid.*, p. 266 and Jacobson, 'Motor industry in Ireland', p. 97.

127 Daly, *Industrial development*, p. 25.

128 *Ibid.*, pp 25/6.

129 Dáil debates, 22 Apr. 1925, vol. 11, col. 54.

magnitude of this revenue, as Blythe had stressed in the Dáil in both 1924 and 1925, soon, he was once more again discussing the removal of these tariffs with the British government

In May 1925, shortly before the British re-imposed the McKenna duties, the Executive Council approved a letter to Winston Churchill, the British Chancellor of the Exchequer proposing a ‘customs union between Great Britain and the Irish Free State in respect of motor cars’.<sup>130</sup> It is not apparent why Blythe restarted these negotiations, when he had so frequently commented on the financial importance of the duties and previous experience had shown that the government could not afford the resultant revenue losses. No doubt the lobbying by Ford and its dealers had a bearing on the decision as it was later noted in a memo to the Executive Council that the proposal was introduced ‘owing to representations made by Messrs Ford as to the possible effects on their Cork works.’<sup>131</sup> In the Dáil he claimed that the government were ‘most anxious that an important industry, unique of its kind in the Saorstát, should be facilitated in every way’.<sup>132</sup>

To satisfy the Irish government financially would have required the unilateral removal of the tariffs by the British, leaving Irish tariffs intact. This outcome was not likely and as the documents show, was not even sought. Alternatively, Blythe may have felt that the temporary suspension of the McKenna duties implemented by the Labour government, which permitted duty free entry imports into Britain and which was now about to be lifted, could be negotiated into a more permanent agreement.

The Irish advance met with a favourable response from the British side, so

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130 Minute sheet of Executive Council, 16 May 1925 (NAI, Department of Taoiseach, S 4427).

131 Memo to Executive Council, 21 Nov. 1925 (NAI, Department of Taoiseach, S4427).

132 Dáil debates, 21 Apr. 1926, vol. 15, col. 59.

following meetings between their officials, Blythe and Churchill got together in early July and after considering various alternatives the British government proposed: ‘an arrangement under which, subject to certain conditions, motor cars etc., of British manufacture would be accorded a preference of one hundred per cent, on importation into the Saorstát, and vice versa.’<sup>133</sup> While the potential revenue losses to the Irish Free State were substantial, estimated at £293,807, British losses were considerably less at about £140,000.<sup>134</sup> The proposal also meant that the existing customs arrangements were retained for European and American car imports and since British manufacturers would have an advantage in the Irish market, then all other sales were likely to reduce, which would lead to a further loss of revenue. Despite this, and aware that, according to minutes of the Executive Council, there was likely to be ‘considerable opposition in the Oireachtas to any proposal to surrender the power of charging duties’ on imports into the Irish Free State, on 12 December 1925 the Executive Council approved the scheme.<sup>135</sup>

No immediate announcement of the decision was forthcoming, but rumours were widespread and in February 1926 Hugh Curran of the *Irish Times* wrote to William T. Cosgrave seeking an interview to clarify the situation. Curran claimed that other newspapers who were writing about the removal of tax on motors seem ‘very definite and from the association with your name have acquired a certain authority’.<sup>136</sup> In the end the Executive Council appeared to lose its nerve and almost on the eve of the 1926 Budget voted to rescind the decision. The reason recorded, not unexpectedly, was ‘the heavy loss

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133 Minutes of Executive Council, 15 Dec. 1925 (NAI, Department of Taoiseach, S4427).

134 Memo to Executive Council, 21 Nov. 1925 (NAI, Department of Taoiseach, S4427)

135 Minutes of Executive Council, 15 Dec. 1925 (NAI, Department of Taoiseach, S 4427).

136 Hugh Curran to William T. Cosgrave, 17 Feb. 1926 (NAI, Department of Taoiseach, S 4427).

in revenue which as further investigation showed would be involved in the proposal'.<sup>137</sup>

Later Blythe told the Dáil that:

After many months of consideration the Executive Council felt compelled to decide that the basis was not one which they could recommend to the Dáil. It would have involved the ultimate loss of most of the £300,000 annual revenue derived from the import duties on motors. It would also have involved some unemployment by worsening the conditions under which firms engaged in the production of commercial or other motor bodies are carrying on.<sup>138</sup>

So the issue was again dropped and the Ford company was back to where it started. In his statement to the Dáil Blythe expressed concern for the future of the Ford plant, but offered no real clue as to why he embarked on this most recent set of tariff negotiations. Both he and the Executive Council must have been aware from the outset that the financial and political costs were bound to be insurmountable. Their inability to act decisively; the long negotiations with the British and the agreements no sooner concluded than discarded; the dithering and oscillating between protection and free trade demonstrated a clear lack of policy or even conviction or direction in dealing with the issue of protection. Clearly Blythe was concerned to retain Ford, but in the face of the revenue loss and probable public disapproval, did not have the conviction to face the challenge of foregoing the import duties. While the tariffs on imported motors and parts were left unchanged in 1926, in the Finance Act, Blythe sought to assist Ford by altering the excise duty. He said:

If the Executive Council have felt unable to adopt measures which would relieve the only motor industry in the Saorstát from difficulties which the taxation of another country has

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<sup>137</sup> Minutes of Executive Council, 29 Mar. 1926 (NAI, Department of Taoiseach, S 4427).

<sup>138</sup> Dáil debates, 21 Apr. 1926, vol. 15, col. 160.

placed upon it, we feel that now the time has certainly come when anything in our own scheme of taxation which can be said to operate unfairly in relation to the Ford car should be removed.<sup>139</sup>

He introduced a new motor tax rate of £10 which applied where it could be shown that 75 per cent of the cost of producing the vehicle was attributable to manufacturing operations performed in the Free State. Since Ford was the only company assembling cars the revision benefited Ford owners.<sup>140</sup> Blythe had rejected a petrol tax or a straight horsepower increase as it ‘would be unfair to the Ford car’.<sup>141</sup> However, this action did not please the Motor Trade Association who, while keen to see a general reduction of car tax, even before the budget had lobbied Blythe against discriminating ‘in favour of a particular car’.<sup>142</sup>

This change arose from a government investigation into road funding. In 1924, the government had set up a Road Advisory Committee to investigate the financing of the maintenance of the country’s roads. In turn the committee appointed a sub-committee to inquire into the question of motor taxation in the Saorstát.<sup>143</sup> The sub-committee received submissions from Ford, as well as the main motor agent’s associations and motoring organisations. Ford’s representatives, Grace and Horgan, argued that the annual licence fee should be lower for home-produced vehicles.<sup>144</sup> The sub-committee went on to consider various forms of taxation including taxes on imported tyres, mileage, weight or

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139 Dáil debates, 21 Apr.1926, vol. 15, col.159.

140 Ibid., vol. 15, col. 224.

141 Ibid, vol. 15, col. 161.

142 *IT*, 25 Mar. 1925.

143 Dáil debates, 12 Mar. 1925, vol. 10, col. 977.

144 Jacobson, ‘Motor industry in Ireland’, p. 193.

petrol, as well as horsepower modifications.<sup>145</sup> They also took into account the conclusions of the British Departmental Committee on the Taxation and Regulation of Road Vehicles, which had rejected a petrol tax and had settled on changes to existing taxes.<sup>146</sup> According to Jacobson, the sub-committee favoured the imposition of a 4d. per gallon tax on petrol, while retaining the taxes on cars at a rate reduced by forty to fifty per cent.<sup>147</sup>

The new duty applied to cars manufactured in the Irish Free State, regardless of their horsepower and capitalised on the fact that since 1923 Ford had been assembling Model T's which were rated at 22.5 horsepower and had previously incurred a license duty of £18.<sup>148</sup> The new arrangement had the benefit of supporting home-produced cars without interfering with the overall taxation structure. However, it also led to an anomaly whereby the owners of older Ford cars ended up paying the higher rate while newer cars, albeit produced in the Free State, got off with £10. In seeking to reduce the rate of excise for all Fords, T.D.s pointed out the inherent unfairness of less well-off owners of older cars, which inevitably were more expensive to run, having to pay the higher tax while those with the newer cars paid only £10.<sup>149</sup> In the Dáil, Blythe replied to these appeals stating that:

The new arrangement is made for the purpose of inducing or encouraging people to buy a certain make of car, the production of which gives a great deal of employment in the Saorstát. We do not see any reason why cars which were not produced in the Saorstát and

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145 Jacobson, 'Motor industry in Ireland', p. 96.

146 Ibid.

147 Ibid. Petrol tax of 4d. per gallon was brought in Britain in 1928 (*IT*, 23 Apr. 1928) and in Ireland in 1931.

148 Dáil debates, 21 Apr. 1926, vol. 15, col. 160.

149 Ibid., 30 June 1926, vol. 16, col. 1800-1801.

do not come within the definition, should be given a reduction in duty.<sup>150</sup>

While this concession was of minimal value to the Ford company it demonstrated that Blythe was at least listening to Ford's representations and attempting to find creative ways of improving the company's situation. It helped Ford to sell a few additional cars on the local market, but the export business remained in difficulty. The changes in excise duty reinforced Ford's role as an assembler and supplier to the modest local market of the Irish Free State, but was of no assistance to its export business. The ongoing negative effect on Ford's costs and the general uncertainty regarding future tariff arrangements remained a hindrance to Cork's potential as an export factory and did nothing to encourage Henry Ford to retain a substantial manufacturing operation in Ireland.

The pressure for protection led Cumann na nGaedheal, to establish another agency to investigate matters relating to tariffs and protection.<sup>151</sup> According to James Meenan, the Tariff Commission was intended 'to assist the framing of what Mr Cosgrave described as a policy of selective protection'.<sup>152</sup> The commission's task was to examine applications for protection referred to it and present its findings to the minister so that the government could make informed decisions. Lee's view, however, was that the commission 'was a mere cosmetic measure, designed to deprive the protectionist Fianna Fáil party, lately arrived in the Dáil, of easy propaganda. The commission was duly packed with three safe civil servants'.<sup>153</sup> In operation the commission proved to be slow moving, cautious and dealt only with relatively inconsequential issues. Daly wrote that 'disproportionate attention was devoted to trivial industries, from the first report on

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150 Dáil debates, 30 June 1926, vol. 16, col. 1802.

151 Tariff Commission Act, 1926. (<http://www.irishstatutebook.ie/ZZA40Y1926S2.html>) (4 Aug. 2006).

152 Meenan, *The Irish Economy since 1922*, p.140.

153 Lee, *Ireland 1912 -85*, p. 120.

rosary beads to the final report on prayer books, with fish barrels and down quilts, an industry employing sixty workers, among those also considered'.<sup>154</sup> An application for a tariff on motor vehicles was under deliberation for almost three years before being rejected, in the meantime, the government had introduced protection for cars and motor parts in its 1928 budget, eighteen months before the commission's decision.<sup>155</sup> In all, the commission dealt with fifteen applications for protection before its operations were ended with the change of government in 1932.<sup>156</sup>

The dismal performance of both the FIC and the Tariff Commission provides the evidence of how Cumann na nGaedheal failed to act purposefully on the issue of protection. They ignored Griffith's philosophy and instead maintained the British trading connection supporting agriculture and the traditional industries of beer and biscuits. The only substantial tariff put into effect came about as a response to the British implementation of the McKenna duties, which, while it delivered revenue, did not materially benefit any Irish industry; instead it undermined Ford, the only substantial engineering industry in the Irish Free State. J. J. Walsh, Minister for Posts and Telegraphs, who resigned from the government because of their stance on protection, contended that Cumann na nGaedheal 'has gone bodily over to the most reactionary elements of the state who will henceforth control its policy. Followers of Arthur Griffith's economic teaching will now be forced to subordinate their life-long conviction to the dictates of people whose only concern appears to be the welfare of England'.<sup>157</sup>

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154 Daly, *Industrial development*, p. 39.

155 *Ibid.*, p. 39.

156 Meenan, *The Irish Economy since 1922*, p. 140.

157 J. J. Walshe cited in Daly, *Industrial development*, p. 35.

Whereas the 1927 budget saw little change of any importance to Ford or motoring, the following year, in order to raise much-needed revenue and to encourage greater use of the railways, Blythe extended the McKenna duties to include commercial vehicles and tyres. Britain had recently introduced a 4d. per gallon tax on petrol and Blythe had considered a similar tax but feared it would be too heavy on the consumer.<sup>158</sup> Other changes introduced included the redefinition of motor cars to include tractors, thus subjecting them to duty, though agricultural tractors were specifically excluded. These adjustments brought the Irish Free State in line with recent British changes.<sup>159</sup>

Fianna Fáil, who had entered the Dáil in August 1927, supported the thrust of the increases insofar as they extended the principle of protection. Lemass was prepared to accept the duty if it promoted industry and helped to bring factories to Ireland, but not as a device for raising revenue. The existing tariffs of 33.33 per cent he considered too low, while the imperial preference of 22.22 per cent on parts from Britain was even worse, since two thirds of imports were from Britain and qualified for the low rate. Instead he called for a forty or fifty per cent tariff to force the production of these parts in Ireland.<sup>160</sup> In defending the rate Blythe cited the situation of the Ford company. He pointed out that if the Irish Free State increased the 22.22 per cent rate then Britain was likely to retaliate which would effect Ford export costs.<sup>161</sup> In a foretaste of things to come, Lemass called on the government to consider modifying the import duty on cars and parts to ensure, 'the building of cars here and if possible, the complete construction of them'.<sup>162</sup> His

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158 Jacobson, 'Motor industry in Ireland', p. 107.

159 Ibid., p. 105.

160 Dáil debates, 25 Apr. 1928, vol. 23, cols. 393/4.

161 Jacobson, 'Motor industry in Ireland', p. 109.

162 Dáil debates, 25 Apr. 1928, vol. 23, cols. 393/4.

suggestion was that in order to encourage Irish industry it would be necessary to increase the rate of duty on complete cars while reducing the rate on parts, this would discourage the importation of complete cars and encourage importation of parts, which would then presumably lead to the development of a motor car assembly industry.<sup>163</sup> Later in his speech he became more strident, suggesting that ‘not even an increase would be adequate to meet the situation,’ he demanded that the ‘importation of bodies for motor omnibuses should be prohibited. The importation of bodies for commercial vehicles should be stopped. We can produce all our requirements at home’.<sup>164</sup>

Thus, the arrival of Fianna Fáil into the Dáil introduced a markedly different approach to the issue of protection. From these exchanges, Lemass made it clear that, regardless of revenue collection, under a Fianna Fáil government Irish industry would be supported not just by high tariffs, but if necessary, he implied, by non-tariff barriers. Reading this from Cork, no doubt Ford management would have been satisfied that in the event of the Fianna Fáil party coming to power, Ford’s long-term plan of converting Cork into an assembly works was a viable option and would leave them well placed to compete on the Irish market. In the meantime, the problem of exports to Britain remained and for Ford it would only be solved by building the new plant at Dagenham.

Even as the political parties discussed these issues in the Dáil, in early April 1928, Henry Ford arrived in Britain. Asked if he intended visiting his Cork plant he attacked the Irish Free State government’s policy on tariffs.<sup>165</sup> His garbled and inexplicable remarks on the working of the tariffs and on the role of the Free State government appeared

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<sup>163</sup> Dáil debates, 26 Apr. 1928, vol. 23, col. 553.

<sup>164</sup> *Ibid.*

<sup>165</sup> *IT*, 11 Apr. 1928.

grossly confused and misinformed. True to his threat he never visited Cork, but despite this, his visit led to substantial changes in operations in both Britain and Ireland. These issues will be discussed in chapter seven.

In conclusion, Cumann na nGaedheal's reluctance to introduce protection as evidenced in the five years up to 1928 showed a remarkable paucity of independent thinking and lack of enthusiasm for a revolutionary party recently arrived into power. The exception was the McKenna tariffs which were thrust upon them and which affected only one significant industry. Despite their interest in keeping Henry Ford & Son in Cork, the government could not find a solution to the tariff issue which would satisfy the company. The implementation of the British import tariffs had prompted Ford to purchase the site at Dagenham. In response to the British action the Cumann na nGaedheal government had introduced tariffs on motor imports, but as the revenue from these tariffs grew they seemed less inclined to tackle the problem. With the State in a parlous state financially giving up the revenue from these duties was never going to be easy, yet it was a short-sighted attitude that took no account of the benefits that Ford brought to the country, both in terms of direct as well as indirect employment. Thus, the government contrived to undermine the expansion of a skilled engineering industry and failed to exploit the goodwill demonstrated by Henry Ford when he set up the business in 1917.

On two occasions the government seemed close to concluding a deal with the British, but each time backed out, firstly, due to the unwillingness of Ford to offer any guarantee of manufacturing stability and secondly, due to the potential loss of revenue. The Ford problem continued to haunt the government, no doubt prompted by lobbying from Ford's local management as well as Cork's public representatives. As late as 1928,

Blythe said in the Dail that ‘the whole question of what can be done to encourage the Ford works in Cork to extend is under the active consideration of the Cabinet at the moment’.<sup>166</sup> Instead of removing the McKenna duties the government adjusted license fees to assist Ford, firstly in 1922 and again in 1926. While Ford management acknowledged the benefits of these changes, as for example, when Clarke commented on their improving sales in May 1926, that ‘there is no doubt that the tax reduction has had its effect’, nevertheless, these improvements did not address the real problem that Ford faced and which the delays in building Dagenham were obscuring.<sup>167</sup> To restore Ford as a competitive supplier to Manchester a bilateral agreement between the Free State and Britain, removing all tariffs on cars and parts, might have altered Ford’s decision. Of course, this action would not have satisfied the motor body builders who would have had to face British competition again and equally it would have incurred the wrath of the protectionists.

From Ford’s point of view the original choice by both the British and Free State governments to implement the McKenna tariffs made Cork an expensive supplier to Manchester and provoked the Detroit decision to relocate the foundry and machine shop to Dagenham. Once this decision had been taken Cork’s position as a major industrial operation seemed doomed. Instead its role seemed destined to be that of an assembly plant, particularly since Fianna Fáil were promising higher tariffs if they came to power.

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<sup>166</sup> Dáil debates, 25 Apr. 1928, vol. 23, cols. 406/407.

<sup>167</sup> E. L. Clarke to Department of Local Government, 2 June 1926 (NAI, Department of Taoiseach, S5782A).

## **CHAPTER SEVEN**

### **Ford, supplier of parts:**

#### **Cork's fate in the balance (1923-1928)**

During the period from 1923 to 1928, despite a series of management changes and minor improvements to the Model T, Ford's sales in Britain were in serious decline and profits were eroded by duty costs. A parallel decline was in evidence in the United States where the Model T was fast becoming obsolete and new, more modern vehicles from General Motors were beginning to dominate the market. When Henry Ford finally began development of the replacement Model A to restore Ford's fortunes, it was not clear if the new car would solve Ford of England's problems. Following the launch of the Ford Model A to unprecedented acclaim in the United States sales began to improve again and Ford sailed to Europe to see for himself the situation there. During his visit he formed a number of views and initiated a strategy to build the company to new heights of industrial and commercial power. Dubbed the '1928 Plan', his strategic decisions included firstly, the rehiring of Percival Perry; secondly, the commencement of the long-delayed building of a European manufacturing centre at Dagenham and thirdly, and most importantly to the people Cork, the decision to convert the Cork factory into a worldwide supplier of Fordson tractors.

In the years leading up to Ford's visit, circumstances in both Ford of England and Henry Ford & Son, Cork were problematic. The economic environment of the Irish Free State in 1924, was decidedly gloomy. E. L. Clarke described the year as 'one of marked depression in trade and industry'.<sup>1</sup> The trade balance for the first eleven months of 1924

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<sup>1</sup> E. L. Clarke to C. E. Sorensen, 24 Jan. 1925 (BFRC, Acc. 572, Box 17).

had been adverse to the tune of sixteen million pounds, while general prosperity was being ‘hampered by the high taxation ruling’.<sup>2</sup> Even nature seemed to conspire against the country, as according to Clarke, very wet weather had lead to poor harvests in both 1923 and 1924. Meanwhile, the government were encouraging the farmers to re-establish agricultural output following the recent period of disruption. Politically, Clarke noted, that the country had improved considerably, law and order was almost restored and the army which had comprised as many as 50,000 men had been reduced ‘to between 10,000 and 15,000’ saving the country ‘a great deal of non-productive expenditure’.<sup>3</sup> As the country settled down after the years of disturbances and mayhem, Henry Ford & Son, notwithstanding the additional costs caused by the tariffs, attempted to use the relative stability to build their business. In addition to manufacturing parts, since July 1923 the company had assembled the Model T using a combination of Cork parts as well others shipped from Manchester and the United States.

As the sole motor manufacturer in the Irish Free State, they exploited the advantage they had in dealing with the government. Grace reported to Sorensen his success in having convinced the government purchasing agent ‘to standardise on Ford cars and trucks for the government services, including army and postal’.<sup>4</sup> This meant sales of about two or three hundreds vehicles per year. Out in the field, Ford salesmen were busy promoting tractor sales with demonstrations and assistance to dealers as well as educating their service and repair men.

Despite some five years manufacturing experience, including eighteen months

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2 E. L. Clarke to C. E. Sorensen, 24 Jan. 1925 (BFRC, Acc. 572, Box 17).

3 Ibid.

4 Edward Grace to C. E. Sorensen, 23 Aug. 1924 (BFRC, Acc. 572, Box 17).

spent producing Model T parts, the Cork factory still faced operational and quality problems, particularly in the foundry. Foundry scrap reports sent to Detroit caused Sorensen to highlight a number of parts where the scrap loss was still exceedingly high. Cork scrap exceeded ten per cent while at the Rouge plant scrap was less than three per cent. ‘We will expect to see a decided improvement in your next report’, wrote Sorensen.<sup>5</sup> The problem of poor quality was not a new issue. In earlier days it had been attributed to the large intake of inexperienced labour employed, the struggles to deal with machine installations as well as building operations, but now the plant was maturing and was expected to perform to a higher standard.

Cork’s fate was inextricably linked with Manchester and there manufacturing was also in poor shape. Perry’s aspiration of replacing the cramped Manchester site with a new facility in Southampton, to act as a supply factory for Britain and Europe, had lapsed. Instead, despite company reservations about the site, five million dollars had been invested in Manchester to increase its capacity from 15,000 to 25,000 units.<sup>6</sup> With no foundry, Manchester relied on Cork for cast parts, but their output was of variable quality which interrupted the running of the assembly line. The team of Gould and Davis sent over from United States by Sorensen were apparently incapable of overcoming the problems of quality, output and cost.<sup>7</sup>

Ernest C. Kanzler, who oversaw manufacturing in Highland Park, visited Britain in the summer of 1923 to inspect the Dagenham site and subsequently spent some two

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<sup>5</sup> C. E. Sorensen to Edward Grace, 21 May 1924 (BFRC, Acc. 572, Box 17).

<sup>6</sup> Tolliday, ‘Ford in Britain’, pp 14/15.

<sup>7</sup> *Ibid.*, p. 15.

and half months in Europe.<sup>8</sup> On his return to Detroit he reported on the glaringly unsatisfactory state of affairs at Manchester, observing that ‘a bunch of clowns ran the English company!’.<sup>9</sup> Since Perry’s departure Detroit had appointed a series of managers each of whom had proved a disappointment; now, in order to sort out the situation for once and for all, a group of production experts were sent to investigate the British operation. The group, led by William Klann, head of production at Highland Park, arrived in November 1923 under orders ‘to go over there and fire the whole bunch’.<sup>10</sup> With long experience of car-making at Highland Park, the group’s brief was threefold: to improve British production methods; to modify the Model T and make it more attractive to British purchasers, and, finally, to prepare plans for the new plant at Dagenham. They were also free to make any personnel changes that were required.<sup>11</sup>

On arrival at the Manchester plant they were shocked at the conditions and at the lack of organisation that they found. From their weekly reports Steven Tolliday recounted the appalling problems uncovered with men, machines and procedures.

Processes were often shambolic and the products poor. In many of the cars being produced the top gear did not function; 90 per cent of the pistons received in the plant were defective; welding was ‘awful poor’; defective rear axles were accepted because they would ‘wear in’; and across the plant they found ‘poor sloppy jobs and terrible practice’.<sup>12</sup>

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8 WH, p. 136; Kanzler, was a very capable lawyer, related to Edsel Ford by marriage, he started work under Sorensen and by this time was managing manufacturing under Edsel. He was forced out of the company by Henry Ford in July 1926 for daring to point out the deficiencies of the Model T (Bryan, *Henry’s Lieutenants*, pp 147/9).

9 WH, p. 141.

10 Reminiscences of W. C. Klann, Sept.1955 (BFRC, Acc. 65 ) p. 170; other members of the group were Theodore Gehle (Sorensen’s assistant), Victor Perini and Ed Harper (WH, p. 141).

11 WH, p. 142.

12 Tolliday, ‘Ford in Britain’, pp 15/16.

Prompt action was necessary to improve matters. Davis was fired on 17 December 1923. He accepted responsibility for the poor quality output and slack work practices, explaining that he did not understand automobile manufacturing.<sup>13</sup> Gould remained on until he was forced to resign in April 1924.<sup>14</sup> H. S. Jenkins, who at the time was managing the Ford company in Argentina, was contacted by Edsel Ford and asked to take over managing the Manchester plant.<sup>15</sup> In the meantime, the Dearborn experts operated at all levels of the plant improving engineering and introducing procedural change, ‘raising hell’ with supervisors, inspectors and workers.<sup>16</sup> Klann spent some four months in Manchester, while Theodore Gehle remained for over a year in his attempt to implement reforms and improve standards throughout the plant. Apart from their shock at Manchester’s poor operational standards, according to Tolliday, their reports to head office also exposed

a profound cultural gulf between the hustling hard-driving men of Detroit, accustomed to high-pressure, high-volume production, and the Manchester plant with its low and falling volumes, defective supplies, poor and cramped physical conditions, and workers who still aspired to craft status.<sup>17</sup>

It was inevitable in dealing with the problems at Manchester that the Cork factory, as a major supplier, would also come under scrutiny. In early February 1924, Gehle and Klann reported that seventy per cent of the piston rings produced by Cork were rejected for being too wide, too thin or of improper tension. Soon, many other problems emerged and Gehle wrote that ‘things got so bad that we called Leddy, chief inspector, over from

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13 Weekly report, Klann and Gehle to Kanzler, 22 Dec. 1923 (BFRC, Acc. 572, Box 18).

14 WH, p. 143.

15 Ibid.

16 Tolliday, ‘Ford in Britain’, p. 16.

17 Ibid.

Cork to show him all the defects he was passing'.<sup>18</sup> Towards the end of February, Klann decided to visit Cork and inspect operations for himself. He informed Grace of his intention, but, without offering any reason, Grace requested him to postpone his visit until the end of the week. Klann ignored the request and left on Tuesday night, arriving into Cork at noon the following day. No one met him at the boat so he went directly to the Imperial hotel where Grace subsequently collected him.<sup>19</sup>

Grace was very apologetic for not meeting Klann and being unable to accommodate him at his home.<sup>20</sup> His home was in fact, the Ford company house, *Clanlauglin*, which occupied a fine site overlooking the scenic River Lee. In late 1919, Charlie Sorensen had purchased the house from Dr James B. Horgan for the sum of £4,800.<sup>21</sup> The seven-bedroomed house was located on a site of about 17 acres and when Peter MacGregor and Ed Clarke took possession of it on behalf of Henry Ford & Son, their immediate priority was to modernise it and make it comfortable. To this end they carried out necessary repairs, installed electricity, phone, hot water and central steam heating system. When furnished at a cost of £1,423.19s.1d., the total bill for the house came to £8,605.18s.4d.<sup>22</sup> *Clanlaughlin* was intended to accommodate the Ford manager and his family in luxury, as well as occasional visitors to the plant as, according to Sorensen, 'hotel facilities were not too plentiful'.<sup>23</sup> After its purchase Sorensen described

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18 Weekly report, Klann and Gehle to Kanzler, 7 Feb. 1924 (BFRC, Acc.572, Box 18).

19 Ibid., 26 Feb. 1924 (BFRC, Acc.572, Box 18).

20 Ibid.

21 Also spelt *Clanloughlin*; this house was purchased by John J. Horgan's father, M. J. Horgan, in 1894, see John J. Horgan, *Pearse to Parnell: some recollections and reflections* (Dublin, 1948).

22 E. L. Clarke to C. E. Sorensen, 11 Dec. 1919 (BFRC, Acc. 62, Box 95).

23 Reminiscences of C. E. Sorensen, June 1954 (BFRC, Acc. 65, folder 68-15) p. 34.

it as 'a wonderful addition to the comforts of our boys over here'.<sup>24</sup> Much later he said that 'on the regular visits that I made I stayed at this home and spent many pleasant moments there'. He also complimented Mrs Grace on her hospitality.<sup>25</sup>

Despite the fine company facility, on the occasion of Klann's visit there was no room available in *Clanlaughlin*, as it was already occupied by members of a visiting American women's hockey team.<sup>26</sup> In dealing with this issue Grace proved less than tactful and may have created enemies for his later dealings with Dearborn. Like other American families living in Cork, Grace had been entertaining members of the hockey team. Grace had tried to get Klann to postpone his visit and when the latter arrived unexpectedly, he had to stay in the hotel. As Grace sarcastically put it: 'I am sorry he had to rough it - I did it for four months'.<sup>27</sup> Klann was of the view that the 'Ford Home' was supposed to be solely for company visitors to Cork and that Grace had 'no right to entertain anyone at *Clanlaughlin* except company guests'.<sup>28</sup> That was not Grace's understanding. Klann also complained about Grace's absence from the plant, taking the hockey players to the game and later delivering them to the train. 'It seemed to the writer that sport during those two days were more important than business, especially when we had so much to do and only a short time to stay'.<sup>29</sup> Grace believed Klann had gone out of

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24 C. E. Sorensen cable to Henry Ford, 1 Dec. 1919 (BFRC, Acc. 62, Box 95). After Grace left the company, *Clanlaughlin* was put up for sale. Presumably, Clarke, a local, had his own home and did not want the task of entertaining visitors. Clarke wrote to Sorensen to say that he was advertising *Clanlaughlin* in the *London Times* having failed to get a local buyer due to the hard times and departure of wealthy people (8 July 1927, BFRC, Acc. 38, Box 110).

25 For example, C. E. Sorensen to Edward Grace, 17 Dec. 1921 (BFRC, Acc. 38, Box 45). 'Please give my thanks to Mrs Grace for the way she took care of us at Cork.'

26 Weekly report, Klann and Gehle to Kanzler, 26 Feb. 1924 (BFRC, Acc.572, Box 18).

27 Edward Grace to C. E. Sorensen, 29 Mar. 1924 (BFRC, Acc.572, Box 17).

28 Ibid.

29 Weekly report, Klann and Gehle to Kanzler, 26 Feb. 1924 (BFRC, Acc.572, Box 18). Later in his reminiscences, (BFRC, Acc 65, Oral histories, p. 303) Klann stated incorrectly that 'I was there for two and half weeks and never saw Grace once because he was

his way to blacken him in his reports to head office, so on 29 March he wrote to Sorensen refuting Klann's allegations and robustly defending his actions. Calling on Ed Clarke and a Detroit auditor, Al Byrns, as witnesses, he challenged Klann's report and said: 'If you feel that you cannot believe me then I must ask you to accept my resignation, as I feel this is a challenge to my honour'.<sup>30</sup> Grace also suggested that Klann had his own underhand agenda and 'that he had plenty of time to cut his Cork stay short in order that he might get into Germany to visit some of his people there'.<sup>31</sup>

Grace's letter of defence evoked no sympathy from Sorensen. Instead Sorensen replied on 11 April with his usual prescription: 'The best diet, I know of, for a man who is making progress, is plenty of criticism'.<sup>32</sup> He claimed to have thrown Grace's letter in the wastepaper basket, suggesting that if Grace could not write regularly reports on the running of the plant, then it would be better to write nothing at all. In which case he threatened 'you can certainly expect more visits from people who are going to find out what is going on at your plant'.<sup>33</sup>

After five years away from Detroit, Grace appeared to have 'gone native', no longer driven by the work ethic and sense of mission typical of Ford management. The Ford culture precluded frivolous social engagements such as he had been involved in with the hockey team. While Grace believed he had the right to entertain outside guests, Klann saw such behaviour as an abuse of the company assets, similar to the abuses he had seen in Manchester.

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entertaining a nine-girl hockey team from America.'

30 Edward Grace to C. E. Sorensen, 29 Mar. 1924 (BFRC, Acc.572, Box 17).

31 Ibid.

32 C. E. Sorensen to Edward Grace, 11 Apr. 1924 (BFRC, Acc.572, Box 17.)

33 Ibid.

Klann spent the rest of the week in Cork and his report on other aspects of the Cork plant revealed a significant number of cases of poor workmanship and sub-standard parts, while the chief inspector claimed in his defence that some of the parts complained of had actually been sourced in Detroit. Klann was very critical of Grace as he had also failed to report poor quality car bodies which he had received from Manchester.<sup>34</sup> It was clear from the reports that production methods and quality standards represented a serious problem both in Manchester and in Cork, and while the attitude of the Cork workforce attracted less criticism than Manchester, the disagreement over the American hockey players and the use of the company house gained Grace some notoriety and poor publicity back at headquarters.

The deficiencies and shortcomings of the Manchester operation, as well as the additional imperfect parts from Cork reinforced the need for a larger, better run factory with its own foundry. As part of their brief, the group of experts were assigned to scrutinise the Dagenham site selected by Grace and approved by Kanzler. Klann and Gehle checked out the site and also had some borings done to check the foundations. The results were sent to Kanzler, who gave Gehle authority to go ahead and purchase the site.<sup>35</sup> Gehle felt 'this was a rather major undertaking' to embark on in an unfamiliar country, so he asked Kanzler to permit Grace to assist him. With the recent critical attention he had received Grace was not a welcome choice and Kanzler only grudgingly agreed to his involvement in the project as, according to Gehle, 'Ed didn't stand too high in Kanzler's estimation'.<sup>36</sup>

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34 Weekly report, Klann and Gehle to Kanzler, 26 Feb. 1924 (BFRC, Acc.572, Box 18).

35 Reminiscences of Theodore F. Gehle, Mar. 1956 (BFRC, Acc 65). p. 66.

36 Ibid., p. 64.

The deal to purchase Dagenham was done discreetly to ensure that the identity of the purchaser did not emerge. Kanzler advised that the purchase should be done in Gehle's name, as he wasn't identified with the Ford Motor Company of England. Ninety days later title was transferred to the Ford Motor Company.<sup>37</sup> Once the site had been purchased it fell to the latest new manager, Jenkins, to broadcast Ford's plan to build a huge new plant at Dagenham. In his announcement on 10 July 1924 Jenkins 'predicted that production would be tripled and 10,000 men employed'.<sup>38</sup> With the new centre for Europe announced, Cork's future prospects seemed unpromising with no apparent product line once Dagenham was in production.

Despite the announcement of the new plant it was not certain if it would go ahead or when. Even Sorensen was unsure. He remarked to Perry, with whom he had kept in contact, that 'the truth is that none of us know whether to go ahead with it or not'.<sup>39</sup> Meanwhile, until the new plant began producing, no significant changes were made to operational arrangements in Cork or Manchester.<sup>40</sup>

In August 1924 Grace travelled to Manchester, where he had his first introduction to the new manager of the British company, H. S. Jenkins. Grace was impressed with him and wrote to Sorensen: 'He looks like the best thing in managers I have ever seen come over.... I am sure that there will be real co-operation between us'.<sup>41</sup> Even as Grace was writing this letter, Sorensen was in touch with Jenkins, complaining about Grace's

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37 Ibid., p. 68. In his reminiscences Sir Stanford Cooper claims 'that he had to keep Gehle in the background for Gehle was so obviously American that he might mess things up.' However legal documents disprove that. Also, the London lawyers used by Ford were McKenna and Cole, including Reginald McKenna former chancellor who had introduced McKenna tariffs during World War I. (BFRC, See Acc.880, Box 5).

38 WH, p. 143.

39 Tolliday, 'Ford in Britain', p. 17.

40 Ibid.

41 Edward Grace to C. E. Sorensen, 23 Aug. 1924 (BFRC, Acc. 572, Box 17).

absence from the plant and the fact that Ed Harper had not been accommodated in *Clanlaughlin*. Harper, one of the group who had been assigned to sort out Manchester, had been sent to Cork en route to Detroit to further investigate operations there. Despite his earlier disagreement with Klann, Grace was still not forthcoming in opening the house to visitors. New on the job, Jenkins was unaware of the arrangements, he said: 'I should have thought...there would have been no indecision as to the proper action to take upon Mr Harper's arrival there'.<sup>42</sup> Sorensen instructed Jenkins to ensure that 'Grace should get permission to leave Cork' and also reminded him 'that the house was for the use of company officials' and 'is to be used in such a manner, and find out why Harper was not given that opportunity'.<sup>43</sup>

Clearly, Sorensen had his knife in Grace at this time. He had obviously annoyed Sorensen who was determined to limit his independent behaviour and to ensure that he was brought back to earth in relation to the company house. On the other hand, it seems that Grace was reluctant to open the doors of the house to visitors and determined to act as he saw fit. Klann later said he 'called Grace the king of Ireland' due to his absences from his job.<sup>44</sup> He suggested that 'he should be watching his shop a little instead of entertaining girls all the time'.<sup>45</sup> Grace had always acted independently, though on occasion Sorensen had queried and criticised some of his absences from the plant, nonetheless, up to that time he seemed to enjoy Sorensen's confidence as well as that of Edsel Ford. At this juncture he appeared deliberately stubborn and provocative and his behaviour was not ingratiating him with his boss and others. Previously, his handling of

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42 H. S. Jenkins to C. E. Sorensen, 10 Sept. 1924 (BFRC, Acc. 572, Box 17).

43 Ibid.

44 Reminiscences of W. C. Klann, Sept. 1955 (BFRC, Acc. 65) p. 303.

45 Ibid.

the Cork housing project had angered Sorensen, but now he had become a target for the scrutiny of the American experts, who were critical of all aspects of the British and Irish operations. Grace's informal way of working, not to mention his use of company's resources, seemed to put him in the same category as the corruption of Manchester. Despite this he survived in the company for another two years before finally being forced to quit by Klann.<sup>46</sup>

In Britain the market for motor cars was changing. Competitors of Ford, such as the Austin and Morris motor companies, were producing modern cars, smaller and more economical with cheaper tax, more in tune with their customer's requirements. Henry Ford refused to respond to the appeals from his managers who pleaded with him to produce a competitive car specifically for the British market. Sales of Model T Fords continued to fall as it became increasingly outdated. Manchester's output of Model T's fell from 25,666 units in 1920 to just over 11,000 for each of the years 1921, 1922 and 1923. The decline continued, reaching a paltry 1,817 in 1927.<sup>47</sup> Some modifications were made to update the Model T, but these proved futile against the competition. In Cork, Clarke was optimistic that the changes, which included a lowered chassis, nickel plated headlamps and radiator, and later the addition of 'balloon' instead of solid tyres and an additional four optional colours, would improve sales.<sup>48</sup> Despite his optimism, sales of the Model T were also declining Ireland. First quarter sales in 1926 were down to 434 from 629 units in 1925.<sup>49</sup>

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46 Reminiscences of W. C. Klann, Sept. 1955 (BFRC, Acc. 65 ) pp 303/4.

47 See Appendix 1.

48 E. L. Clarke to C. E. Sorensen, 24 Jan. 1925 (BFRC, Acc. 572, Box 17). 'Radiators' see E. L. Clarke to C. E. Sorensen, 5 Apr. 1924 (BFRC, Acc. 572, Box 17).

49 E. L. Clarke to C. E. Sorensen, 9 Sept. 1926 (BFRC, Acc. 572, Box 17).

Clarke tactfully suggested that the sales fall-off was due mainly to rumours regarding an anticipated road tax reduction. When the £8 reduction came about in the 1926 budget, he accepted that it was a 'big help' and improved sales, however subsequent months showed little real improvement and any boost from the tax changes was more than cancelled out by public disaffection with the Model T.<sup>50</sup> Also, demand from Manchester for parts was very low, impacted by the national coal strike which was affecting almost all of the British engineering industry.<sup>51</sup> Management in Detroit were unhappy with the European fall-off in sales and despatched another high-powered delegation to implement cost cutting. In Manchester they dismissed 250 men and at Cork 145 men were discharged.<sup>52</sup> But no amount of cost cutting or pressure could change the fact that the Model T was obsolete and an embarrassment whose once buoyant sales had now faded to nothing.

From the time of Perry's departure, Ford of England had seen a series of management changes. Ireland, in contrast, had been managed during the turbulent years from 1919 to 1926 by one man, Edward Grace. Early in 1926, Grace departed from the company and on 1 July 1926 after nine years as second in command to Grace, E. L. Clarke took over the position of managing director of Henry Ford & Son Ltd.<sup>53</sup> Like many other departures from Ford, clouds of suspicion hung over Grace's departure, the details of which will be covered in chapter eight.

Notwithstanding the threat posed by the forthcoming new plant at Dagenham,

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50 E. L. Clarke to C. E. Sorensen, 9 Sept. 1926 (BFRC, Acc. 572, Box 17); see chapter six.

51 Ibid.

52 WH, p. 157.

53 Montgomery, *Ford manufacture*, p. 19.

Ford's position as the major employer in Cork was growing.<sup>54</sup> The relative political and industrial stability of the middle 1920s, allowed the company to settle and its eighteen hundred or so employees to thrive, adding to the prosperity of the city. Since his appointment Jenkins was responsible for both Britain and Ireland and worked diligently on both sides of the Irish Sea to restore the dealerships to strength and to motivate them to improve their standards and expand sales. To this end, he travelled the country regularly in 1926. He found general conditions to be poor. More significantly there was an air of gloom about. At a banquet given by the Cork Chamber of Commerce attended by President Cosgrave and some of his ministers, Jenkins commented that:

The keynote of the speeches given was the poor condition in which the country found itself. There were many hopes of improvement expressed, but we did not hear one logical suggestion put forward as to how business could be improved. The main wail put up was the fact that the breweries and distilleries were not working to their full capacity.<sup>55</sup>

In contrast, the Ford factory, despite its problems with the obsolete Model T and the McKenna duties, was like a beacon in an industrial desert, utilising the most modern industrial engineering and the most progressive systems. It also acted as a training-ground for locals to develop and grow their skills. Men like John O'Neill, who managed the Ford's Irish business from 1932 to 1959, and Patrick Hennessy who joined in 1920 and rose to become chairman of both Henry Ford & Son and Ford of Britain.<sup>56</sup> Even

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54 See *Cork Examiner*, 19 Mar. 1926 for Ford employment figures: Foundry, 300 men 94,000 sq. ft; machine shop, 500 men 116,000 sq. ft; Magneto department: 40 women; others included assembly and upholstery departments assembling cars and commercial vehicles for Irish market. Cleanliness and organisation due to 70 men employed in transport and sanitary section.

55 H. S. Jenkins to Edsel Ford, 26 Oct. 1926 (BFRC, Acc. 6, Box 5).

56 Ford & Son, *Ford in Ireland*, p. 19.

Ford's football team excelled and enjoyed meteoric success. The Fordson soccer team was founded in 1921 by an ex-Irish international player named Harry Buckle and within two years had 'reached the semi-final of the Free State Cup. Their finest hour came on St. Patrick's Day, 1926, when they reached the cup final against Shamrock Rovers'.<sup>57</sup> The team defeated Rovers by three goals to two to take home the trophy to Cork for the first time. They came home to a heroes' welcome and at a subsequent victory ball arranged by the Fordson social club Edward Grace was presented with the football with which the match had been won. Almost on the eve of his departure from Cork, Grace thanked the team who had played such a wonderful match and expressed himself as 'still quite hoarse from cheering the victors'.<sup>58</sup>

On 25 May 1927, Henry Ford finally announced that production of the Model T was to be discontinued and in Dearborn the following day, the fifteen millionth 'Tin Lizzie' was driven off the assembly line by Henry and Edsel.<sup>59</sup> The Model T had long been overtaken by more modern competitors and even Charlie Sorensen had to admit that he was 'sick of looking at them—sicker, in fact, than the public was'.<sup>60</sup> 60,000 employees were laid off in Dearborn while the company retooled for the new car, named the Model A. Around the world assembly plants used up available parts to produce the last Model Ts. In August the final British Model T rolled off the line in Manchester and Clarke reported that their stock of Model T materials was depleted, but that he had 107 Model T Touring cars on hand, which were proving difficult to sell as people were waiting to see

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<sup>57</sup> Ford & Son, *Ford in Ireland*, pp 19/22.

<sup>58</sup> *CE*, 22 Mar. 1926.

<sup>59</sup> *NH*, vol. II, p. 431.

<sup>60</sup> Sorensen , *Forty years with Ford*, p. 217.

the Model A before purchasing a new car.<sup>61</sup> With the plant effectively closed for the remainder of the year drawings were shipped to Cork in preparation for the manufacture of Model A parts.<sup>62</sup> During the previous five years the Cork plant at Marina had assembled over 10,000 Model T's to become the leading make in the Irish market.<sup>63</sup>

In Dearborn the first Model A sedan was assembled on 20 October 1927.<sup>64</sup> Over the following weeks problems with the new assembly line were ironed out so that by 2 December 1927 the daily output had reached a hundred cars a day.<sup>65</sup> The new car had been the subject of much speculation and was eagerly awaited by the American public.<sup>66</sup> Following its unveiling, the Model A Ford proved very successful, with cars being snapped up as fast as Ford could produce them, so that in 1928 633,594 cars were produced, while the following year output more than doubled to 1,507,132.<sup>67</sup>

The Model A made its first appearance in Ireland in late December. General Mulcahy, Minister for Local Government and Public Health, opened an exhibition of Ford's new motor car in Dublin's Metropolitan hall.<sup>68</sup> This appearance was only an advance viewing for the trade and likely purchasers. Clarke pointed out that it would be 'some time before the plant in Cork was replaced so as to cope with the new designs, but the supervisor was at present in the United States arranging details in this respect'.<sup>69</sup> Now finally, with the arrival in the marketplace of a modern Ford car it remained to be seen if

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61 Tolliday, 'Ford in Britain', Table 2b, p. 121.

62 Jacobson, 'Motor industry in Ireland', p. 194 and E. L. Clarke to C. E. Sorensen, 31 Aug. 1927 (BFRC, Acc. 38, Box 110).

63 Montgomery, *Ford manufacture*, p. 19.

64 Sam Roberts, *Ford Model Y, Henry's car for Europe*, (Dorchester, 2001), p. 10.

65 NH, vol. II, p. 459.

66 WH, p. 158.

67 Sorensen, *Forty years with Ford*, p. 225.

68 A. Hardcastle, (Ford wholesale manager) to William Cosgrave's secretary, 16 Dec. 1927 (NAI, Dept of Taoiseach, S5782A).

69 CE, 20 Dec. 1927.

the new model would find favour with the British and Irish public. Despite the earlier announcement of the plan to build a massive factory in Dagenham, so far nothing had happened. In truth, with low and declining sales, there was no justification for building the plant. The development and commissioning of the new car model had absorbed the attentions of Henry Ford and his management and consequently the new English plant had been overlooked. Despite the problems with quality and costs, Henry Ford & Son, Cork possessing the sole European foundry continued to operate as a supplier to Manchester.

Over the months ahead the existing Model T machines and equipment, as well as jigs, tools and gauges were transformed to cast, machine and assemble engines for the Model A. While Cork produced the cast-iron parts, the remaining parts were shipped from Detroit.<sup>70</sup> The Cork engines, designated ‘AF’, were special small-bore 14.9 horsepower engines unlike the original American Model A which had a much larger 24 horsepower engine.<sup>71</sup> The AF engines were substituted to reduce car tax in markets where such tax was based on the engine capacity.<sup>72</sup> Model A cars for sale in Ireland were assembled in Manchester and shipped to Cork where the locally manufactured engine was fitted. The other engines were exported to Europe and Asia.<sup>73</sup> Cork continued to produce spare parts for the many Model T’s on the road and was being set up to produce Model A rear-axles. Up to the end of August 1928, Clarke reported that they had

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70 E. L. Clarke to P. Perry, 28 July 1928 (BFRC, Acc. 572, Box 17).

71 The ‘F’ denoted foreign.

72 Ford & Son, ‘Ford in Britain’, p. 24.

73 The main destinations were Antwerp, Asnieres, Barcelona, Yokohama and Manchester (Clarke to Perry, 28 July 1928, BFRC, Acc.572, box 17).

produced 3,189 AF engines; by the year end 6,394 units had been produced.<sup>74</sup>

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Ford from the earliest days operated as a mobile multi-national corporation. Henry Ford's initial expansion into Canada and Britain was followed by the development of local assembly operations across America and Ford was used to being invited and wooed to locate in particular towns.<sup>75</sup> In the early days of the Marina development the Cork Industrial Development Association, the Harbour Board, and, as we have seen in chapter two, even Lloyd George had assisted and promoted Ford's project. Later, the wrangles with the corporation over the lease spoiled relations for a while. To redress this, local Cork bodies were keen to demonstrate their gratitude and support for Ford's effort in bringing industry to their area. Seán French, Grace's erstwhile antagonist, wrote to Ford to inform him that the corporation had decided unanimously to confer the freedom of the city of Cork on him, 'the highest honour that it is in our power to bestow.'<sup>76</sup> Later still, French wrote to Clarke on the occasion of Henry Ford's car accident: 'regret accident to Mr Henry Ford. Hope no permanent harm and his recovery may be speedy and complete.'<sup>77</sup> Clarke passed the letter to Edsel Ford. No doubt the Cork Corporation were keen to secure the company's future in Cork and to offset the poor publicity gained during the very public arguments over masses, leases and tariffs which had strained relations with the company.

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74 E. L. Clarke to C. E. Sorensen, 30 Aug. 1928 (BFRC, Acc. 38, Box 56) and Ford & Son, *Ford in Ireland*, p. 24.

75 In Europe too, according to Wilkins and Hill, *American business abroad*, p. 185, when Henry Ford arrived in England in 1928, 'Mrs. Foster Welch, the woman mayor of Southampton, was on hand to urge the advantage of her city as the hub of Ford operations.'

76 Seán French to Henry Ford, 24 May 1924 (BFRC, Acc. 880, Box 7).

77 Seán French to E. L. Clarke, 1 Apr. 1927 (BFRC, Acc. 6, Box 11). Henry Ford had a car accident during the Shapiro trial.

While these attempts by the local council to mollify Ford were laudable but self-serving, the Cumann na nGaedheal government's handling of relations with Henry Ford during the late 1920s appeared less enthusiastic. Ford was genuine in his desire to support Ireland's industrial development, but he was a difficult person to deal with. He had very fixed ideas on subjects such as free-trade and was disinclined to accept interference from outside agencies; he was independent, stubborn and could be extremely wilful. The Free State government seemed to have very little appreciation of the benefit that thousands of Ford jobs brought to the region and country. More importantly, there was little insight into the potential industrial development and consequent employment which Ford's schemes and ideas could provide. Where in more recent times a capitalist who promised industrial investment would be courted, wooed and offered inducements such as tax-free status, Ford got relatively little encouragement at government level. Local Cork businessmen and politicians worked hard to facilitate the Ford development, but they did not have the power to alter tax regimes or to provide the pomp or prestige necessary to encourage Ford.

The pitfalls of dealing with Ford, even if honouring him, were demonstrated when University College Cork attempted to award him an honorary degree. Ford, who was a self-educated man, had little time for academic qualifications and often hired and promoted practical men like himself with little formal education. Early in November 1926, Clarke wrote to Henry Ford's secretary, E. G. Liebold, stating that the Professor P. J. Merriman, president of 'Cork National University' had phoned him to say 'that the senate of his university had decided to confer on Mr Henry Ford the honorary degree of

Doctor of Laws'.<sup>78</sup> At the same time Merriman wrote directly to Ford explaining that the honorary degree reflected the appreciation of the great advantage conferred on the city of Cork by Ford in locating his factory there.<sup>79</sup> After some delay, Liebold responded that 'Mr Ford has never followed the profession of a lawyer and has no legal talent, he feels he is not qualified to accept such a degree'.<sup>80</sup> This strange rebuff suggested that neither Ford nor Liebold were familiar with the custom. Merriman in turn responded explaining that the degree is offered 'to persons of notable achievement in any sphere of activity who have promoted the good of humanity'. Pointing out that its acceptance did not imply 'that the holder of the degree is connected in anyway with the law either as a pursuit or as a study'.<sup>81</sup> Simultaneously, Clarke wrote to Liebold and sounded the first warning of controversy:

We are sure that his acceptance will be appreciated and looked upon as an indication that Mr Ford has an interest in the progress and development of the country, whereas if the degree is declined (no matter how good the grounds) it might be very easily be misconstrued, especially if the matter is taken up by the press.<sup>82</sup>

As Clarke predicted, the press were soon aware of the issue, *Time* magazine reported that National University of Ireland had offered Henry Ford an honorary degree in recognition of his 'Irish descent and for having set up a branch motor car factory at Cork'.<sup>83</sup> By March the honour had still not been accepted by Ford and the press had wind of the delay. The *New York Times* reported that Ford had been was rebuked by the Council of

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78 E. L. Clarke to Ernest G. Liebold, 2 Nov. 1926 (BFRC, Acc. 285, Box 681).

79 P. J. Merriman, President of University College Cork, to Henry Ford, 4 Nov. 1926 (BFRC, Acc. 285, Box 681)

80 Ernest G. Liebold to P. J. Merriman, 30 Nov. 1926 (BFRC, Acc. 285, Box 681).

81 P. J. Merriman to Henry Ford, 21 Dec. 1926 (BFRC, Acc. 285, Box 681).

82 E. L. Clarke to Ernest G. Liebold, 21 Dec. 1926 (BFRC, Acc. 285, Box 681).

83 *Time* magazine, 6 Dec. 1926 (<http://www.time.com/time/magazine/article/0,9171,722829,00.html>) (18 Jan. 2007).

the National University for not accepting the honorary degree; it reported that Dennis O'Connor, a member of the council had said that Ford apparently did not consider it worth his while to inform the university if he would accept the degree.<sup>84</sup> Clarke, aware of the newspaper criticism directed at Ford's apparent reluctance to accept the honour, decided to use another route to get his message to him. He cabled W. J. Cameron, editor of Ford's paper, the *Dearborn Independent*, and a close confidante of Ford's, advising that he communicate with the registrar of the National University and accept the degree, he also pointed out that the comments reported in the press were not made by the governing body of the university, but by a 'convocation of graduates'.<sup>85</sup>

On 17 March 1927 the word finally came from Liebold saying that Mr Ford had 'fully consented to accept this degree which he now understands to be conferred merely as an honor and not as a certification as a lawyer'.<sup>86</sup> Having passed the message on to Merriman, Grace informed Liebold that the degree would probably be conferred *in absentia*.<sup>87</sup> Later F. H. Wilber, registrar of the National University of Ireland, wrote to Ford inviting him to the conferring, which was due to be held in the Senate room at 3.00 pm on Friday 15 July 1927.<sup>88</sup> Liebold duly responded that while they appreciated the honour it was impossible for Mr Ford to attend.<sup>89</sup> After the conferring Wilber wrote that he was sending on 'the Testimonium of the Degree of Doctor of laws recently conferred

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84 *New York Times*, 10 Mar. 1927.

85 E. L. Clarke to W. J. Cameron, date unclear, 13 of (probably) Mar. 1927 (BFRC, Acc. 285, Box 681). Cameron was editor of the *Dearborn Independent* until its demise in late 1927, when he became Ford's unofficial public relations man and general interpreter.

86 Ernest G. Liebold to E. L. Clarke, 17 Mar. 1927 (BFRC, Acc. 285, Box 681).

87 E. L. Clarke to Ernest G. Liebold, 5 Apr. 1927 (BFRC, Acc. 285, Box 681).

88 F. H. Wilber to Henry Ford, 24 June 1927 (BFRC, Acc. 285, Box 681).

89 Ernest G. Liebold to F. H. Wilber, 12 July 1927 (BFRC, Acc. 285, Box 681).

on you’.<sup>90</sup> Ford wrote in response: ‘I will always consider it of particular value coming as it does from the community where my father lived.’<sup>91</sup> The manner of awarding the degree later came in for criticism by Professor Alfred O’Rahilly, who expressed surprise at ‘the brutally unceremonious way in which the National University posted its honorary degree to Mr Henry Ford’.<sup>92</sup> O’Rahilly claimed that two Corkmen, Professor Smiddy and himself, were in the United States and could have done the presentation.<sup>93</sup>

Shortly after the degree conferring, Cosgrave visited the United States and Canada, making the first overseas visit by an Irish prime minister. On the trip he had an opportunity to visit Ford’s plant and headquarters at Dearborn. Both Cosgrave and the Ford management were keen to see the visit go ahead in order to meet and develop relationships, but confusion over the travel arrangements turned the invitation into a combination of farce and deceit and led to a mix-up which did nothing to improve relations between the two sides. The trip came about when Cosgrave received an invitation from the Irish Fellowship Club of Chicago to visit America. Officials in the Department of External Affairs considered that

a short visit from the President or Vice-President to Washington, Chicago and New York with no other public object than to make a few speeches at specially arranged banquets about the independence and development of the Saorstát would provide a splendid

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90 F. H. Wilber to Henry Ford, 25 July 1927 (BFRC, Acc. 285, Box 681).

91 Henry Ford to F. H. Wilber, 11 Aug. 1927 (BFRC, Acc. 285, Box 681). About this time the *New York Times* also reported that Ireland wanted Henry Ford and Gene Tunney, the heavyweight boxing champion of Irish descent, to attend the Tailteann Games (*New York Times*, 27 Dec. 1927). Tunney subsequently attended and was photographed with Count John McCormack (*IT*, 27 Aug. 1928).

92 Newspaper clipping *Cork Echo*, 25 Apr. 1928 (NAI, Dept of Taoiseach, S5782A). O’Rahilly was Professor of Mathematical Physics at UCC from 1917 until 1943.

93 Ibid. Professor Timothy A. Smiddy, Former professor of economics at UCC (1915-1923), Minister plenipotentiary for the Irish Free State in Washington from 1924-1928.

opportunity of getting in touch with most of the influential Irish-Americans.<sup>94</sup>

It was felt that there were many wealthy Americans who would invest their money in Ireland if ‘given the proper encouragement and publicity’.<sup>95</sup> The suggestion was that the Cosgrave visit would begin the charm offensive. When E. L. Clarke became aware of the proposed trip to the United States, he wrote inviting Cosgrave to visit the Ford factory, pointing out that Dearborn was on the main railway line from New York to Chicago, both of which were on his itinerary. He also assured Cosgrave of ‘a most hearty and sincere welcome’.<sup>96</sup> After a fortnight’s delay over Christmas, Cosgrave replied that the arrangements, which were in the hands of Professor T. A. Smiddy, the Irish Free State Minister Plenipotentiary in Washington, were almost concluded and since the duration of the trip was short that ‘a difficulty in accepting your invitation may be experienced’.<sup>97</sup> Following this, Smiddy was asked to fit in the Ford visit as well as a visit to Cosgraves’ relatives in Providence, Rhode Island. Cosgrave insisted that he ‘should not leave the States without making these two calls’.<sup>98</sup>

Clarke wrote to Cosgrave’s secretary and to the secretary of the Department of External Affairs, expressing his happiness that President Cosgrave would visit ‘if at all possible’.<sup>99</sup> Naturally, Clarke had contacted Dearborn and informed them that the president was anxious to visit the plant. As the trip planning was being done in Washington, J. J. Harrington of the Ford Motor Company in Dearborn contacted Smiddy,

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94 Memorandum from J. P. Walshe to D. O’Hegarty, 8 Dec. 1927 ( NAI, Dept of Taoiseach, S4529) (<http://www.ria.ie/projects/difp/downloads/difp1927.doc> ) (3 Mar. 2007).

95 Ibid.

96 E. L. Clarke to W. T. Cosgrave , 20 Dec. 1927 (NAI, Dept of Taoiseach, S5782A).

97 W. T. Cosgrave to E. L. Clarke, 3 Jan. 1928 (NAI, Dept of Taoiseach, S5782A). ‘Minister Plenipotentiary’ in Dáil debates, 12Aug 1924, Vol. 8, col. 2404.

98 W. T. Cosgrave to Prof. Smiddy, 4 Jan. 1928 (NAI, Dept of Taoiseach, S5782A).

99 E. L. Clarke to P. Banim, secretary to Cosgrave and Clarke to J. P. Walshe, both 6 Jan. 1928 ( NAI, Dept of Taoiseach, S5782A).

who cabled back on 9 January to say that President Cosgrave's itinerary called for him to visit Detroit on 30 January, but that the final arrangements were being made in Dublin.<sup>100</sup> On the same day, Smiddy also wrote to Patrick Gilligan at the Department of External Affairs in Dublin, to say that he had completed the arrangements for Cosgrave's visit to the United States including a trip to Detroit. The plan was that he would call at the Ford plant, arriving by train at 8.30 a.m. on Monday 30 January 1928 and afterwards would travel on to Providence, Rhode Island to visit his relations.<sup>101</sup>

Harrington asked Clarke to contact the government in Dublin to confirm this.<sup>102</sup> Simultaneously, Cosgrave wrote to Clarke apologising for the fact that it was impossible to get to Detroit as he had hoped. He explained that this was due to the fact that he was going south and the 'altered programme has been communicated to the various cities'.<sup>103</sup> He expressed his disappointment at missing out on one of his greatest ambitions which was to see the 'greatest industrial concern' and to have 'an opportunity to congratulate Mr Ford in person' and thank him for 'his continued interest in the Irish Free State'.<sup>104</sup>

While Clarke was aware that Cosgrave's visit to Detroit had been cancelled, Harrington's communications with the Irish Legation in Washington led him to believe that Cosgrave would visit Detroit on 30 January and no doubt he passed this information on to Ford's senior management. It was not until 17 January that he was informed by the

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100 E. L. Clarke to W. T. Cosgrave, 22 May 1928 (NAI, Dept of Taoiseach, S5782A). Harrington had been in charge of sales in Europe up to recently, but had broad powers which included effecting 'clean-ups' in Cork and Manchester in late 1926 (NH, vol. II, p. 377).

101 T. A. Smiddy to Patrick McGilligan, 9 Jan. 1928 (NAI, DT S4529). See *Documents on Irish foreign policy*, R. Fanning et al, pp 177 and 169.

102 E. L. Clarke to P. Banim, 10 Jan. 1928 (NAI, Dept of Taoiseach, S5782A).

103 W. T. Cosgrave to E. L. Clarke, 9 Jan. 1928. (NAI, Dept of Taoiseach, S5782A). A draft of this letter in the same file says that 'later an official invitation was received from the Canadian Government which could not be lightly refused having regard with close ties which bind Canada and the Irish Free State'.

104 W. T. Cosgrave to E. L. Clarke, 9 Jan. 1928 (NAI, Dept of Taoiseach, S5782A).

Legation that Cosgrave was unable to attend due to his visit to Ottawa.<sup>105</sup> Whether this confusion was caused by Clarke failing to inform headquarters of the cancellation or by the Free State government misleading the Irish legation in Washington is not clear. Either way, Ford would have been annoyed at the apparent rejection.

Cosgrave's trip went ahead over three weeks at the end of January, but he never got to visit Dearborn. No doubt Ford was offended at being ignored and this may have played some part in his subsequent refusal to visit Ireland in 1928. In addition, it seems extraordinary that if the original purpose of Cosgrave's visit was get in touch with influential and wealthy Americans, he missed the opportunity to meet one of the most powerful industrialists in the world, one who already had a large stake in Ireland. It would seem that a few hours appeasing and flattering the 'great man' would not have been wasted in the national interest.

Months later, when Cosgrave visited the Cork plant and had a meeting with Clarke, the issue of the President's American visit was raised by H. A. Pelly who was also in attendance.<sup>106</sup> Arising from the discussion, Cosgrave asked Clarke to outline in writing the steps which had occurred. This he subsequently did, pointing out that Ford staff in the United States had done their best to arrange the visit. Clarke continued: 'I gather from what Mr Pelly said you were under the impression that the invitation had not been issued from Detroit at all.'<sup>107</sup> This was not the first, nor the last time that Pelly intervened ineptly in Ford affairs. A week later, addressing a Faculty of Commerce dinner at University College Cork, Pelly added to the confusion and created

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105 E. L. Clarke to P. Banim, 18 Jan. 1928 (NAI, Dept of Taoiseach, S5782A).

106 E. L. Clarke to W. T. Cosgrave, 29 May 1928 (NAI, Dept of Taoiseach, S5782A).

107 Ibid., 22 May 1928 (NAI, Dept of Taoiseach, S5782A). The words 'from Detroit' were added to the note by hand.

embarrassment for Ford and the government when he announced that a mistake had occurred over the President's American visit.<sup>108</sup> He claimed President Cosgrave did not get the invitation issued to him, while the Irish Legation in Washington received an invitation, but did not communicate it to the President.<sup>109</sup> Pelly's distortion of the facts angered Clarke who wrote immediately to Cosgrave denying any knowledge of Pelly's remarks as well as disowning responsibility for them. Describing the revelations as a 'bombshell,' Clarke expressed his regret at seeing such 'matters ventilated in the press and all times do our best to discourage publicity of this kind'.<sup>110</sup>

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Using the pseudonyms, Mr and Mrs John Robinson, Henry Ford and his wife sailed from Manhattan on the *S. S. Majestic* and arrived in Southampton on 6 April 1928.<sup>111</sup> Despite the apparent secrecy, word of Ford's arrival got out and rumours abounded about his plans, particularly in relation to the development of his business in Europe.<sup>112</sup> The Irish government apparently took little notice of Ford's forthcoming visit until George Crosbie, owner of the *Cork Examiner*, wrote to W. T. Cosgrave suggesting that since he believed Henry Ford was coming to Ireland, some recognition should be awarded to him.<sup>113</sup> Two days later J. M. Denvir, London correspondent for the *Examiner* followed with a note to James McNeill, the governor-general, referring to the 'quite extraordinary possibilities about the Cork works' and suggesting that since Ford's might

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108 He spoke as chairman of the Cork Chamber of Commerce.

109 *CE*, 28 May 1928.

110 E. L. Clarke to W. T. Cosgrave, 29 May 1928 (NAI, Dept of Taoiseach, S5782A).

111 WH, p. 185.

112 As early as 21 Dec. 1927, the *Cork Examiner* had reported that 'A member of the *Daily Express*' states that Mr. John McCormack informed him that Mr Henry Ford is coming here from America next year and has promised to pay a visit to Mr McCormack at Moore Abbey...calling at Cork to see his works there ...to see the spot from which he sprung.'

113 George Crosbie to W. T. Cosgrave, 5 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

get a poor reception in Britain that ‘a little spontaneous Irish warmth would make an appealing contrast’.<sup>114</sup> McNeill passed the suggestion to the secretary of the Executive Council commenting ‘perhaps External Affairs might like to telephone London’.<sup>115</sup> Before any action could be taken, Henry Ford, who despite Denvir’s prediction, was being feted in England, announced that he would not visit Ireland until the tariffs between England and Ireland were removed.<sup>116</sup> Speaking in a rather confused fashion, he was quoted by the *Evening Echo*: ‘I’m not going to Cork so long as the Free State prevents our manufacturing anything over there and sending it to this country, because we can send it over cheaper from America. That is wrong.’<sup>117</sup> In an even more confusing comment he said in relation to trade with Russia that ‘we sold them 30,000 tractors, all manufactured in the United States. They would have been made in Cork, if the Irish had not imposed certain restrictions which generally burdened us, so the Cork factory never materialised’.<sup>118</sup> After his outburst, there was an immediate flurry of activity in Ireland.

The Cork Harbour Board wrote to Cosgrave, describing Henry Ford’s comments as a ‘wild and highly prejudicial mis-statement of facts’. They stated that they expect the ‘government to send a representative to Mr Ford with [an] explanation of [the] position. Cork wants Henry Ford and the Ford works to develop and increase’.<sup>119</sup> Meanwhile, Cork T.D. Liam de Róiste wrote to Cosgrave warning of the risk that his political opponents would attempt to put all of the blame for Ford’s problems on the Irish Free State government ‘when at least part is due to England’. He suggested that Cosgrave, as

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114 J. M. Denvir to James McNeill, 7 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

115 James McNeill to secretary of Executive Council (NAI, Dept. of Taoiseach, S5782A).

116 WH, p. 186.

117 *Evening Echo*, 11 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

118 *Boston News Bureau*, 11 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

119 Cork Harbour Board to W. T. Cosgrave, 11 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

the senior representative of the city, should dispel any impressions that the government has not assisted and supported the Ford works, by inviting Ford to come and meet him in Cork.<sup>120</sup>

Cosgrave choose not to refute Ford's remarks, which were quite erroneous and confusing, as he believed that despite his outburst, Ford was the 'best friend the Ford works' had and that attempts to analyse or criticise him would be unwise.<sup>121</sup> No doubt refraining from joining in a public argument was sensible, but the suggestion of an invitation to Ford to visit Cork and meet with him in person, to iron out previous misunderstandings, made sense. Yet in the face of all the advice and prompting and despite the precarious state of the Cork factory, Cosgrave was slow to act. When he did finally decide to extend an invitation to Ford he also wrote to George Crosbie, gloomily, he expressed the view that while he hoped Henry Ford might be persuaded to come to Ireland, however, he was doubtful.<sup>122</sup>

Cosgrave sent the invitation to John W. Dulanty, the Irish Free State Trade Commissioner in London, who was to deliver the letter by hand.<sup>123</sup> The following day, Dulanty waited for the letter to arrive and when it did not appear he went ahead and met Ford and invited him to come and stay at the Vice-Regal Lodge, in Dublin. At first Ford was not keen, but he warmed to Dulanty and soon 'spoke of his ancestral connections with the south of Ireland and said it would be an interesting and pleasant experience for

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120 Liam de Róiste to W. T. Cosgrave, 11 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A). In his letter he makes the cryptic comment: 'not that Fords have been an unmixed blessing industrially or socially, but I am viewing the affair now politically.'

121 W. T. Cosgrave to L. de Róiste, 12 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

122 W. T. Cosgrave to G. Crosbie, 12 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

123 W. T. Cosgrave to James McNeill, 12 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A). J. W. Dulanty was later High commissioner in London from 1930-1949; see *Documents on Irish Foreign policy, vol. III*, R.Fanning et al (eds), pp 213 and 932.

him personally if he could manage to get over to Ireland during his present trip'.<sup>124</sup> Ford promised to keep in touch and make time out from his visit to Manchester to come to Ireland. More importantly, he assured Dulanty that 'he was determined to continue [with] his establishment in Cork'. He claimed to be developing a new tractor and the 'minute he got back to the States steps would be taken to put the plant at Cork in motion on the new tractor'.<sup>125</sup> According to Wilkins and Hill, Dulanty assured him that tariff adjustments could be made to facilitate Ford imports, however Dulanty does not mention this in his report and it seems unlikely that he would have made such a premature commitment.<sup>126</sup>

A week later Dulanty was still in touch with Ford who promised to let him know at the coming weekend whether or not the visit would happen.<sup>127</sup> At the end of the month, he had a second interview with Ford when he 'seemed generally anxious to avail himself of the President's invitation', but unfortunately had to return early and would not be able to make the trip. Dulanty said: 'There is no doubt in my mind that we succeeded in getting him to change his attitudes and he was anxious to visit Ireland.'<sup>128</sup> Dulanty's representations seemed to have had a positive effect on Henry Ford's attitude to Ireland, perhaps reawakening his former sentiment to improve the lot of his ancestral home, inspiring him to return tractor production to Cork for another attempt at creating an industrial business worthy of his name, in effect a complete reversal of his earlier opinions. While this commitment was made in private and could easily have been reneged upon, Ford was clearly thinking of his recent closure of the Rouge tractor plant

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124 J. W. Dulanty to Gordon Campbell, secretary Dept. of Industry and Commerce, 13 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

125 Ibid.

126 WH, pp 186/7.

127 P. Banim, (secretary to W. T. Cosgrave) to W. O'Hegarty, 19 Apr. 1928 (NAI, Dept. of Taoiseach, S 5782A).

128 J. W. Dulanty to secretary Dept. of External Affairs, 28 Apr. 1928 (NAI, Dept. of Taoiseach, S 5782A).

in Dearborn and was moved to reinstate his original plan to produce tractors in Cork. However, before this could happen a major reorganisation of European operations was necessary and Cork's situation would only be changed as part of that reorganisation. This was a crucial moment in the history of Ford of England. The lack of both professional leadership and a suitable product range meant that the company there was at a low ebb, changes were needed and Ford's visit was to be the catalyst for that change. For the Irish government to be on the right side of Henry Ford at this juncture could make a dramatic difference to Cork's future. Cosgrave had not taken advantage of earlier opportunities to meet and encourage Ford. Dulanty, on the other hand, seems to have charmed Ford and while he did not get him to visit Ireland he seemed to develop a relationship with him and restored his interest in supporting Irish industry.

If Dulanty's representations helped restore good relations with Ford, the intervention of H. A. Pelly, manager of the local Cork branch of Hibernian Bank with whom Henry Ford & Son did their banking, was less helpful and risked jeopardising relations between Ford and the Free State government. Following Henry Ford's outburst to the press in England, Pelly wrote to Cosgrave warning him about the risk of making a statement from Dublin which 'might have the effect of confusing matters with Mr Ford'.<sup>129</sup> Pelly declared that Ford were now about to start producing cars and hoped to employ about 6,000 men.<sup>130</sup> He later cabled Cosgrave seeking an audience, following which he apparently travelled to London to meet with Ford.<sup>131</sup> Later, when W. T. Cosgrave visited Cork on 8 May 1928, Pelly was present at the meeting with Ford

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129 H. A. Pelly to W. T. Cosgrave, 12 Apr. 1928 (NAI, Dept. of Taoiseach, S5782A).

130 Ibid.

131 Ibid., 13 Apr. 1928 (NAI, Dept of Taoiseach, S5782A).

management. Around the same time the *Irish Times* announced that a local Cork deputation had suggested that Mr Henry Ford might see his way to give the Irish Free State a monopoly of car production for Europe thus providing employment for 6,000 men for ten years in return for the abolition of the McKenna duties.<sup>132</sup> While this idea made no sense at all, it seems likely that Pelly had some part in advancing this scheme as he had earlier mentioned the figure of 6,000 men. This number was never mentioned by the Ford company, besides they were unlikely to require such a large staff, as their plan only envisaged building Model A engines and axles and installing engines in cars for the Irish market. Furthermore, Henry Ford had made his views known about such commitments six years earlier, while the notion of locating such a business in Ireland, far away from all the main car markets, made no logistical sense. It was clear that Ford felt strongly about having tariffs imposed on his business and anyone suggesting such a trade-off was likely to incur his wrath.

In Pelly's speech to the Faculty of Commerce in late May, he claimed that he had earlier interviewed Henry Ford at the instigation of the Irish Free State government.<sup>133</sup> He said that Ford had expressed sympathy with the Cork's case and that 'he meant determinedly to work the Cork factory for all its worth'.<sup>134</sup> Pelly also stated that it was possible that the mix-up over the President's visit to Detroit was behind Mr Ford's statements in London. Despite Pelly's assertion that he was revealing all of this in public for the first time and 'with Mr Ford's absolute permission', E. L. Clarke denied

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132 *IT*, 7 May 1928.

133 *CE*, 28 May 1928.

134 *Ibid.*

knowledge of and responsibility for the remarks.<sup>135</sup> Pelly's claim that he had met Ford at the government's instigation is not borne out by the record and it is unlikely that having nominated Dulanty, a professional diplomat, to deal with Ford, the government would then send Pelly. Any interview he had with Ford was most likely in an unofficial capacity, however differently he might present it. Later, Michael MacWhite of the Irish Legation in Washington reported on a visit to Detroit where he lunched with Edsel and Henry Ford, when it was evident that somebody whom Ford had met in London a couple of years earlier and who 'represented the Saorstat' had 'rubbed him the wrong way'.<sup>136</sup> Referring to the conversation he had with him and the proposals put forward regarding tariffs, Ford said angrily 'I'd see him damned first'.<sup>137</sup> While the person is not identified, it seems quite likely that Pelly had met Ford purporting to represent the Irish Free State and suggesting the aforementioned deal. In this case it was fortunate that Dulanty had gained Ford's confidence and commitment prior to Pelly's potentially disruptive intervention.

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By the time Henry Ford stepped ashore in Southampton in April 1928, business in the United States was well on the way to recovery with the new and increasingly popular Model A. While the Model A might be successful in America, the market in Europe, including Britain, was for smaller, cheaper cars, such as those produced by Austin and Morris. Henry Ford had not been prepared to consider a smaller car, putting his faith in the new large-engined Model A. The Ford Motor Company of England had other

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135 E. L. Clarke to W. T. Cosgrave, 29 May 1928 (NAI, Dept. of Taoiseach, S5782A). 'Permission', CE, 28 May 1928.

136 M. MacWhite, Irish Legation, Washington to W. T. Cosgrave, 19 May 1930 (NAI, Dept. of Taoiseach, S5782A).

137 Ibid.

problems and was generally in a sorry state with an inefficient and overcrowded factory as well as an inappropriate product. The many management changes over the previous nine years had not succeeded in addressing the problems or in providing direction or leadership. It was clear that a dramatic solution had to be found if the company was to be restored to its former successful state. Ford's visit to Britain in 1928 was to prove the catalyst to revitalising the English company after the years of decline and lack of direction.

The aim of Ford's visit to Europe was to decide the course of the company in the years ahead. Arguably, the single most significant issue to be addressed was the question as to who should manage and drive the business forward. Though H. S. Jenkins was an able sales executive, he lacked the vision and capability to build the massive manufacturing centre required to serve not alone Britain, but also many of the European assembly plants. When Ford returned to Dearborn Sorensen asked him what he had accomplished. Henry Ford replied, 'I have hired Perry again. "That is the best news you could have brought me," exclaimed Sorensen'.<sup>138</sup> Whatever had transpired in 1919 was to be dismissed by Ford so that when the company's legal advisor, Clifford Longley, produced the records dealing with Perry's resignation, Ford snapped: 'never mind those papers, I made a big mistake'.<sup>139</sup>

Perry had departed in 1919 over policy issues. William Knudsen's critical reports undermined Perry's position and he departed from the company in September 1919. However, Henry Ford regretted his decision and apparently wrote to him 'expressing

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138 NH, vol. II, p. 542.

139 WH, p. 189.

keen regret over the differences which lead to the severance'.<sup>140</sup> Despite having left under a cloud, Perry was eager to return to the company. He had kept in touch with Sorensen, but had waited until the time was right to approach Henry Ford.<sup>141</sup> In August 1923 when he had broached the subject with Sorensen about 'doing something for the company again', Sorensen showed the letter to Henry and 'while he did not comment on it one way or another, I felt you would have no trouble in having a pleasant meeting when you met again'.<sup>142</sup> It was to be almost five years before that meeting occurred, by which time those who had been responsible for Perry's resignation were gone from the organisation. Perry met Ford at Southampton immediately before he sailed and Henry invited him to manage the English operation again.<sup>143</sup> As Perry's secretary put it years after, 'the expansion that Perry wanted to undertake in 1919 was now being offered to him'.<sup>144</sup>

Up to the time of Ford's visit, little had been done about developing Dagenham. Efforts were made to have him reconsider sites at Southampton, but despite some disadvantages he seemed satisfied with Dagenham as the location of his 'Detroit of Europe'.<sup>145</sup> Once back within the company, Perry's first task was to investigate the Dagenham site and to give his opinion on its suitability as the location for expansion. Perry duly reported. He had reservations about the swampiness of the site, but could see its potential in terms of location, size and access to water.<sup>146</sup> Invited by Edsel to come to

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140 NH, vol. II, p. 362.

141 Letters between C. E. Sorensen and P. Perry 1923 to 1925 (BFRC, Acc. 38, Box 138).

142 WH, p. 187.

143 WH, p. 189.

144 Interview with Miss Vera Howard (secretary to P. Perry) by Mira Wilkins, 10 Aug. 1960 (BFRC, Acc. 880, Box 5) p. 4.

145 WH, p. 186.

146 Interview with Miss Vera Howard (secretary to Perry) by M. Wilkins, 10 Aug. 1960 (BFRC, Acc. 880, Box 5) p. 3.

Dearborn, he sailed from England on 9 June. During the following weeks, plans for the future of the English company and the role of Dagenham were teased out with Henry, Edsel and Sorensen.<sup>147</sup> Once a plan was agreed, Perry returned to England and set to work, implementing Ford's ideas for Europe and rebuilding and directing the company.

Though the Model A had first appeared in the United States on 2 December 1927, it was not available in Europe until May 1928 and then only in very small numbers. It was not until 1 October 1928 that all the European plants were producing it.<sup>148</sup> Cork's role in the production of the new car was along the same lines as the Model T. Fully assembled cars were imported from Manchester and locally produced 14.9 horsepower engines installed for the Irish market. During 1928, Cork built 6,394 of these 14.9 horsepower 'AF' engines for Europe and the Far East.<sup>149</sup> Following the departure of tractor production at the end of 1922 Cork had also supplied the small Irish market with tractors imported complete from Dearborn.<sup>150</sup> During the five years a total of 427 tractors were imported.<sup>151</sup>

With Percival Perry back in Ford and the '1928 Plan' being shaped, Irish fears would have centred on the vulnerability of the Cork plant in the final outcome. Since the advent of the McKenna duties it had been assumed that the Cork plant as a production unit was due to be eliminated, but its life had been extended for 5 years as the Dagenham project had failed to materialise.<sup>152</sup> Now with the massive plant imminent, operations

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<sup>147</sup> WH, p. 190.

<sup>148</sup> *Ibid.*, pp 160/1.

<sup>149</sup> Ford & Son, *Ford in Ireland*, p. 24.

<sup>150</sup> E. L. Clarke to C. E. Sorensen, 9 Sept. 1926 (BFRC, Acc. 572, Box 17), sales for Jan. to Aug. 1925: 43 tractors; Jan. to Aug. 1925: 54.

<sup>151</sup> Ford & Son, *Ford in Ireland*, p. 18.

<sup>152</sup> Edward Grace to Edsel Ford, 10 July 1923 (BFRC, Acc. 572, Box 18).

such as parts and engine casting as well as machining were likely to cease and be transferred to the new, more efficient plant. Cork faced a gloomy future. Its best hope was that it would continue as a local car assembly plant, circumventing the Free State import tariffs. However, since all other makes on sale in Ireland also faced tariffs, there seemed little benefit in having a plant in Cork for the small sales volumes of the Irish market. Everything depended on whether or not Henry Ford would keep his promise to Dulanty and restart tractor production again.

Ford's tractor production in the United States had been closed down unexpectedly early in 1928.<sup>153</sup> The reason for this abrupt decision is not evident, but it was to have a significant impact on Henry Ford & Son of Cork. It has been suggested that American demand for the tractor had declined, but production reports for the preceding three years showed strong output, even if there was a slight decline.<sup>154</sup> Edsel stated that 'the tractor assembly line has been shut down...we are starting on designs for a new type of tractor'.<sup>155</sup> According to William Squire:

They [the Rouge] were doing 500 tractors a day, up to the time when the Model A was ready for production. Then all the factory equipment was packed up and put into a storage area in the Rouge plant. It was stored in the open. It was all oiled up so that it wouldn't rust. The thought was to 'get it off the floor as quickly as possible,' and make room for the Model A. The space was required for Model A components.<sup>156</sup>

Very little development work had been done to the Fordson, leaving it fundamentally unchanged since 1917. Ford competitors such as International Harvester had grown and

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153 WH, p. 186.

154 Ibid., see Appendix 2. Production 1925: 104,168 tractors; 1926: 88,101; 1927: 93,972 and 8,001 for the month of Jan.1928.

155 Ibid., p. 487, see also: Edsel Ford to A. R. Lajous, 27 Jan. 1928 (BFRC, Acc. 6, Box 274).

156 Interview with William Squire by Mira Wilkins, 5 Sept.1960 (BFRC, Acc. 880, Box 5).

improved their products taking over much of the market. As with the Model T, Henry Ford may have been reluctant to change the design however, abandoning production completely without any apparent alternative plan seemed foolish and unwarranted. Leffingwell, too, suggests that Ford needed room for the Model A but adds that:

Ford stopped because he felt defeated by the tractor price wars and technology skirmishes he initiated in 1922. Dealer complaints over his warranty reimbursement policies and rigid delivery methods put them at odds. Ford warned them he would as soon not produce tractors as accede to their demands.<sup>157</sup>

Another suggestion was that the tractor had become unmarketable due to its poor safety record. Certainly, the Fordson had a bad reputation in the early days, which the company blamed on accidents caused by inexperienced users. Ford maintained that in normal and careful operation it was a safe tractor, but if operated incorrectly the tractor could tip over backwards which could result in serious injury to the operator.<sup>158</sup>

A general letter to the Henry Ford & Son sales department was slightly more explicit. It blamed excess inventory as the reason for the discontinuation, but made it clear there was no plan for future production other than a vague suggestion that, as Edsel said, an improved design might be introduced. In a statement which had been prepared for dealers, equipment manufacturers and distributors, the company explained that after the end of the Model T, when the plant was closed down for changeover to Model A, they had built up an inventory of Fordson tractors to meet requirements for the coming months. Therefore the company had ‘suspended tractor manufacture for the present, but will continue the production of parts to service the 600,000 Fordson tractors now in use’.

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<sup>157</sup> Randy Leffingwell, *Ford farm tractors* (St. Paul, Minnesota, 2003), p. 79.

<sup>158</sup> Darragh Memorandum, Mira Wilkins notes, undated (BFRC, Acc. 880, Box 7).

Sales staff were informed that it was okay to say that ‘we have in mind when producing tractors again to incorporate several improvements.’ However, the Company wanted little publicity ‘because of the indefiniteness of our future plans’.<sup>159</sup>

Whether the decision was made to make room for the Model A or to dispose of excess inventory arising from concerns about safety and declining sales, the decision must have come from Henry Ford himself as no one else, including Edsel, would dare make such a decision. After all his work developing and producing tractors to assist farmers, this decision seemed to run counter to his previous attitude, but as with many of his decisions it may have just been a whimsical or stubborn response to some other stimulus.

In Ford’s conversations with Dulanty, some two months after the cessation of American tractor production, it is not clear what Ford had in his mind.<sup>160</sup> Wilkins and Hill suggest that he was gathering information for his guidance both as to Ireland and England’.<sup>161</sup> Ford hinted at the same ‘improved model’ story that was being disseminated by the sales department and while in the United States prospects for restarting production were being left deliberately vague, Henry Ford was now apparently promising to move production to Cork. Since there is no previous mention of this move it seems likely that it was a spur of the moment decision on his part, and part of an emerging plan for Europe. Ford’s comments were reported to William T. Cosgrave and later when the scheme was made public, Cosgrave, expressing Cork people’s satisfaction with the decision, seems to have believed that the Ford’s hint was actually a commitment. ‘You were good enough

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159 Wilkins notes, 20 Feb. 1928 (BFRC, Acc. 880, Box 8, Re: Acc 509, Box 5).

160 John W. Dulanty, to Gordon Campbell, secretary Dept. of Industry and Commerce, 13 Apr. 1928 (NAI, Dept of Taoiseach, S5782A).

161 WH, p. 186.

during your European visit last spring to indicate to Mr Dulanty...your intention to put the plant of the Cork factory on the production of a new tractor,' he wrote to Ford in Dearborn.<sup>162</sup> Presumably, if tractor sales had diminished and inventory was high then moving the production to Europe, to either Dagenham or Cork, not only freed up space in Dearborn but also absorbed overheads in Europe. Howard Beebe, a Ford tractor engineer suggested that Ford moved to Ireland as 'the majority of our sales were with Russia...manufacture would be closer to market. It was just a question of not having sufficient demands in this country to absorb production'.<sup>163</sup>

Ford may have been developing a more coherent business plan for his various enterprises and products, but it was not until he rehired Percival Perry that the plan became a reality, probably at the June meeting in Dearborn. Regardless of the fact that Henry Ford was the most likely instigator of the move to Cork, others seemed to want to claim the credit. For example, Squires said:

During 1928, James Connolly made a visit to the Rouge plant from Manchester. He had heard that the tractor machinery was being thrown out. He suggested to Sir Percival Perry that this be acquired at scrap value, and Cork would make tractors for the world. A. R. Smith and Sir Percival Perry went to the United States to negotiate for the purchase of this tractor equipment.<sup>164</sup>

After Perry's planning session in Dearborn he returned to be confronted with a typical example of the skirmishing that went on between Cork and Manchester.<sup>165</sup> Cork

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162 W. T. Cosgrave to Henry Ford, 19 Nov. 1928 (BFRC, Acc. 38, Box 56), Cosgrave addressed the letter: Hon. H. Ford, LL.D.

163 Leffingwell, *Ford Farm tractors*, p. 79.

164 Mira Wilkins interview with William Squire, 5 Sept. 1960 (BFRC, Acc. 880, Box 5). In Wilkin's interview with Sir Stanford Cooper, 10 Aug. 1960 (BFRC, Acc. 880, Box 5), Cooper also claimed that he had suggested bringing the tractor plant to Cork. I found no indication here or elsewhere of James Connolly's position.

165 He sailed for America on 7 June and returned to Manchester in mid-July.

were setting up to manufacture Model A engines, but no sooner had the first examples been shipped than complaints arose about their quality. In this case there seems to have been a deliberate bias against Cork production. H. Scott, Cork's plant superintendent, wrote to Sorensen outlining the details of Manchester's quality complaints. He explained that Cork had rectified the minor setting-up faults encountered with the engines and that the British manager, Jenkins, while on a visit to the Cork plant inspected operations and was satisfied with his findings. However, on his return to Manchester he changed his mind and announced that he was sending over two Manchester inspectors to spend a couple of weeks in Cork to carry out 'a minute inspection of all assembly operations' there.<sup>166</sup> Despite a thorough check they apparently found little to complain about. One of the inspectors passed 52 motors as satisfactory, but then, according to Scott, 'in a burst of confidence, informed us that, undoubtedly, they would be rejected by Manchester'.<sup>167</sup> He expressed the view that 'no engine would ever pass Manchester inspection unless built by Manchester'. In due course Jenkins wrote complaining of being 'very disappointed' with the particular engines, suggesting that he would 'send over five or six men to take up key positions' in the Cork plant. Scott rejected this suggestion as the previous visit by Manchester inspectors had contributed little to the process.<sup>168</sup> All of this was reported to Sorensen, who over the previous decade had encouraged managers to keep him informed of everything that took place in the plant and with no clear European leader that is exactly what they did. Now, however, he passed the problem back to Perry who was quick to stamp his authority on events in both Manchester and Cork.

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166 H. Scott to C. E. Sorensen, 14 July 1928 (BFRC, Acc. 572, Box 17).

167 Ibid.

168 Ibid.

Perry's approach was to take the macro-view, attempting to find answers which benefited the Ford company as a whole rather than siding with local, partisan attitudes. He reminded the disputants that both companies belonged to Henry Ford and that there was a need to minimise inter-company differences and to cooperate more closely in these matters. He pointed out that the Jenkins' motive in complaining was to ensure high standards of engineering efficiency and to avoid shipping defective motors all over the world and that 'whilst it is comparatively easy for Manchester to get any faults corrected, it would be very much harder for the faraway branches to do the same, and, therefore, a quick kick from Manchester will probably stop a lot of long delayed future kicks from abroad'.<sup>169</sup> Thus, for the first time in nine years there was someone in overall charge of the business in Britain and Ireland who has the clear vision and authority to address problems. However, despite his leadership the issue of quality was to continue as a problem between Manchester and Cork.

At the end of July 1928, after Perry had spent a week reviewing matters and finding his feet in Manchester, Jenkins and he went to Cork where he introduced the idea of restoring tractor production to Cork, substituting Fordson tractor manufacturing equipment for the recently installed Model A machinery which would now be transferred to Manchester.<sup>170</sup> After discussing the issue thoroughly with Clarke and Scott he asked them to prepare a report outlining their views on the project. Clarke was somewhat wary of the speed with which the report was prepared and pointed out in his covering letter: 'You will realise with the short time at our disposal it as been impossible to go into all the

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<sup>169</sup> P. Perry to C. E. Sorensen, 27 July 1928 (BFRC, Acc. 572, Box 17 ).

<sup>170</sup> Ibid., 30 July 1928 (BFRC, Acc. 572, Box 17). Within weeks H. S. Jenkins was dismissed by Perry, see WH, p. 191.

details', but agreed that subject to certain caveats, it could be done.<sup>171</sup> During the previous eight months Clarke's group had almost completed the conversion of machinery from Model T to Model A production, while continuing to produce Model T spare parts and also tooling up for the production of Model A rear axle parts.<sup>172</sup> In effect, now that the factory was almost settled into Model A production, they were being asked to change everything again: this was to be the story of Cork over the next three years.<sup>173</sup>

Remarking on the effect of tariffs, Clarke suggested that while materials manufactured in Cork had been competitive with best British prices, he estimated that, based on his figures, Manchester had incurred customs duty costs of approximately £510,452 over the previous 5 years and that these were likely to increase if no agreement was reached between the two governments.<sup>174</sup> He made no comment on duties in connection with the proposed change to tractor production. The budget of 1927 had changed the definition of tractors which meant that imported tractor parts were liable to duty, however since the Perry proposal meant most parts were to be produced in Cork, duty was no longer as onerous a burden on the new business. At this point in the various communications between Perry and Sorensen there was no comment about tariffs.

Despite his reservations, Clarke's report suggests that he was keen on the logic of Perry's proposal. He commented that: 'the suggestion of developing this plant again principally for the manufacture of tractors would appear to us to be a most practical

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171 E. L. Clarke to P. Perry, 28 July 1928 (BFRC, Acc. 572, Box 17).

172 Ibid.

173 Ibid., Note: Cork was assembling AF engines for Manchester, Antwerp, Asnieres, Barcelona, and Yokohama.

174 These figures did not take into account savings during the period when Labour were in power and permitted free imports, nor 'drawbacks' secured on British materials incorporated in the manufactured parts, since Manchester did not supply them with such information.

one'.<sup>175</sup> He went on to deal with the costs, conditions, space and layouts of the new tractor operation. Suggesting that Detroit should ship the tractor manufacturing equipment as soon as possible and in as complete a condition as possible, so that its arrival would coincide with the removal of the Model A equipment and he could retain his cohort of trained men, who were essential to achieve acceptable costs. Clarke estimated that with the existing assembly line a daily output of 50 tractors was achievable and recommended that they retain the business of casting Model A parts in order to maximise foundry utilisation and thus minimise costs.<sup>176</sup>

Perry in turn reported to Sorensen, passing on Clarke and Scott's verdict that the scheme was viable. He went on: 'I believe that if it is done then Cork should have a sufficient and profitable future'.<sup>177</sup> Based on a tractor retail price of \$750 he estimated demand in Britain for about 3,000 tractors per annum, together with another 9,000 units on the continent, giving a total European demand of 12,000 tractors. Turning to North American operations he pointed out that Dearborn foreign sales the previous year had reached 24,974, while Canada had sold 6,820 (3,741 in Canada and 3,079 in the British colonies), together amounting to sales of almost 32,000 tractors. With Dearborn and Canada out of tractor production, Perry asked 'could not Cork have world-wide rights for sale, and get into all foreign territories whilst the Fordson is still known and in demand?'.<sup>178</sup> He recognised that getting into the North American business was dependent on obtaining approval from Detroit and Canada, so his basic proposal related only to the

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175 E. L. Clarke to P. Perry, 28 July 1928 (BFRC, Acc. 572, Box 17).

176 Ibid.

177 P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17). In this letter he talks about 'the proposal' with no hint as to who proposed this option, suggesting that the proposal came out of Dearborn meetings.

178 P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17).

European demand of 12,000 per annum.<sup>179</sup> Clarke had based his plan on an output of 10,000 to 12,000 units per annum and stated that it would ‘be sufficient to ensure economical manufacture, and enable us to build a sound production unit, capable of bringing to the company a satisfactory return on the capital employed’.<sup>180</sup> Perry, with much more ambitious plans, promoted his scheme for producing all Ford tractors in Cork. To justify his plan he pointed out that both the foundry and machine shop were capable of producing 30,000 units and the Dearborn equipment had a massive capacity of 300 tractors a day (or 144,000 units per annum), suggesting that once the Marina plant took delivery of the American equipment it should well equipped to meet worldwide demand.

In converting Cork into a tractor plant he recommended that the plant cease engine machining and assembly, retaining only the foundry work ‘for Model A engine and such other Model A castings as they can economically undertake’.<sup>181</sup> He listed the benefits of such an arrangement and said that Cork’s ‘machining and assembling of Model A engines is cumbersome, unsatisfactorily and costly’.<sup>182</sup> In effect the process of machining castings in Cork and then shipping them to Manchester was incurring duty on Cork wages, while also suffering additional costs in transport, packing and insurance because rates were much higher on finished engines than on rough castings. Where engines were shipped to continental plants the costs of shipping was higher from Cork than it would be from Manchester. Finally, instead of European plants drawing parts from three locations-Detroit, Manchester and Cork, drawing from only two sources-Detroit and Manchester-reduced administrative and shipping complexity. This list highlights the

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179 P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17).

180 E. L. Clarke to P. Perry, 28 July 1928 (BFRC, Acc. 572, Box 17).

181 P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17).

182 Ibid.

benefits of producing parts in Manchester and is in effect a catalogue of Cork's deficiencies, deficiencies which never really changed through the years. The difficulty was based mainly on Cork's isolated location which added to transport costs and increased complexity. Inherent in it also are the additional cost incurred by McKenna duties.

Perry laid out a programme of action to prepare for tractor production. Firstly, he proposed increasing the output of machined engine castings to accumulate a stock of eight weeks supply to cover for the time when the associated equipment was being transferred to Manchester. Secondly, he suggested that the preparation work for Model A rear-axle production which was in progress, but not yet complete as certain essential tools were not scheduled to arrive until September or October, should be halted and equipment already in place in Cork be removed and shipped to Manchester. Finally, he asked that Dearborn arrange shipping of the Fordson tractor machinery so that it would arrive into the vacated production areas in Cork plant by 2 November in order to 'be in full blast production by 1 January 1929'.<sup>183</sup>

While Perry's proposals were based on improving the economics and co-ordination of Model A production, he was also concerned with:

The desire to make Cork a self-contained and self-supporting profitable plant with a permanent and independent business. All enquiries confirm that the Fordson tractor is still the best and cheapest tool of its kind in Europe and there is an increasing demand for it. Once established I can see no reason why it should not maintain its premium position indefinitely.<sup>184</sup>

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<sup>183</sup> P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17).

<sup>184</sup> Ibid.

This statement clearly suggests that for Perry the future of Cork was a serious issue on his agenda, with Henry Ford fully behind the plan, keen to give the Cork plant a solid and permanent future, restoring it to the position it had in the early days. Despite the earlier doubts about Ford of Cork's future arising from the construction of a fully integrated factory at Dagenham, the reintroduction of Fordson production offered new possibilities. Anticipating Detroit's acceptance of his ideas, Perry had stopped the millwrights laying out the axle department. He declared: 'I would much appreciate a decision by cable respectfully on the rear-axle proposal as this work could be proceeded with immediately'.<sup>185</sup> Clearly he had tentative permission from Henry Ford to act, but was now seeking specific permission particularly to issues such as stopping axle casting and extending production to include markets outside Europe.

Within two weeks, Sorensen had agreed to Perry's proposals and Perry proceeded to put the plan into effect.<sup>186</sup> No doubt Henry Ford was satisfied to see tractor production restart, ensuring that his long-held aspiration of establishing an industrial centre in Ireland would become a reality. The company made no formal announcement of its activities or intentions, but by the end of August the word was out that they were shipping machinery, probably the rear axle equipment, to Manchester. In the absence of official information the local perception, according to the *Irish Times*, was that the Ford works was being 'denuded of the newly erected machinery for the manufacture of motor cars' which was assumed to be as a consequence of the failure to negotiate a reciprocal removal of the tariffs.<sup>187</sup> News of the shipments did not come from Ford but from one of

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185 P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17).

186 See WH, p. 487; C. E. Sorensen to P. Perry, 10 Aug. 1928 (BFRC, Acc. 38, Box 113).

187 *IT*, 29 Aug. 1928.

their contractors. The newspaper revealed that ‘the announcement that Messrs Henry Ford have decided to transfer the bulk of their work from here to Great Britain, made at today’s luncheon of the Cork Rotary Club by R. W. Sinnott director of the City of Cork Steam Packet Company has given rise to feelings akin to consternation’.<sup>188</sup> Sinnott’s comments were based on the fact that his firm had already carried a ‘great proportion’ of the recently installed machinery to Manchester.<sup>189</sup> According to the *Irish Times* Percival Perry’s view was that Ford had grown ‘tired by months of apparently fruitless negotiations with this government’ and ‘is wholly justified in making its present decision’.<sup>190</sup> However, no record of such negotiations are apparent and based on his relatively recent arrival and the pressure of work involved in the mammoth task of preparing for Dagenham, it seems unlikely that he had much time for such negotiations. The *Irish Times* in its leading article seemed to accept the inevitability of Ford’s retrenchment, stating that the decision was a disappointment to Cork, but that it could not have come ‘as a complete surprise’ since on his visit to Britain Ford had ‘made no secret of his intention to abandon Cork’ if the duties continued.<sup>191</sup> Thus, doom and gloom pervaded Cork as the machinery was moved out and the long expected downturn seemed to have arrived. The information in the public domain was broadly accurate, but left out the positive news that tractor production was about to restart. Up to this point the Ford company had made no official announcement to relieve the concerned people of Cork. However, even as the newspapers were purveying news of imminent departure, within the plant Clarke’s concentration was on the forthcoming changeover. He reported to

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188 *IT*, 29 Aug. 1928.

189 *Ibid.*

190 *IT*, 29 Aug. 1928.

191 *Ibid.*

headquarters that he had shipped 564 Model AF engines bringing his total shipments for the year to 3,184 units. More importantly, he claimed to have trained up a team of workers to form the nucleus of a tractor assembly department.<sup>192</sup>

On 30 August the *Irish Times* carried a statement from Mr H. S. Cooper, general manager of the Trafford Park works which should have countered the gloom. Cooper claimed that there was ‘nothing particularly new in what was now going on’ and it ‘would possibly turn out to be a benefit’. He said that as Cork was a supplier to Manchester it did not make good business sense to make car parts there ‘from English raw materials and then have to pay not only transportation costs, but an import duty on them as well’.<sup>193</sup> He continued that Mr Ford was not preparing to shut the plant but wanted to find alternative work for Cork announcing that ‘very shortly Cork will take up the concentrated manufacture of the Fordson tractor for the European market’. At this stage he mentioned only tractors for the European market, as presumably the worldwide aspect suggested by Percival Perry was not agreed until his visit in October. Cooper also pointed out that ‘Mr Ford has stood the cost of the duties here on Irish Free State produce for four years out of his own pocket. Had he been a hard-hearted business man he would have stopped Cork four years ago before the time had come to put the works on a different product’.<sup>194</sup> Cooper’s remarks are broadly in line with the plans laid down by Perry and within a few days the facts had been officially confirmed by the local management.<sup>195</sup> In some quarters there were still doubts about Ford’s future as Sir Stanley Harrington, accompanied by H. A. Pelly headed a deputation of the local

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192 E. L. Clarke to C. E. Sorensen, 30 Aug. 1928 (BFRC, Acc. 38, Box 56).

193 *IT*, 30 Aug. 1928.

194 *The Times* correspondent quoted in the *IT*, 30 Aug. 1928.

195 *IT*, 3 Sept. 1928.

Chamber of Commerce to President Cosgrave and declared that ‘unless the Free State Government could make some very great concession to Mr Ford to induce him to manufacture not alone tractors, but to resume manufacturing motor cars, a calamity might come to pass’.<sup>196</sup>

It was not until the end of September that the full details of the plant reorganisation were released and a sceptical *Irish Times* accepted that Cork would indeed benefit from the new tractor factory. It reported that the plant was due to come into operation by 1 January 1929 when the company anticipated employing 2,500 men, earning wages of close to £1,000,000 annually and producing 200 to 300 machines per week.<sup>197</sup>

Prior to his departure for Detroit in late September, Clarke wrote to Cosgrave informing him of the decision to manufacture tractors not only for Europe but for ‘several other countries’ as well.<sup>198</sup> He raised one difficulty with their plan: ‘that rather unfortunate word “tariffs”’, he went on to say that in the recent budget ‘the net was set out wide and included tractors in its meshes’. In addition to the cost of the duty he pointed out the difficulty and expense of administering large quantities and types of parts through customs and then later the necessity to have to claim ‘drawbacks’ on exports.<sup>199</sup> In Clarke’s absence, the company secretary John Cohalan, kept up the company demands. Cohalan wrote to Cosgrave informing him that the amount of machinery en route from the United States was even greater than previously expected and that tractor

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<sup>196</sup> *IT*, 10 Sept. 1928.

<sup>197</sup> *IT*, 1 Oct. 1928.

<sup>198</sup> E. L. Clarke to W. T. Cosgrave, 25 Sept. 1928 (NAI, Dept. of Taoiseach, S 5782B).

<sup>199</sup> *Ibid.*

parts had also been shipped which would pose problems with customs.<sup>200</sup> Finally, at the end of October, Cosgrave wrote in confidence to Cohalan saying that ‘the Minister of Finance and I are agreed that the law should be altered to admit of the free importation for the factory in Cork’.<sup>201</sup> However, he still offered no clear date for implementation of the change and for Ford there was still the issue of elaborate accounts. Clarke in a covering letter to Sorensen pointed out:

Whilst this would not effect us very seriously from a financial point of view they would be the cause of considerable bother and trouble because of the amount of clerical and Customs labour involved ...this is purely his personal promise given confidentially, and although it does not bind the government I have no doubt that it will come through without difficulty.<sup>202</sup>

On 19 November 1928 Cosgrave again wrote to Henry Ford anticipating that he hoped soon ‘to be in a position to make certain customs adjustments which should facilitate the development of the tractor industry in Cork’.<sup>203</sup> In the letter he also expressed his gratitude to Henry Ford for the restoration of tractor manufacture to Cork. Two days later the cabinet finally agreed to exempt Ford tractor parts from import duty.<sup>204</sup> Meanwhile, behind the scenes Cosgrave was trying to find additional ways of supporting Ford. Having conceded the elimination of tractor duties he instructed J. J. McElligott, secretary of the Department of Finance to investigate other means of facilitating Ford’s activities in Cork. Specifically, Cosgrave asked him to investigate

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200 John Cohalan to W. T. Cosgrave, 23 Oct. and 1 Nov. 1928 (NAI, Dept. of Taoiseach, S 5782B).

201 W. T. Cosgrave to E. L. Clarke, 31 Oct. 1928 (BFRC, Acc. 38, Box 56).

202 E. L. Clarke to C. E. Sorensen, 15 Nov. 1928 (BFRC, Acc. 38, Box 56 ).The Dearborn copy was initialled by Edsel and seen by Henry Ford.

203 W. T. Cosgrave to Henry Ford, 19 Nov. 1928 (BFRC, Acc 38, Box).

204 Cabinet Minutes, 21 Nov. 1928 (NAI, Dept. of Taoiseach, S 5782B).

income tax and death duties to see if any alteration to the existing arrangements could be introduced which would benefit the company. Upon investigation McElligott discovered that Ford would incur no death duties in either the Ireland or England. As for income tax, the company was making no profits at that time, so there was nothing to be gained by discussing either of these ideas with Ford.<sup>205</sup>

As the date for production start-up approached Clarke and Cohalan kept up the pressure on Cosgrave, as did the Cork Chamber of Commerce, reminding him to follow through with his promises in the forthcoming budget.<sup>206</sup> The tariff adjustment went through the Dáil in March 1929 when the Finance (Customs and Stamp Duties) Bill 1929, proposed that motor tractor parts and assemblies of such parts be exempt from import duties.<sup>207</sup> President Cosgrave stated that: ‘the intention that is behind Section 3 is to remove all the difficulties affecting the great Ford industry in Cork.’<sup>208</sup> Even Sean Lemass of Fianna Fáil was positive, responding that: ‘with regard to Section 3 of the Bill, the section dealing with the exemption of tractor parts from the motor car duty, we are in thorough agreement’.<sup>209</sup> The Minister for Finance, Ernest Blythe, later clarified the issue of excessive bookkeeping in the Senate. He said that Ford: ‘are relieved of the necessity of keeping special records for the purpose of getting draw-backs on parts exported’, in effect, as the sales of tractors in Ireland was so small ‘they get all their parts, both for what they sell in Ireland and export, free of duty’.<sup>210</sup> Despite Blythe’s assurances Colahan

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205 J. J. McElligott to W. T. Cosgrave, 18 Dec. 1928 (NAI, Dept. of Taoiseach, S5782B).

206 J. Cohalan (27 Feb.) and E. L. Clarke (28 Feb.) and Cork Chamber of Commerce to W. T. Cosgrave, 1 Mar. 1928 (NAI, Dept. of Taoiseach, S5782B).

207 Dáil debates, 21 Mar. 1929, vol. 28, col. 1787.

208 Ibid., col. 1785.

209 Ibid., col. 1776.

210 Seanad Éireann, Finance (Customs and Stamp Duties) Bill, 1929, Third Stage, 10 Apr. 1929, vol. 12, col. 31.

had to write to the Revenue Commissioners asking them to reconsider their approach as their system was ‘unworkable’.<sup>211</sup> Finally, in May 1929 the Revenue Commissioners relented.<sup>212</sup>

In late November 1928 the first consignment of 2,000 tons of machinery arrived on the *Lady Benbow* and during December and January a further 5 shiploads of machinery followed.<sup>213</sup> Installing and commissioning this machinery required expert assistance and direction, so in conjunction with the equipment Sorensen also sent over a dozen American experts to support Clarke. According to Wilkins and Hill, ‘it was a strong team and Clarke needed it’.<sup>214</sup> Meanwhile, on the broader stage Perry was busy. During the latter half of 1928, having set in motion the plan to restore Cork, he was occupied revitalising the English and European companies providing them with new direction and motivation. He hired competent staff and reinstated capable men who had left the company.<sup>215</sup> In October he returned to Dearborn to finalise the details of the ‘1928 Plan’.<sup>216</sup> Central to the plan was a new financial structure. A corporation called the Ford Motor Company Limited was created which replaced the Ford Motor Company (England) Ltd. and acquired the latter’s assets as well as those of Henry Ford & Son Ltd., Cork. The Ford Motor Company Limited also acquired the shares of Ford’s nine other European operations which were previously owned either by the American company or

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211 J. Cohalan to Revenue Commissioners, 26 Apr. 1929 (NAI, Dept. of Taoiseach, S5782B).

212 Revenue Commissioners to J. Cohalan, 25 May 1929 (NAI, Dept. of Taoiseach, S5782B).

213 *CE*, 27 Nov. 1928 and 4 Jan. 1929.

214 *WH*, pp 197/8. According to W. Squire: ‘Thirty six operatives –foremen etc were to be sent over to Ireland to get the equipment set up and operating and to train necessary labour for the foundry, machine shop, and assembly. They were also to arrange for the procurement of bought components.’ Interview with William Squire, 5 Sept. 1960 (BFRC, Acc. 880, Box 5, p.2 ).

215 *WH*, p. 192.

216 *Ibid*.

the Ford family.<sup>217</sup> The plan was that the Ford of America would control policy through its 60 per cent share of the English company's stock, while the remaining 40 per cent would be offered in small lots to the British public. Similarly, the English company would control Ford's European companies through a 60 per cent shareholding in them, while the remaining 40 per cent would be offered to the public in the respective countries. Ford hoped that with local ownership would come a sense that Ford was not a foreign company and would offset previously encountered anti-Americanism.<sup>218</sup>

On the Dagenham site a huge factory capable of producing 200,000 cars per annum was to be built. Despite being only a fraction of the size of the Rouge plant in Detroit it would be the largest automobile factory in the world outside the United States.<sup>219</sup> Based on the structure applied to Dearborn and Windsor in Canada, Dagenham became Ford's third manufacturing centre, the 'Detroit of Europe', directing assembly and marketing in Europe as well as the Middle East and parts of Asia and Africa.<sup>220</sup> Despite European dislike for Ford's large engines, Henry Ford was still not prepared to deviate from his single model theory. 'The Model A and the Model AF (with the small bore engine) would be sold everywhere'.<sup>221</sup>

In Cork, after years of uncertainty during which Henry Ford & Son seemed destined to succumb to the effects of the McKenna tariffs, a new opportunity had arisen. The massive amount of machinery being offloaded on the docks testified to the magnitude of the new business and Cork could afford to look forward to 1929 with hope

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217 WH, p. 193.

218 Ibid., p. 194.

219 Ibid., p. 193.

220 Ibid., p. 195.

221 Ibid., pp 193/4.

and optimism. Ford's decision to bring tractor manufacture back to the city would create substantial employment and business, securing the prosperity of the city for the coming years. In contrast with the original installation a decade earlier, Henry Ford & Son was to be not just a tractor producer for European markets but the sole world-wide producer of Ford tractors. Cork's future as a producer of Ford tractors seemed secure.

## CHAPTER EIGHT

### World-wide supplier of Fordson tractors:

#### Tractor production thwarted a second time (1928-1932)

Transferring the complete Fordson tractor manufacturing operation from Dearborn to Cork was a substantial undertaking. In addition to off-loading and installing the complex machinery, modifications and extensions to the Marina factory were needed to accommodate it and thousands of workers had to be hired and trained to operate the plant. Local workers were keen and willing, but skilled labour was scarce and the large numbers of inexperienced employees proved a substantial obstacle to the achievement of production quantity and quality. Even as the company was overcoming these difficulties and starting to achieve substantial production output, demand for tractors declined as the worldwide depression took hold and countries began to implement protectionist policies. The rapid decline in tractor sales led to the closedown of most of Cork's operations, forcing the local management to find alternative product lines in order to provide work for at least some of their employees. Meanwhile in Dagenham, Ford's gigantic and expensive new plant was under-utilised and Dearborn was faced with taking harsh decisions to absorb its excess capacity and reduce costs. However, Ford's plans were frustrated by Fianna Fail's protectionist policies which compelled the company to reconsider its decision and forced it to revert to motor car assembly.

Once Percival Perry had agreement from Charlie Sorensen on his proposals for setting up the Fordson tractor operations in Cork, he was keen to get the plant up and running quickly. Ambitiously, he planned to be in production by 1 January 1929.<sup>1</sup> By

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<sup>1</sup> P. Perry to C. E. Sorensen, 30 July 1928 (BFRC, Acc. 572, Box 17).

early November 1928 the newspapers were reporting the arrival of the first shiploads of Ford tractor manufacturing equipment from Detroit. During the month a series of consignments arrived, each carrying up to two thousand tons of machinery, described by the *Cork Examiner* as ‘the finest machinery plant in the world’.<sup>2</sup> The newspaper’s tone was optimistic and proud. Speaking to the faculty of commerce at University College Cork, E. L. Clarke reinforced this optimism when he predicted that Cork would ‘have one of the largest single manufacturing units in Europe’, employing five thousand men with wages of one and a half million pounds per annum.<sup>3</sup> With production forecasts of about 30,000 tractors, the plant was on a scale which dwarfed the original installation.<sup>4</sup> In the past, fewer than two thousand workers had been employed in the Marina, now, with a much expanded factory, three or four times that number would be required. So, from the beginning of 1929 recruitment began for the Cork plant. Numbers employed grew quickly. Where 1,327 had been employed in January 1929, by February 1930 this number had risen to 6,712.<sup>5</sup> This huge influx of workers put an immense strain on the capability of the Ford company management to absorb and train them.

Despite Henry Ford’s various hints about a new, improved tractor, the model to be produced in Cork was basically the original Model F. Ford himself took little interest in developing the Fordson at this stage, though his staff continued working on its design and the move to Cork was used to introduce a number of electrical and mechanical improvements.<sup>6</sup> The new tractor was designated the Model N and in late 1928, a pre-

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<sup>2</sup> *CE*, 14 Nov. 1928.

<sup>3</sup> *CE*, 17 Dec. 1928 and 20 Dec. 1928

<sup>4</sup> *CE*, 10 Dec. 1928

<sup>5</sup> Cork factory - Number of inspectors in relation to labour employed, 31 Mar. 1930 (BFRC, Acc. 572, Box 17), see Appendix 8.

<sup>6</sup> Leffingwell, *Ford farm tractors*, p. 89.

production model was demonstrated to dealers in Britain in preparation for its reintroduction to the marketplace.<sup>7</sup>

While Dearborn had produced 93,972 tractors during 1927, Henry Ford's abrupt cessation of production in late January 1928, when only 8,001 tractors were produced, meant that the marketplace was without tractor or parts production for almost a year and consequently orders, especially for spare parts, had accumulated.<sup>8</sup> Clarke was under considerable pressure to meet this demand, despite lacking trained manpower to operate the equipment. In January 1929, he reported to Perry that 'we have made our first small shipment of tractor service parts'.<sup>9</sup> So great was the demand for the parts that production had begun without a roof over some of the machines. In a space between the foundry and the machine shop it was planned to build a press shop, but while the roof was being designed and installed Clarke commenced operations. The men worked in the rain. William Squire recalled that 'over the machines, we built "dog boxes" of tarred felt to keep the water out'.<sup>10</sup> The building work was delayed by inclement weather, so that, as late as mid-March 1929, Squire was informing Sorensen that only about 75 per cent of the structural steel was up, 18 per cent of the roof was on, while the end walls and glazing had not even started.<sup>11</sup> Electrical power was another potential problem. Ford's heavy machinery was a large consumer of electricity and the Free State's electrical system was still undeveloped. Awaiting a new electrical generator from England, Squire signalled Sorensen that the power situation was likely to create problems for them since the local

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<sup>7</sup> Gibbard, *The Ford tractor story*, p. 35.

<sup>8</sup> WH, p. 198 and Appendix 2.

<sup>9</sup> WH, p. 198.

<sup>10</sup> Mira Wilkins interview with W. J. Squire, 5 Sept. 1960 (BFRC, Acc. 880, Box 5), p. 2.

<sup>11</sup> W. J. Squire to C. E. Sorensen, 12 Mar. 1929 (BFRC, Acc. 572, Box 17).

power company were reluctant to undertake the laying of additional cables as:

The Irish Free State has taken control of all the municipal power plants preparatory to buying and obsoleting most of them as soon as the Shannon Scheme is producing....The power commission are not willing to sanction the laying or erecting of power lines which would interfere with the high tension lines from Limerick.<sup>12</sup>

Instead, the power commission planned to build a transformer station adjacent to the Ford works as the most efficient method of supplying power. Meanwhile, power demand during the day was up to capacity and some departments had to be transferred to the afternoon shift to spread the load and to avoid power failures.<sup>13</sup> Late in April, Ford took delivery of the generator which was to supply electricity until the Ardnacrusha Hydro-electric station began commercial operations on 21 October 1929.<sup>14</sup> The building of the power station by the Cumann na nGaedheal Government in the early years after independence showed some foresight of the need for domestic and industrial infrastructure.

Getting Cork production up and running with the shortcomings that existed was no easy task, the combination of ongoing building work, shortage of suitable equipment and most particularly, the incorporation and training of the floods of new employees was to prove a challenge to the management of the company. The shortage of skilled men, such as toolmakers, lathe and grinder operators, made operations particularly difficult. William Squire reported that he had only 156 toolmakers and machine repair men available to erect machinery and maintain the whole plant. To cope with the installation of the additional machinery he was forced to bring skilled men from Dublin and

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<sup>12</sup> W. J. Squire to C. E. Sorensen, 12 Mar. 1929 (BFRC, Acc. 572, Box 17).

<sup>13</sup> Ibid.

<sup>14</sup> H. Scott to C. E. Sorensen, 27 Apr. 1929 (BFRC, Acc. 572, Box 17) and *Irish Independent*, 22 Oct. 1929.

England.<sup>15</sup> He had hired about a hundred men from England and was still trying to find more, but part of the problem was that many of the new recruits were not prepared to live in Cork.<sup>16</sup> According to Clarke, only about fifty percent were prepared to settle, the remainder preferred to return to England, even if it meant living on the dole.<sup>17</sup> In the first three months of 1929 over 1,400 employees were added to the payroll so the need to hire and retain skilled workers was crucial, as in large part, Ford was relying on the skilled men to break-in and train the new recruits.<sup>18</sup>

With the exception of the foundry, conditions at Ford's plant were generally good, while high pay rates made it an attractive place to work. For men coming from a farm labouring background, the *Examiner's* comment that 'the work was harder than the fields, but the rewards were greater' was apt.<sup>19</sup> As Henry Ford & Son hired labour, they quickly absorbed all of the available skilled and semi-skilled men in the hinterland of Cork. Since the number of skilled workers available was relatively small, inevitably a large number of the new employees lacked any industrial experience. Describing the difficulties with the unskilled labour Squire informed Sorensen that:

We have started all the production lines but are making rather slow progress on some of the steel jobs...not enough foremen and mechanics to break in new men as fast as we can use them...the men here are very anxious to have employment and are good workmen, but are hard to break in, afraid of grinders especially, and the multiple tooling of some of the machining operations seems too much for them to master.<sup>20</sup>

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15 W. J. Squire to C. E. Sorensen, 12 Mar. 1929 (BFRC, Acc. 572, Box 17).

16 Ibid., 5 Apr. 1929 (BFRC, Acc. 572, Box 17).

17 E. L. Clarke to C. E. Sorensen, 18 Apr. 1929 (BFRC, Acc. 572, Box 17).

18 Appendix 8.

19 *CE*, 14 June 1929.

20 W. J. Squire to C. E. Sorensen, 12 Mar. 1929 (BFRC, Acc. 572, Box 17).

One group who were hired were local fishermen. In late February a deputation of unemployed Blackrock fishermen made representations to the Cork Board of Conservators, asking them to use their influence in getting them employment at Ford. Apparently, the board had previously applied on behalf of other unemployed men who had promptly been hired by Ford. The Conservators, described Ford as a ‘god-send’ for hiring fisherman who were in very poor circumstances.<sup>21</sup> Inevitably the shortage of skilled workers and the pressure on management led to other problems. Plant superintendent, Harry Scott, reported a fire in the factory in late April. This was the second fire within a few weeks. The previous fire in March was of little consequence apart from damaging several feet of insulating cable.<sup>22</sup> This time the fire was caused by a defective flue in the old foundry roof and, fortunately, also caused little damage. When the fire had started, the electrical power to the area was turned off leaving the area in darkness. Clarke, who was apparently supervising some of the firemen, tripped and fell into a pit breaking two bones in his leg necessitating his removal to hospital.<sup>23</sup> John Cohalan, the company secretary, reported that Clarke was ‘progressing favourably’ in the hospital and that business continued to be discussed with him there.<sup>24</sup>

With Clarke partially incapacitated and William Squire, who had overseen much of the machinery installation, recently returned to the United States, the pressure fell on Scott and Cohalan to manage the development of the plant.<sup>25</sup> The additional workload and pressure so affected Cohalan that he was afterwards forced to resign citing ‘a

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<sup>21</sup> *CE*, 4 Mar. 1929.

<sup>22</sup> W. J. Squire to C. E. Sorensen, 12 Mar. 1929 (BFRC, Acc. 572, Box 17). Also reported in *CE* on 5 and 6 Mar. 1929.

<sup>23</sup> H. Scott to C. E. Sorensen, 27 Apr. 1929 (BFRC, Acc. 572, Box 17).

<sup>24</sup> J. Cohalan to C. E. Sorensen, 27 Apr. 1929 (BFRC, Acc.38, Box 1).

<sup>25</sup> H. Scott to C. E. Sorensen, 27 Apr. 1929 (BFRC, Acc. 572 , Box 17).

breakdown in health due to overwork'.<sup>26</sup> Cohalan had started as a clerk with the company in 1917, later he was promoted to accountant, chief clerk and finally company secretary, often acting as plant manager in Clarke's absence. Four years after leaving Henry Ford & Son he wrote to the company seeking a reference.<sup>27</sup> His request was dismissed by a former colleague, Moekle, with the comment that it was 'not our practice' to give references.<sup>28</sup> Like so many other Ford managers, Cohalan was treated shabbily and his circumstances were ignored by the company, despite his years of hard work and loyal service.

In spite of the many challenges, steady progress was being made. On 27 February the *Examiner* reported that the first consignment of parts manufactured in Cork was being shipped to the United States.<sup>29</sup> Within weeks, Cork was turning out a steady supply of spare parts and was shipping them to the European branches, South America and the United States, while work had started on the largest parts order which was from Russia.<sup>30</sup> The first dozen tractors were produced on 1 April 1929 using components manufactured at Cork or bought from suppliers in England, Scotland and Ireland.<sup>31</sup> Soon, Clarke could report that 'our production is now running fairly satisfactorily and is growing every day...all our cast-iron parts are running good and the scrap percentage is fairly low, but is being watched carefully'.<sup>32</sup> With some 3,300 men on the pay-roll, like Squire before him, Scott had to account to Sorensen for the excess labour and his report shows that the

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26 J. Cohalan to Ernest G. Liebold, 14 July 1933 (BFRC, Acc.33, Box24).

27 Ibid.

28 H. L. Moekle, Auditing Department, to J. Cohalan, 2 Aug. 1933 (BFRC, Acc. 33, Box 24).

29 *CE.*, 27 Feb. 1929.

30 WH, p. 198.

31 Mira Wilkins interview with W. J. Squire, 5 Sept. 1960 (BFRC, Acc. 880, Box 5) p. 2.

32 E. L. Clarke to C. E. Sorensen, 18 Apr. 1929 (BFRC, Acc.572, Box17).

problems were still the same-masses of untrained men terrified of the unfamiliar machinery and requiring the reassurance of a trainer on almost every machine. Notwithstanding their fears, Scott was confident that ‘once we get them broken in we shall have a fine bunch of men and we are sure we can get twice as much production with the present number employed’.<sup>33</sup> To help him get through these and the other commissioning difficulties, Scott wrote to Sorensen and sought permission to retain some of the American experts who had come with the machinery.

They have written their wives to see what they think about it. They have also asked if they would be able to go back to Detroit before really settling down here and I have informed them I believe it would be agreeable to the firm when the job is in the position that someone can look after it while they are away.... We are watching the [local] men we expect will take over the jobs from the others very carefully and will be able to say shortly if they can swing it without any more of the Detroit boys staying here.<sup>34</sup>

Inevitably, the commissioning difficulties in Cork were reflected in the finished product and tractors produced there caused problems for the American Fordson dealers. Peter MacGregor, who had helped set up the original tractor business in Cork in 1919, was sent by Sorensen to investigate the complaints of poor workmanship. Finding the complaints justified Sorensen despatched him to Ireland to ‘raise hell’ and to resolve the quality problems. In Cork, he found that the Detroit experts were not very assiduous in their work, instead he discovered that they ‘were paying more attention to motor boats, golf, dog racing, etc. than to the art of building tractors’. MacGregor went on to spent six

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<sup>33</sup> H. Scott to C. E. Sorensen, 27 Apr. 1929 (BFRC, Acc. 572, Box 17).

<sup>34</sup> Ibid.

months in the factory during 1929 getting the tractor production into shape.<sup>35</sup>

In June 1929, reports of complaints by Ford that they could not get men with technical skills resulted in the Associations of Chambers of Commerce passing a motion calling for more money to be spent on technical education.<sup>36</sup> Meanwhile, Ford were still hiring men almost as fast as they could process them and the task of recruiting and training 'green' labour was still adding tremendously to the problems of the plant. As the men became competent at their tasks the company management pushed them harder so that by early May a total of two hundred tractors had been assembled.<sup>37</sup> When Sorensen visited in September, the plant had almost 4,400 men employed, was assembling a hundred tractors a day and trying to catch up with spare parts demand. Expressing the hope that Sorensen was pleased with what they had achieved in the previous year, Scott wrote: 'He was much nicer to us than we really expected'.<sup>38</sup>

In the United States, in late 1929, the Ford Motor Company announced a raise in the minimum wage rate from six to seven dollars per day. Perry, set out to follow the American increase and 'to compile proper wages to be paid in Europe comparative with those which you settle as being right and proper in the United States'.<sup>39</sup> Due to the diverse cost of living and taxation structures existing in Europe, Perry was faced with a complex problem in trying to harmonise his wage structures. Following his investigation he proposed a twelve and a half per cent increase for Britain and Ireland, effective 1

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35 Reminiscences of Peter MacGregor, 21 March 1957 (BFRC, Acc. 65).

36 *CE*, 7 June 1929.

37 H. Scott to C. E. Sorensen, 9 May 1929 (BFRC, Acc. 38, Box 1).

38 H. Scott to Russell Gnau (secretary to Sorensen), 25 Sept. 1929 (BFRC, Acc. 38, Box 1).

39 P. Perry to C. E. Sorensen, 18 Dec. 1929 (BFRC, Acc.33, Box 24).

January 1930.<sup>40</sup> Increases in the other European plants ranged from thirty three and one third per cent in Italy and Spain, down to a reduction of seven per cent in France, where they had received a fifty per cent increase the previous February. At the same time Perry laid down a set of rules covering payments, hiring of staff and conditions of employment. New employees were to be hired at the minimum rate with preference given to former employees, though they were only given the rate for their new job, regardless of their previous rank. Promotions were to be made from within the organisation where possible and were to be based on merit. The company displayed an enlightened approach to gender equality as managers had discretion to hire women and were directed that ‘no differentiation in rates of pay between male and female employees where engaged in similar duties is to be recognised’.<sup>41</sup> Relatively few females were employed, in part due to the social conventions of the period, while those who were employed worked on traditional female tasks such as upholstery machining. In the case of holidays, salaried staff who qualified were entitled to two weeks holiday with full pay, while workers on weekly payroll were permitted to take two weeks holidays, but without pay.<sup>42</sup>

From Dearborn, Ford’s auditing department kept a firm grip on the minutiae of plant operations, particularly where issues regarding wages and employment policy were concerned. For example, the company secretary, Cohalan, reported to the audit department that in order to reduce overheads he had laid off some of the office staff ‘for alternate pay periods’.<sup>43</sup> His stated reason for alternating the staff was ‘to preserve the

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40 P. Perry to C. E. Sorensen, 18 Dec. 1929 (BFRC, Acc 33, Box 24).

41 Salary and wage schedule-Jan. 1930, attached to P. Perry to C. E. Sorensen, 18 Dec. 1929 (BFRC, Acc. 33, Box 24).

42 P. Perry to C. E. Sorensen, 18 Dec. 1929 (BFRC, Acc. 33, Box 24).

43 J. Cohalan to W. F. Germain (Audit Department), 5 Sept.1927 (BFRC, Acc. 33, Box 23).

organisation in readiness for busy times ahead'.<sup>44</sup> In reply, he was informed that Dearborn preferred that unnecessary employees be laid off indefinitely, as it gave 'necessary employees continuous employment' and allowed 'those laid off to look for permanent employment elsewhere'.<sup>45</sup> Cohalan responded that he was anxious not to lose experienced staff and that as alternative employment was almost unavailable in Cork, staff themselves were anxious to work part-time, even with the reduced pay.<sup>46</sup> Grudgingly, this was accepted by H.L. Moekle on condition that Cork 'return to normal soon...and watch carefully'.<sup>47</sup> Another issue which disturbed the auditors was the fact that one or two company employees were supervised by relatives. Clarke claimed that these were long-standing arrangements and that he had 'never any reason to suspect that company have in any way been affected'.<sup>48</sup> The auditors permitted the arrangements to stand, but emphasised that they did not want 'any individual hired in the future who would come under this ruling'.<sup>49</sup> Up to World War II, it seems that two people from one family were not permitted to work for the company though this policy was overturned in the years after the war.<sup>50</sup>

By the end of 1929, Cork had produced a total of 9,686 tractors which had been shipped to about twenty-five countries, including Australia, Italy, Canada and France. In addition, Clarke had sent 1,409 units to the United States.<sup>51</sup> Sorensen might have been pleasant to Scott during his September visit, but by January he was 'Cast-Iron' Charlie

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44 J. Cohalan to W. F. Germain, 5 Sept. 1927 (BFRC, Acc. 33, Box 23).

45 W. F. Germain to J. Cohalan, 21 Sept. 1927 (BFRC, Acc. 33, Box 23).

46 J. Cohalan to H. L. Moekle, 14 Oct. 1927 (BFRC, Acc. 33, Box 23).

47 H. L. Moekle to J. Cohalan, 11 Nov. 1927 (BFRC, Acc. 33, Box 23).

48 E. L. Clarke to H. L. Moekle, 31 Aug. 1928 (BFRC, Acc. 33, Box 23).

49 H. L. Moekle to E. L. Clarke, 19 Sept. 1928 (BFRC, Acc. 33, Box 23).

50 Nyhan, 'A history of the Cork plant', p. 60,

51 Appendices 2 and 14.

again, demanding to know from Clarke, why he had built only 89 tractors during the previous ten days. ‘Doesn’t it seem reasonable that if you are going to delay shipments to us that you should give some warning to our people. What is the trouble?’<sup>52</sup>

Clarke did not respond until 28 January 1930, when he finally explained that the low output was due to a combination of Christmas holidays, work connected with year-end inventory reconciliation and meeting delivery promises on Russian spare parts. He went on to say that they had built 2,167 tractors to date in January and would almost complete the promised shipment of 2,000 units to the United States.<sup>53</sup> Sorensen was impatient with Clarke as he felt he was not being kept fully informed of events in Cork and also that outputs were still poor. After nine months in production, they still had not averaged more than 100 tractors per day during period July 1929 to January 1930.<sup>54</sup>

Ford’s employment figures rose to almost seven thousand in February 1930, making the company, apart from the railways, the largest employer in the Free State, dwarfing traditional companies like Jacobs and Guinness and employing more workers than any other Ford plant outside the United States.<sup>55</sup> No doubt impressed and pleased at the size of Ford’s workforce and the beneficial effect of their wages on the city’s business, the manager of the Cork Harbour Commissioners, Eugene Gayer, wrote to Clarke inviting members of Ford’s board to visit Cork during the coming summer. Expressing the commissioner’s appreciation, he promised them a thoroughly Irish

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52 C. E. Sorensen to E. L. Clarke, 7 Jan. 1930 (BFRC, Acc. 38, Box 3).

53 E. L. Clarke to C. E. Sorensen, 28 Jan. 1930 (BFRC, Acc. 38, Box 3).

54 W. R. Loughran to R. H. Chadwick, 10 Feb. 1930 (BFRC, Acc. 880, Box 7, Langley Box 9).

55 L. Pearce (Cork assistant manager) to G. S. Hibberson., 28 Feb. 1930 (BFRC, Acc. 880, Box 7, Langley Box 18), gives figures as follows: Salary roll: 219; pay roll: 6,705; total: 6,924 employees, see also Appendix 8; ‘traditional companies’, Jacobson, ‘Motor industry in Ireland’, p. 210 and ‘U.S.’, WH, p. 205.

welcome.<sup>56</sup> Clarke passed the letter on and three weeks later Sorensen's office replied that he would be glad to accept Gayer's invitation.<sup>57</sup> While the hiring of workers was to continue for a short time, it came to an abrupt halt in May and by summer the plant was almost deserted. The welcome which would greet the Ford group in June was to be decidedly frosty, certainly not in keeping with that promised by Gayer.

With the employment numbers at an all time high, the early part of 1930 had also been a period of very high production. In January, Cork plant assembled 2,646 tractors followed by 3,026 tractors in February, making it the best month yet. This brought output to a total of 16,045 tractors.<sup>58</sup> The company also recorded their best single day's production, 185 tractors on 28 February, justifying Clarke's earlier optimism and beliefs. Demand for the firm's products continued to be buoyant. Manchester was ordering large numbers of Model A parts; Russian orders for parts had been extremely high for the previous four or five months and Cork had succeeded in meeting Perry's commitments, though by March demand had eased somewhat. In supplying the United States, Cork fell short of meeting their requirements, having shipped only 1,792 tractors. In order to redress the shortfall Clarke was aiming to produce 3,600 in March.<sup>59</sup> So that in early March 1930, the Fordson plant had more orders that it could cope with and its future prospects appeared bright.

Yet the efforts to drive up production came at a cost. Product quality fluctuated due to the many inadequately trained workers who caused high rates of scrappage. In

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<sup>56</sup> Eugene Gayer (General manager and secretary, Cork Harbour Commissioners) to E. L. Clarke, 6 Feb. 1930 (BFRC, Acc. 38, Box 3).

<sup>57</sup> Sorensen's office to Eugene Gayer, 26 Feb. 1930 (BFRC, Acc. 38, Box 3).

<sup>58</sup> E. L. Clarke to C. E. Sorensen, 8 Mar. 1930 (BFRC, Acc. 572, Box 17).

<sup>59</sup> *Ibid.*

Dearborn additional men could easily be added to the car assembly line or rotated to other stations as many tasks required little skill and could be taught quickly without compromising overall quality or output. Tractor manufacture was neither as automated nor were the tasks as subdivided, consequently, it required a higher level of individual capability and knowledge. To add to the difficulties, some of the equipment necessary for production was not in place. The foundry was a particular problem area. The environment there was very difficult. The need to produce technically correct product in an area of extreme heat, fumes and heavy work tested the workers. Clarke wrote:

We had to increase our foundry force considerably, and as the bulk of these men were totally unused to factory or foundry conditions, it has taken them some time to get broken in...our struggle has been to keep down scrap percentage, while at the same time we had of necessity to boost up daily output.<sup>60</sup>

The level of scrap was severe enough for Perry to take action. He despatched Rowland Smith, Dagenham's production manager, to investigate the problems in Cork. Smith had broad experience on the production side of the motor industry. He had previously worked for Ford, but had fled to the Standard Motor Company from where Perry had wooed him back to rejoin the company as part of the 1928 plan. Perry considered him to be the best production man around. Smith, later Sir Rowland Smith, became chairman of Ford of Britain in 1954.<sup>61</sup>

Following Smith's inspection of the Cork operation, he reported comprehensively to Perry, listing an array of problems. He highlighted two main issues-insufficient output

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<sup>60</sup> E. L. Clarke to C. E. Sorensen, 8 Mar. 1930 (BFRC, Acc. 572, Box 17).

<sup>61</sup> Roberts, *Ford Model Y*, p.16.

and a persistently high percentage of scrap.<sup>62</sup> Where Clarke had glossed over Manchester's situation in his earlier letter to Sorensen, Smith identified a large part of the problem as a lack of production capacity, pointing out that 'the foundry can take care of the present requirements for tractors, but falls short on our Manchester engine casting requirements'.<sup>63</sup> To prove his point he provided a long list of Model A and AF casting materials ordered by Manchester that had been short-delivered, forcing Manchester to order supplies from Detroit. Regarding the quality issue, he remarked that the efforts of William Squire and Eck had reduced the percentage of scrap, but that within six weeks quality had deteriorated again and was as bad as ever.<sup>64</sup> Cork's recent cost figures for scrappage ranged from 17.9 per cent in January to 14.3 per cent in February, not including the cost of substantial rejections by Manchester.<sup>65</sup> Smith ascribed the quality problems to three causes. Firstly, he attributed twenty per cent of the factory losses to inexperienced supervision, men unable to cope with the volume of work and unable to train green labour quickly enough. Secondly, the need to meet enormously increased demand using makeshift methods while awaiting equipment such as conveyors and cranes to be installed, he estimated accounted for thirty per cent. Finally, the use of green, untrained labour he regarded as responsible for fifty per cent of the losses. The foregoing difficulties made for a chaotic working environment. The shortage of proper mechanical handling equipment created problems due to excessive manhandling as well as blockages and overcrowding, while the poor organisational and technical experience added to the confusion and congestion. The issue of inexperienced labour was, according to Smith,

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62 A. R. Smith to P. Perry, 25 Mar. 1930 (BFRC, Acc. 572, Box 17).

63 Ibid.

64 Eck was one of the group of experts sent from Detroit, no other details available.

65 A. R. Smith to P. Perry, 25 Mar. 1930 (BFRC, Acc. 572, Box 17).

the major problem, responsible for half the quality problems encountered. To put this in context, of the 6,712 people on the factory payroll in February, 2,017 were described by Smith as ‘green labour’.<sup>66</sup> To further exacerbate matters the pressure and the working conditions took its toll on the employees working in the foundry, where, according to Smith, absenteeism was a serious problem, ‘223 were absent on 21 March—unable to stay the pace. This is more than 10 percent of the total foundry labour’.<sup>67</sup> Later, Cork foundry workers in Dagenham would express their view of the foundry conditions in the following verse:

I saw strong men drop in the knockout shop.

It was only one step from hell.

Half hour on, half hour off was how they worked the shift,

Till your eyes were red and your poor feet bled

And your lungs near came adrift...<sup>68</sup>

Before he left Cork, Smith instigated a number of changes to production procedures and sanctioned the purchase of machinery in an attempt to improve operations. He also brought pressure to bear on Clarke and the management team to improve matters. He assured Perry that Scott ‘has really got to work and stuck to it...Clarke has been “riding him” hard, and the whole outfit are “on their toes”...we should see an improvement as the new equipment is installed’.<sup>69</sup> Perry in turn reported his concerns about scrap to Sorensen: ‘I know you will appreciate how difficult is foundry labour anywhere when it has to work on our methods, but particularly in Cork where men have to be taught

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66 A. R. Smith to P. Perry, 25 Mar. 1930 (BFRC, Acc. 572, Box 17). Total figure from memo, ‘Number of inspectors in relation to labour employed’, 31 Mar. 1930 (BFRC, Acc. 572, Box 17).

67 A. R. Smith to P. Perry, 25 Mar. 1930 (BFRC, Acc. 572, Box 17).

68 Nyhan, ‘A history of the Cork plant’, p. 57.

69 A. R. Smith to P. Perry, 25 Mar. 1930 (BFRC, Acc. 572, Box 17).

everything'.<sup>70</sup> Quality problems continued to blight the finished tractors. Perry admitted that while the tractor quality was improving it was still far from perfect and the company was receiving a large number of service complaints.<sup>71</sup> The Fordson's reputation was to be further dented when a very public failure occurred at the 1930 world agricultural tractor trials held at Wallingford in Oxfordshire. The Fordson entered in the trials broke down and had to be withdrawn with a cracked cylinder due to a faulty casing.<sup>72</sup> Drastic action was necessary to remedy these problems. As part of the ongoing programme to control waste and to improve quality, the number of quality inspectors had been increased steadily in line with the growth of the general workforce. Starting with thirteen inspectors in January 1929, the number rose to 109 in August and to 202 in February 1930.<sup>73</sup> Perry now fired the chief inspector and instructed Clarke to further increase the inspection staff to ensure that they had one hundred per cent inspection in certain key areas. He also arranged to introduce an independent fault-finding department, working directly under Clarke and independent of the factory inspection.<sup>74</sup> Addressing Smith's comments on production capacity, Perry promised Clarke that he would shortly discontinue production of Model A castings and import them directly from Detroit, freeing up Cork to concentrate on tractor castings.<sup>75</sup>

Despite the fact that the Cork factory had originally been designed only about thirteen years earlier, the dramatic changes in use during that period, together with the scale of the new operation, meant that the factory and particularly the foundry were now

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70 P. Perry to C. E. Sorensen, 2 Apr. 1930 (BFRC, Acc. 572, Box 17).

71 Ibid.

72 Gibbard, *The Ford tractor story*, p. 36.

73 Appendix 8.

74 P. Perry to C. E. Sorensen, 2 Apr. 1930 (BFRC, Acc. 572, Box 17).

75 Ibid.

unsuited to its current use. The many additions and changes led Eck to say that he ‘would really like to tear down the whole foundry as he finds it and substitute a better one, in fact he says this is the only proper remedy’.<sup>76</sup> While Perry dismissed him as an ‘idealist’, there seems little doubt, that if the anticipated production output had been sustained, that the inadequate, unsuitable factory facilities and the associated quality problems would have called for further significant investment in the plant. With the new factory in Dagenham well under way, no such investment was likely to take place. Perry, in this report of early April 1930, refers to Cork’s future for the first time: ‘In view of your decision that when Dagenham is going we shall draw most of the castings from that source, I do not feel at liberty to make any costly extension to the Cork foundry.’<sup>77</sup> So in effect, the Cork foundry, the plant’s unique asset, was likely to receive only minimal investment in anticipation of the opening of the new enlarged British facility and while the decision appears to have been made by Sorensen, Perry supported his view.

I entirely agree with your decision to make the Dagenham foundry the main source of supply for the reason that we have to have a foundry there in any case and I would rather have one foundry than two; also in practice I believe it will be cheaper and easier for us to send castings from Dagenham rather than ship pig iron and coke to Cork.<sup>78</sup>

The foundry had been the key to Cork’s success over the years; it was the foundry that identified the factory as a manufacturing operation as distinct from a purely assembly operation. The threat to its existence posed by Dagenham was implicit from the time a new enlarged British operation was mooted. Now with Dagenham’s opening on the horizon it was certain that foundry work would be transferred there. While the loss of the

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<sup>76</sup> P. Perry to C. E. Sorensen, 2 Apr. 1930 (BFRC, Acc. 572, Box 17).

<sup>77</sup> Ibid.

<sup>78</sup> Ibid.

foundry introduced a question mark over Cork's future, the scale of tractor production meant that the remaining operations-machining, pressing and assembly-still represented a substantial industrial enterprise, employing thousands of workers. Nor was there any suggestion at this point that these latter operations would be transferred to Dagenham. It could even be argued that the shipping of castings from Dagenham might improve costs and quality, enhancing Cork's potential. The freeing of resources from the foundry could also help Henry Ford & Son to concentrate on building tractors more efficiently. The requirements for Cork to continue as a successful manufacturing business in the short term were threefold: firstly, a substantial ongoing demand for Fordson tractors; secondly, the continuation of the existing tariff regimes and thirdly, Ford senior management's support and determination to persevere with tractor production in Cork and not transfer it to Dagenham or Dearborn. Unfortunately, all of these conditions were about to change radically in the coming months.

While Clarke grappled with the local problems and the factory personnel got to grips with the commissioning problems and seemed likely to achieve the targets laid down by Perry, world economics intruded and changed the Cork plant's future. In the United States the stock markets were in turmoil. 'Black Thursday', 24 October 1929 had seen the Wall Street stock market crash giving the first indication of a deep depression which would affect markets for some years to come. Henry Ford, with his usual disdain for Wall Street, refused to accept the looming depression and in late 1929, with other leading industrialists, issued statements expressing confidence and suggesting the cure for the depression was to increase production. To this end, he raised wages and went ahead with the building of new plants in continental Europe. Work continued apace on

the giant new factory at Dagenham and an additional 191 acres were added to the property.<sup>79</sup> In the United States, the motor industry had sold almost 5.4 million units in 1929, making it the best year in history. Ford's Model A captured thirty four per cent of the market. Elsewhere sales of the Model A were also buoyant. Worldwide, as 1929 came to a close, the outlook for the Ford Motor Company seemed encouraging. In Ireland, the board of directors' meeting, reported promising results for 1929. From the recommencement of tractor production in April to the end of December, they had produced 9,686 tractors, generating a net profit of £108,324.18s.2d. and reducing accumulated losses on the balance sheet to £242,802. 5s.10d.<sup>80</sup> In the early months of 1930 Cork had almost seven thousand employees, compared to the Manchester factory which employed only 2,600.<sup>81</sup> The tractor plant had more orders than it could fill. In January and February, output of 5,662 tractors seemed to proclaim that the boom would continue indefinitely as production promised to dwarf the total output figure of 7,605 achieved in the 1919-1922 period.<sup>82</sup>

The demand which was driving the Cork plant came about as a result of Ford's closedown in 1928. This had led to an accumulation of orders, particularly in America and Russia, Ford's two major tractor markets. While Americans demand was mainly for finished tractors, the Russians had switched to purchasing International Harvester tractors and were solely concerned with obtaining spare parts for tractors supplied by Dearborn before 1928.<sup>83</sup> By early March 1930, Clarke noted that Russian demand for parts had

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79 WH, pp 203/204

80 Minutes of board of directors' meeting, 31 Mar. 1930 (BFRC, Acc. 38, Box 3).

81 WH, p. 205.

82 E. L. Clarke to C. E. Sorensen, 8 Mar. 1930 (BFRC, Acc. 572, Box 17).

83 WH, pp 224/5.

tapered off after a four or five months of very high, but irregular demand. Despite some very big orders Cork had succeeded in meeting Perry's promises. Of 3,337 tractors shipped in February, 1,792 went to the United States though Clarke admitted that this did not meet their requirements, but that they were doing everything in their power 'to increase production and catch up on the U.S.A. orders'.<sup>84</sup> Thus, apart from some easing of Russian orders for parts, demand for tractors was strong and all looked positive. Two months later optimism remained and Ford's programme for expansion was still proceeding. According to Pearce, assistant manager in Cork, capital expenditure for the following months amounted to £132,700. Work had begun on a substantial building programme which included a new office building, a tractor store warehouse, a new transformer house, a wharf extension, and a new fettling shop. Despite earlier remarks by Perry some additions to the foundry were also envisaged as well as the installation of a new transporter crane and other machinery.<sup>85</sup> Even while these plant improvements were being planned the depression was beginning to be felt in the business, orders were drying up and sales of tractors and parts began to drop alarmingly. Clarke informed Perry that he was in discussions with the Russians concerning an order for four thousand tractors, but felt agreement was unlikely because of the difficulty with credit arrangements. He feared that if he failed to get the order he would be forced to shut down most of the plant.<sup>86</sup> No order was forthcoming and in mid-May Clarke announced the closure 'of a few departments'.<sup>87</sup>

In a statement to the *Cork Examiner* he was at pains to present an optimistic view.

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84 E. L. Clarke to C. E. Sorensen, 8 Mar. 1930 (BFRC, Acc. 572, Box 17).

85 L. Pearce to H. S. Cooper, 9 May 1930 (BFRC, Acc. 880, Box 7, Langley Box 18).

86 WH, p. 228.

87 CE, 16 May 1930.

He wanted the people of Cork and the Free State ‘to know that at no time would the whole of the factory be closed down’. He was vague about specific details, but insisted that the demand for their tractors remained strong with a steady flow of orders coming in daily. He attributed the closedown to the need to overhaul and relocate machinery.<sup>88</sup> However, his optimism was misplaced as over the weeks ahead the majority of the Ford workers were let go. On 5 June 1930 he wrote to H. S. Cooper: ‘we have had to lay off 6,000 men during the past 3 weeks, which is a very serious consequence in a city of this size, and where there are practically no other industries of any importance. Naturally these men are all on the dole.’<sup>89</sup>

According to Wilkins and Hill, the main cause of the ‘sudden collapse’ at Cork, was that:

The automotive business was running head on into the growing economic depression which Henry Ford had been refusing to recognise. Spreading out from the United States, where it had affected American capital and government, like a collapsing house of cards it had now wrecked their European counterparts.<sup>90</sup>

While the United States dealt with the economic problems arising from the stock market collapse and the subsequent recession, overseas investment in Europe was curtailed, forcing European farmers and other consumers to a limit or defer purchases.<sup>91</sup> As the European market for tractors contracted, Cork’s other main outlets, in Russia and the United States, also ran into trouble.

The Russian business, which represented a large portion of Cork’s production and

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<sup>88</sup> *CE.*, 16 May 1930.

<sup>89</sup> E. L. Clarke to H. S. Cooper, 5 June 1930 (BFRC, Acc. 880, Box 7, OOSPP, Langley, Box 18).

<sup>90</sup> *WH.*, p. 228.

<sup>91</sup> *Ibid.*, pp. 228/9.

whose disappearance helped to undermine the Cork plant, had come about as a result of Henry Ford's willingness to trade with the communist state from its foundation. Ignoring the ideological differences between Russia and the United States, in 1919 Ford had begun to develop the Russian market.<sup>92</sup> By the early 1920's his vehicles had grown in popularity and later when the Russian government set up the Amtorg Trading Corporation to serve as its trade agent between the USSR and the United States, sales rose, so that by the peak year of 1925 a total of 11,140 units were sold.<sup>93</sup> When Ford abruptly halted tractor production in 1928, he created an opening for the International Harvester company to step in and meet the Russian requirements.<sup>94</sup> Earlier, in 1923, the Russians had built a plant to produce a replica Fordson, called the Putilov.<sup>95</sup> Output remained slow for some years, but by 1929 the Putilov factory in Leningrad had come on stream, with the result that Ford was squeezed out of the Russian market for new tractors by the combination of home-produced and imported competition.<sup>96</sup> Wilkins and Hill state that when the Irish plant started production in 1929 'it received large Soviet orders for both tractors and spare parts', however, apart from fifty units shipped in 1929 and a single unit shipped from Cork in 1930 it seems no tractors were shipped to Russia.<sup>97</sup> Nevertheless, the 25,000 Fordsons already operating on the ground in the U.S.S.R. meant there was an enormous demand for spare parts, which in 1929 was beyond the capability of the Cork factory to satisfy.<sup>98</sup> The growing depression undermined the Russians' ability to buy

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92 WH, p. 209.

93 Ibid., p. 212.

94 Ibid., p. 225.

95 Ibid., p. 213.

96 Ibid., pp 214.and 225

97 Ibid., p. 216, see Appendix 14.

98 Ford & Son, *Ford in Ireland*, p. 25, also see Appendix 13.

abroad as they were unable to establish foreign currency credits to pay for imports, consequently, relationships with them proved complex and problematical, particularly as Detroit were discussing the establishment of a Ford factory in Russia and Henry Ford, in the interest of business, was prepared to offer the Russians as much assistance as possible.<sup>99</sup> Part of this support was to send Peter MacGregor, who in 1929 was involved in the Cork start-up, to advise and assist them.<sup>100</sup> Russians technicians were sent to study Ford's production methods at the Rouge plant and at the Marina.<sup>101</sup> While Henry Ford and Charlie Sorensen were unperturbed by these actions, Perry was not keen to allow the communists into his plant. 'It is the political aspect that worries me,' he wrote to Sorensen, 'the Russians deliberately use every means in their power to sow dissention amongst the British working class'.<sup>102</sup> Perry already had enough problems, he did not need 'the seeds of Bolshevism planted in Cork'.<sup>103</sup> When the Russian business petered out in May 1930, the problem of finding insurance to cover credit risks was a key part of the problem.

No doubt aware of the layoffs in Cork, E. J. Riordan, Secretary to the Minister of Industry and Commerce telephoned Clarke to express the concern of the minister, Patrick McGilligan, as well as that of the whole government. In particular he mentioned that the 'government was eager that Ford obtain insurance of the credit risks...'.<sup>104</sup> However, no assistance was offered and Clarke was pessimistic of their chances. 'Cooper thinks the

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99 WH, pp 225 and 217.

100 Ibid., pp 219/220.

101 Ibid., p. 220.

102 Ibid., p. 217.

103 Ibid.

104 E. L. Clarke to H. S. Cooper, 5 June 1930 (BFRC, Acc. 880, Box 7, Langley Box 18).

possibility of obtaining such insurance is remote-at least at reasonable terms.’<sup>105</sup> It would appear that the credit insurance was not forthcoming and while Cork might have had Russian orders, without satisfactory credit arrangements it was not possible to do business.<sup>106</sup> Later Sorensen’s attitude hardened and he instructed Perry to ‘let the Soviets understand very definitely that they cannot expect any assistance from you in securing credit....If they need tractors so badly they can economise in other directions’.<sup>107</sup>

Rumours of Cork’s quality problems were blown out of all proportion when in the autumn of 1930 the *New York Times* reported that large Russian orders for tractors had been transferred to the Vickers Company of England and that the Soviet Government had returned a thousand tractors to Cork due to substandard specification and mechanical defects.<sup>108</sup> Perry refuted these rumours asserting that there was no basis for the report.<sup>109</sup> He pointed out that the Cork plant had never sold tractors or assembly parts to Russia and that they had only provided service parts to replace worn parts for tractors which had previously been supplied by the United States. He emphasized that no complaints had been received about these parts and neither had any been returned.<sup>110</sup>

The demand for tractors was also disappearing in Cork’s other major market, the United States. The absence of Fordson tractors from the market place for the period January 1928 to April 1929 had created a backlog of demand from loyal Ford customers. As this demand was being met it cloaked the effects of the recession and the declining market. When, in the spring of 1930, Henry Ford & Son of Cork finally began achieving

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105 E. L. Clarke to H. S. Cooper, 5 June 1930 (BFRC, Acc. 880, Box 7, Langley Box 18).

106 WH, p. 225.

107 Ibid.

108 *New York Times*, 19 Sept. 1930.

109 Ibid., 28 Sept. 1930.

110 Ibid., 3 Oct. 1930.

production figures close to two hundred tractors per day, the American demand for them slumped. As we have seen, in May 1930 with inventory beginning to pile up, Cork management were faced with the painful decision of closing down most of the Marina plant to curtail expenses and prevent the accumulation of unsaleable tractors. Prospects for a speedy upturn in the business were dashed when, in June 1930, the American Congress passed the Smoot–Hawley bill which erected a high tariff wall against imports. The bill had its origins in a promise made during the 1928 election by the Republican presidential candidate Herbert Hoover, to protect farmers by imposing tariffs on agricultural products. Once the process of tariff revision started, it led to calls for increased protection from special interest groups in the industrial sector, thus, the bill originally intended to provide relief for farmers led to increased tariffs in all sectors of the economy.<sup>111</sup> Immediately the act came into effect, European countries began to implement retaliatory tariffs resulting in a severe drop in trade between the United States and Europe, so that when Henry Ford embarked on a trip to Europe in September 1930 the effects of the Smoot-Hawley tariffs were already evident.<sup>112</sup>

Soon after production had started at the Marina in early 1929, Henry Ford & Son exported seven tractors to the United States. The tractors were assessed at the point of import by the custom’s appraiser in New York who concluded that they were not agricultural implements and therefore not entitled to duty-free entry. The Ford company, who always vigorously opposed tariffs, took the issue to the Commissioner of Customs, who, after examining the various uses of the tractor, overturned this decision. Even as the

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111 ‘Protectionism in the interwar period.’ (<http://www.state.gov/r/pa/ho/time/id/17606.htm>) (10 Aug. 2006).

112 WH, pp 230/231 and pp 205/206. This situation continued until the 1934 Reciprocal Trade Agreements Act when American trade policies began to move in a more liberal direction.

Cork tractors were granted tariff-free entry in June 1929, the Smoot-Hawley Bill was already under discussion.<sup>113</sup> By mid-July it had been passed by the United States House of Representatives and was being revised by the Senate Committee on Finance.<sup>114</sup> In September, an amendment to the tariff bill was proposed which was directed at Ford and particularly at the Cork exports to the United States. This amendment sought to prevent the importation of goods bearing a trade mark registered in the United States and was intended to prevent manufacturers from availing of lower wage rates overseas, and thereby to protect the jobs of American labour.<sup>115</sup> While Ford continued to protest the upcoming bill, Matthew Woll vice-president of the American Federation of Labour, attacked Ford's position. He wrote to Congress, in June 1930, supporting the bill in order to safeguard 'the employment opportunities of American workers'. He claimed that Ford was producing tractors in Ireland at sixty per cent of the American cost and then benefiting from the ruling of the treasury department which permitted them to be imported into the United States duty free. This, he claimed, had resulted in between six and ten thousand workers in the Ford tractor plants in Detroit being thrown out of work.<sup>116</sup> The Smoot-Hawley bill became law on the 17 June 1930 by which time the majority of the seven thousand Ford workers in Cork had already been laid off. While the depression caused the fall-off in demand for Cork's tractors, the Smoot-Hawley tariff limited the export of tractors to the United States to meet whatever little demand existed. Without its major markets in United States and Russia, demand for Ford's tractor was drastically reduced, production output was curtailed and only continued as a trickle for

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113 *New York Times*, 11 June 1929.

114 *Ibid.*, 12 July 1929.

115 *Ibid.*, 25 Sept. 1929.

116 *Ibid.*, 2 June 1930.

the following two years.

With so many workers laid off and on the dole, Cork, in the summer of 1930 was in a very depressed state. The contrast between the intense activity and optimism of the previous six months and the recent complete stoppage was stark. The *Irish Times* commented on ‘anxiety locally’, but expressed optimism for the future, having identified ‘abundant evidence of the permanence of this industry’.<sup>117</sup> Rumours abounded. Clarke’s statement to the *Cork Examiner* in May sought to dispel the many rumours, but it did not provide any concrete answers on the future of the plant.<sup>118</sup> Sorensen, Perry and Smith visited the Cork plant in mid-June to review matters. When they arrived, they were surprised to find a building strike in progress, holding up work on the erection of their three-story office building. Perry threatened to cut out contracts in the future and have all such work done by their own staff.<sup>119</sup> Meeting the press, Perry expanded on Clarke’s earlier remarks. He explained that the machinery had been installed in the factory in a very rushed manner at the end of 1928, to meet the pressing demand for tractors. This led to an inefficient working layout which now needed rearrangement in order to get full value from the equipment. Responding to the rumours that they were about to close the factory, he pointed out that they were spending £100,000 in building work. He expressed surprise that the people of Cork would listen to such ‘idle tales’ that they ‘should have more confidence in the Ford firm who had done so much to promote the prosperity of Cork’. Perry promised that they would be ‘busier than ever at a later date’.<sup>120</sup>

In putting forward this view Perry was being less than honest, as despite his

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117 *IT*, 9 June 1930.

118 *CE*, 16 May 1930.

119 *CE*, 18 June 1930. The Cork building trade had been on strike since 3 June 1930, *IT*, 3 June 1930.

120 *CE*, 18 June 1930.

reassurances to the people of Cork, within Ford management circles a somewhat different view was held. As we have seen, the decision had already been taken to use the Dagenham foundry as the main source of castings.<sup>121</sup> So Cork's role would diminish once Dagenham went into production, but as the decision to continue investing in the factory shows, the company seemed determined to keep the Cork plant open and working. Management also seemed keen to ensure that the maximum number of workers were employed, even going so far as to augment Ford's own activities with additional outside work. Perry wrote in 1932 that 'the decision taken two years ago to close the foundry at Cork as soon as the Dagenham foundry was operating, also involved us in an adventure to procure work which would occupy the factory in other directions'.<sup>122</sup> Perry's 'adventure', producing industrial castings, would later occupy the plant and keep men in employment for a period, but like the tractor production would turn out to be another dead end.

At the end of June, there was a glimmer of hope for the Ford workers. Under a headline: 'Early resumption of work expected', the *Examiner* reported that the first three hundred men were being summoned to return to work on the following Monday.<sup>123</sup> In addition, it was suggested that in the next few weeks the great majority of workers would be recalled. These reports, as well as the ongoing building work and machine installations, all encouraged optimism in the future of the company. The paper also announced that Henry Ford would soon be visiting Europe and that the Ford company was opening new plants in Germany, China and South America. As usual, Henry Ford

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121 P. Perry to C. E. Sorensen, 2 Apr. 1932 (BFRC, Acc 572, Box 17).

122 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc 572, Box 18).

123 *CE*, 30 June 1930.

was expansive in his public pronouncements. He was quoted in the *Examiner*:

I am an internationalist in industry and believe that a world economic scheme that does not embrace the idea of prosperity for all is unsound. That is the idea we have had in mind in establishing these plants all over the world. In the South of Ireland our plant is of tremendous importance to the people of the whole Southern region of the Free State.<sup>124</sup>

So, while the majority of Ford workers were still unemployed, at least Henry Ford's view of the future and his comment about the importance of the Irish plant seemed reassuring. However, despite this optimism the future of the plant was fragile and the huge numbers employed in late 1929 and early 1930 would never be reached again.

The financial outturn for the year 1930 showed that the company suffered a net loss of £68,016. 2s. 8d., the deficit being largely due to the reduced demands for tractors and tractor parts.<sup>125</sup> Tractor output for the year was 15,196 tractors of which 5,672 had been produced in the first two months.<sup>126</sup> At the annual general meeting in 1931 it was stated that for the first four months production had grown steadily. Based on the January/February figures it seems likely that about six thousand tractors were produced in March/April, leaving an output of perhaps four thousand for the last eight months of the year.<sup>127</sup> Tractor production, therefore, was negligible from May onwards, averaging perhaps 500 a month. Despite the recession, demand for motor car castings by Manchester had increased while the sales of cars and trucks in the Free State came to a total of 3,656, a record up to that time.<sup>128</sup> With production pressure on the factory reduced, work on building and overhauling continued. As part of a programme of quality

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<sup>124</sup> *CE*, 30 June 1930.

<sup>125</sup> Results for 1930, minutes of annual general meeting, 15 May 1931 (BFRC, Acc. 38, Box10).

<sup>126</sup> E. L. Clarke to C. E. Sorensen, 8 Mar. 1930 (BFRC, Acc. 572, Box 17). Output for 1930 see Appendix 2.

<sup>127</sup> Results for 1930, minutes of annual general meeting, 15 May 1931 (BFRC, Acc. 38, Box 10).

<sup>128</sup> *Ibid.*

and cost improvement, Clarke sought permission to send the supervisors of Cork's metallurgical operations to Detroit for three months training.<sup>129</sup> Later, Sorensen agreed to this and on 29 March 1931, James Sullivan and Albert Arbuthnot, foundry and pattern shop foremen respectively, sailed from Queenstown.<sup>130</sup>

The lay-off at Ford's Marina plant appears to have gone largely unnoticed by the Free State politicians and there is little evidence of any awareness on the part of either the Cumann na nGaedheal government or the opposition of Ford's situation or the misfortune that had befallen their seven thousand employees. Despite the magnitude of the lay-off the issue was neither raised nor debated in the Dáil. I have discovered no record of communications by or from the government other than the telephone call made by E. J. Riordan in June 1930.<sup>131</sup> While a number of passing references were made to the issue in Dáil Éireann no attempt was made to understand or improve the situation, even by Cork's local representatives. Senator Oliver St. John Gogarty made a passing cryptic reference to Ford while discussing 'the development of home industries through a co-ordinated policy of inter-Commonwealth trade' in the Senate. He said:

Ford, excellent though he may be as a wage payer, is, after all, a magnificent, but itinerant tinker. He is not a native product of Ireland and Cork quite possibly could be left in the position Belfast was left in, if Ford took his folding factory and went away, because I believe it is in sections and could go out any moment.<sup>132</sup>

This comment was made about a month after the workers had been laid off. Gogarty seems to be poetically dismissive of Ford's enterprise apparently suggesting that the Cork

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129 A. R. Smith to C. E. Sorensen, 3 Oct. 1930 (BFRC, Acc. 38, Box 3).

130 E. L. Clarke to C. E. Sorensen, 27 Mar. 1931 (BFRC, Acc. 38, Box 7).

131 E. L. Clarke to H. S. Cooper, 5 June 1930 (BFRC, Acc. 880, Box 7, Langley Box 18).

132 Senate debate, 9 July 1930, vol. 13, col. 2116.

investment was always a temporary one and that his departure was inevitable. Later that year the Ford company was mentioned briefly in the Dáil. During a debate on relief schemes, Richard Anthony, Labour Party T.D. for Cork Borough, seemed to be decrying the existence of Ford in Cork when he said:

It may be suggested that Cork is particularly well off because of the Ford industry, but I want to tell you what may appear to be paradoxical, that at the peak point of the Ford industry, when some 7,000 persons were employed, there was never so much employment in Cork and never so many persons unemployed. That may be a paradox but it is true. I will explain the reason. Because of the activities of the Ford industry many thousands of persons were attracted to the city, but that great industry could not absorb all the unemployed persons.<sup>133</sup>

Even opposition spokesman, Sean Lemass, seemed quite accepting and low key on the debacle that had taken place:

When the Ford tractor works in Cork were started some 7,000 hands got employment there. That number has now been reduced to 2,000. Recently, quite a number of industrial concerns have been forced to reduce the employment given by them, while some of them have closed altogether.<sup>134</sup>

In a country with so little industry, and so in need of economic improvement, where such a major employer could benefit the lives of so many people, the loss seems to have received only cursory attention from all politicians. Perhaps they were misled by Perry and Sorensen's assurances and the promise that the company would be 'busier than ever later'.<sup>135</sup>

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<sup>133</sup> Dáil debates, 27 Nov. 1930, vol. 36, col. 701.

<sup>134</sup> *Ibid*, 28 Nov. 1930, vol. 36, col. 727.

<sup>135</sup> *CE*, 18 June 1930.

In the spring of 1931, the Cork plant was still turning out a small quantity of Fordson tractors, and despite the tariffs some of these tractors were being shipped to the United States where they fell foul of the customs authorities over ‘country of origin’ labelling. According to the *New York Times* a consignment of 441 tractors was refused entry because they did not comply with the tariff law regulations which provided ‘that imported articles must be indelibly marked with the country of origin’. Clarke’s team had inadvertently shipped the consignment with incorrect marking.<sup>136</sup> Sorensen wrote to Clarke, saying that heavy penalties were being threatened if the tractors were not marked ‘Made in Ireland’.<sup>137</sup> The problem arose since under the 1928 plan the assets of Henry Ford & Son had been transferred to the Ford Motor Company Limited and consequently, tractors exports had been labelled ‘Ford Motor Company, Cork’.<sup>138</sup> American customs demanded that the vehicles be identified with a clear statement of their country of origin and Clarke’s advice suggested that the attachment of an additional label stating ‘Made in the Irish Free State’ would satisfy this requirement, however, he had not implemented the change for the current shipment.<sup>139</sup> In response to Sorensen’s query Clarke replied lamely that they had only received the dies and would correct it immediately.<sup>140</sup> Clarke’s oversight proved expensive as to gain admission required the payment of an extra ten per cent duty, otherwise the tractors could be returned to Ireland.<sup>141</sup> Sorensen said: ‘it looks like we will have to pay penalties up to \$20,000’.<sup>142</sup> Meanwhile, Michael MacWhite,

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136 *New York Times*, 5 Feb. 1931.

137 C. E. Sorensen to E. L. Clarke, 3 Feb. 1931 (BFRC, Acc. 38, Box 7).

138 See chapter seven.

139 E. L. Clarke to C. E. Sorensen, 4/5 Feb. 1931 (BFRC, Acc. 38, Box 7).

140 *Ibid.*, 6 Feb. 1931 (BFRC, Acc. 38, Box 7).

141 *New York Times*, 5 Feb. 1931.

142 C. E. Sorensen to E. L. Clarke, 6 Feb. 1931 (BFRC, Acc. 38, Box 7).

Irish Free State Minister plenipotentiary, having read of Ford's problem in the American papers, wrote to Sorensen asking to be informed of the situation, so that he could make official representations in Washington.<sup>143</sup> It is unlikely that his representations were of any benefit because by mid-summer the negotiations were still ongoing and the issue was now being dealt with by W. C. Cowling of Ford's general traffic department. Cowling wrote to Clarke to say that he was still awaiting a final decision from the customs. He had asked for a leeway of ninety days after the decision was made in order to change the manufacturing process to meet their requirements. By now the attitude of the customs authorities had hardened and they were demanding that a substantial number of parts be marked. While Cowling could ask for a delay in implementation of the marking requirements he admitted that 'we could hardly insist that the marking be omitted in view of the fact that our part number or the name "Fordson" has already been placed there during manufacture'.<sup>144</sup> Thus, tractor exports from Cork continued to face, not just the increased tariffs under the Smoot-Hawley legislation, but also considerable bureaucratic intransigence on the part of the American customs department.

As the months of 1930 passed and it became apparent that tractor sales were not reviving, Perry sought to find work to absorb Cork's increasing overheads. The first option, as always, was to provide parts for Manchester. William Squire, who had returned to England about the beginning of July 1929, drew up a list of additional Model A parts which could be produced using Cork's existing equipment and at a price competitive with

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143 Michael MacWhite to C. E. Sorensen, 5 Feb. 1931 (BFRC, Acc. 38, Box 7). MacWhite had been appointed Minister Plenipotentiary and Envoy Extraordinary of the Irish Free State to the United States in 1929.

'UCD Archives' (<http://www.ucd.ie/archives/html/collections/macwhite,%20michael.html>) (29 Aug. 2007).

144 W. C. Cowling (of the general traffic dept.) to E. L. Clarke, 7 July 1931 (BFRC, Acc. 38, Box 7).

Detroit.<sup>145</sup> Estimating that the parts listed would employ about 85 men working on two shifts, he reminded Perry of the plant's capacity problem-that if tractor demand increased to about one hundred and fifty per day then the equipment would have to revert to tractor production.<sup>146</sup> Unfortunately, such a prospect was no longer likely. Earlier in the year, in the very busy days of April, Perry had intended to move Model A engine castings to Detroit in order to free the Cork plant from having to supply Manchester and to allow it to concentrate on the quality and quantity problems in the foundry.<sup>147</sup> Now, it was necessary to reverse this policy and give Cork as much work as possible. Perry pointed out to Sorensen that the range of additional Model A parts which Cork could produce was very limited, 'moreover, we have to pay duty of 22.22 per cent on everything that is taken to Dagenham or Manchester'.<sup>148</sup> The combination of excise duty and the poor quality of Cork parts seems to have dimmed his enthusiasm for producing parts there. With about a thousand men employed turning out Model A castings and a small number of tractors, when Perry wrote to Sorensen in late August 1931, this work was due to finish as 'according to programme this is petering out and will cease entirely when the foundry at Dagenham starts'.<sup>149</sup> The much-delayed Dagenham plant was scheduled to come on stream within the next few months and when Perry and Sorensen had discussed Cork's future they had agreed that with regard to 'the question of Cork's foundry, it will either have to be closed altogether or occupy itself on outside work'.<sup>150</sup> In other words, its role as a Ford foundry was finished and its only future lay in finding work outside the Ford

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145 Mira Wilkins interview with W. J. Squire, 5 Sept. 1960 (BFRC, Acc. 880, Box 5) p. 2.

146 W. J. Squire to P. Perry, 9 Oct. 1930 (BFRC, Acc. 38, Box 3).

147 P. Perry to C. E. Sorensen, 2 Apr. 1930 (BFRC, Acc 572, Box 17).

148 Ibid., 10 Oct. 1930 (BFRC, Acc. 38, Box 3).

149 Ibid., 21 Aug. 1931 (BFRC, Acc 572, Box 18).

150 Ibid.

organisation. It was no longer a question solely of absorbing overheads, the survival of the foundry was at risk and with it the survival of the whole Cork plant. When the foundry closure had been first decided in 1930 the Cork plant had a substantial tractor business, but with that business reduced to a fraction of its former output, there was no justification for maintaining the Cork plant. Closing the foundry would have involved a write-off of £182,000 worth of equipment as well as leaving a building valued at £120,000, standing idle.<sup>151</sup> Faced with no alternative but to find a new product line led Perry to the ‘adventure’ mentioned earlier; a scheme to produce industrial castings-plumbing supplies, such as pipework and guttering.<sup>152</sup>

Prompted by Sorensen, Perry and Clarke had ‘followed every possible avenue for the purpose of obtaining outside foundry work’.<sup>153</sup> In the face of stiff competition from other suppliers, who like Ford, were suffering from the recession and were, to quote Perry, just keeping ‘the wheels turning round irrespective of profit’, they succeeded in getting an order for 50,000 lavatory flush cisterns to a value of £8,750.<sup>154</sup> Ford’s costing calculations were worked out in ignorance of the issues and the problems to be overcome; Perry authorised the deal despite incurring a loss, solely in order ‘to reduce overheads and also to bring down the average wage rates’.<sup>155</sup> A further deal for rainwater gutters and similar fittings to the value of £80,000 was achieved on a more accurate costing basis. Perry reported that the order was from a ‘combination of builders merchants, ironmongery merchants and builders, under the leadership of Mr Robert Donald of

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151 A. R. Smith to P. Perry, 16 Mar. 1932 (BFRC, Acc. 572, Box 18).

152 P. Perry to C. E. Sorensen, 21 Aug. 1931 (BFRC, Acc. 572, Box 18).

153 Ibid.

154 Ibid.

155 Ibid.

Rownson, Drew and Clydesdale'.<sup>156</sup> Henry Ford & Son were on new and unfamiliar ground when quoting for these products and had the additional problem that their higher wages invariably made their quotation uncompetitive. In dealing with the builder's merchants, Donald had informed them of the prevailing prices for such goods and also the price that he was prepared to pay, which helped them formulate their quotation.<sup>157</sup> However, Clarke's costing showed that, at best, the company would lose about £1,500 on the deal. It remained to be seen if this 'outside work' represented a viable business for the company.

With Henry Ford & Son about to embark on this totally new venture, Clarke saw an opportunity to introduce suitable expertise to help get it started. He wrote to Russell Gnau, Sorensen's secretary, saying that:

In order to fully utilise our foundry capacity we are considering [the] advisability of manufacturing cast-iron piping and fittings and other industrial castings. Would you like to arrange for Sullivan and Arbuthnot to visit some good factory on the class of work for the purpose of getting lined up on equipment and moulding and coremaking methods?<sup>158</sup>

Later, Detroit organised for the two men to have a comprehensive introduction to the manufacture of industrial castings at J. B. Clow's, Coshocton, Ohio and on their return to Ireland they assisted with setting up the new industrial casting operation.<sup>159</sup>

Perry was aware that the whole venture was risky, particularly where costs and profitability were concerned. Additionally, a large part of the work contracted for, was piping, which Sorensen had specifically cautioned Arbuthnot and Sullivan to avoid. Perry

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156 P. Perry to C. E. Sorensen, 21 Aug. 1931 (BFRC, Acc. 572, Box 18).

157 Ibid.

158 E. L. Clarke to R. Gnau, cable 3/4 June 1931 (BFRC, Acc. 38, Box 7).

159 Sorensen's office to E. L. Clarke, 10 June 1931 (BFRC, Acc. 38, Box 7).

had no choice but to accept the piping, as otherwise he would not have got the order. He felt that while they had to learn to do the work efficiently, even so, he feared that the risks being undertaken were ‘too onerous’ and such was the possibility of a very big financial loss that it might be more prudent to close Cork rather than incur this cost.<sup>160</sup> Consequently, to lessen the risk and perhaps make a profit, Perry proposed that they would reduce wage rates. ‘There is no doubt at least until such time as we learn how to make our labour on “outside work” as efficient as it is for the automobile work, it will be impossible to pay the established Ford rate of wages.’<sup>161</sup> He proposed an eighteen per cent reduction, reducing the average wage from 2s.4d. per hour down to 1s.11d. He believed that if he implemented this scheme ‘the men would be only too glad to take less wages and get more regular employment’.<sup>162</sup> His plan would replace intermittent work, two or three days a week, for 1,250 men at Ford wage rates with full-time work for a thousand at the new lower rate, while converting a projected loss into a profit of about £1,787. The new work might also offer better security since Ford foundry work was scheduled to transfer to Dagenham, the industrial castings could be continued in Cork. Hence he believed that the cast-iron work was a solution to their problems and that the company could learn this new business, become more efficient and eventually dominate the markets and restore the worker’s wages. In closing, he said, ‘if we can swing clear with this contract and at the same time give regular employment to a thousand men we shall be doing a useful thing’.<sup>163</sup> When Sorensen received this letter he passed it to Edsel

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<sup>160</sup> P. Perry to C. E. Sorensen, 21 Aug. 1931 (BFRC, Acc. 572, Box 18).

<sup>161</sup> Ibid.

<sup>162</sup> Ibid., see also Cork payroll rates, 21 Aug. 1931 (BFRC, Acc. 572, Box 18).

<sup>163</sup> P. Perry to C. E. Sorensen, 21 Aug. 1931 (BFRC, Acc. 572, Box 18).

Ford with the scribbled comment ‘note Perry is reducing wages, first I heard of it’.<sup>164</sup> As often in the past, Perry was operating on his own initiative. The new reduced rates were scheduled to go into effect on Monday, 24 August 1931.

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From the earliest days the fate of Henry Ford & Son, Cork had been bound up with British events, but the building of Dagenham represented the greatest threat so far to the existence of the Cork plant. In the years between the original purchase of the Dagenham site in 1924 and the turning of the first sod on 17 May 1929, Cork’s foundry had the benefit of all the casting work it could handle, but now after many delays, work at Dagenham was progressing rapidly.<sup>165</sup> On 1 October 1931 Rowland Smith, works manager, ceremoniously drove Dagenham’s first vehicle, a truck, off the production line.<sup>166</sup> The new Dagenham plant was a vast manufacturing centre, designed to benefit from the economies of scale brought about by integrating British and European operations under one roof. Originally designed to turn out 250,000 cars per year the plant was calculated to replicate, on a European scale, the Rouge system of supplying American branch assembly plants.<sup>167</sup> Clearly, to be profitable Dagenham needed volume throughput, but as a result of the recession and the public’s increasing disenchantment with Ford’s oversized and outdated cars, there was a massive fall-off in demand. Total British production for 1931 amounted to 24,152 vehicles, down from 27,861 the previous year.<sup>168</sup> Thus, by the time Dagenham came into operation its huge excess capacity meant

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164 P. Perry to C. E. Sorensen, 21 Aug. 1931 (BFRC, Acc. 572, Box 18).

165 Roberts, *Ford Model Y*, p. 17.

166 Burgess-Wise, *Ford at Dagenham*, p. 39.

167 Tolliday, ‘Ford in Britain’, p. 19.

168 WH, p. 436.

that any production would have been welcome there, particularly the Irish production with its additional tariff costs. Even the Manchester plant was abandoned to provide production for Dagenham. In the original scheme Manchester had been designated as an assembly plant, but now its production lines were moved south as soon as the Dagenham buildings were completed, so that by the end of 1931 most of Manchester's buildings had been vacated.<sup>169</sup>

Events in both Cork and Dagenham were causing such concern for Perry, that by the year end, he was sarcastically describing Cork as our 'white elephant' plant.<sup>170</sup> Thus, three years after Henry Ford's restoration of Cork as the sole Fordson tractor factory and only eighteen months since it had reached its peak output, support for the Cork factory was fading, its prospects of remaining opening looked bleak if the industrial castings contracts were not successful. From a financial perspective the logic of moving the small remaining tractor demand to Dagenham was inescapable; it avoided additional tariffs and absorbed Dagenham overheads; moreover, Ford could expect that quality would improve when all foundry operations were consolidated into one large and efficient unit. This left Cork with no substantial motor business, but even as it seemed that Cork would close, other events were taking place which would affect this outcome. For example, the alarming decline in demand for the company's 'American style' cars forced the company to consider designing a new small-engined British car to regain market share. Henry Ford's stubborn policy of marketing a single model both at home and abroad was finally changed, when on 19 October 1931, work began in Dearborn on a new small car for Europe. This project resulted in the Model Y, a prototype of which made its first

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<sup>169</sup> WH, p. 237.

<sup>170</sup> P. Perry to C. E. Sorensen, 1 Dec. 1931 (BFRC, Acc. 38, Box 6)

appearance on 19 February 1932 at the Royal Albert Hall in London.<sup>171</sup> The Model Y proved to be very popular and changed Ford's fortunes in Britain and Ireland. Meanwhile, in Ireland and equally significant from Henry Ford & Son's point of view, the protectionist Fianna Fáil party, led by Éamon de Valera, were about to contest the Irish Free State 1932 general election.

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Following investigations by the costing department in early January 1932, Perry was informed, to his dismay, that Cork's industrial casting operation was proving to be less than successful. He admitted to Sorensen 'that the amount of scrap was abnormal and the cost of production was much greater than the selling price'.<sup>172</sup> Following the signing of the contracts, specialised equipment had been purchased, expert advice had been sought on specific problems, but despite this, little improvement was forthcoming.<sup>173</sup> Clarke and his team seemed incapable of overcoming the industrial casting's production problems. Perry despatched Rowland Smith to investigate. Smith's assessment of the operation was scathing; he wrote: 'Clarke and Zierold are "chasing their own tails".<sup>174</sup> They have certainly been "stampeded" on this job and this has reduced them to a frame of mind which quite unfits them for finding a way out of their troubles and putting the job on a profitable basis'.<sup>175</sup> He quoted the case where an opportunity had arisen to produce manhole covers, but the idea was rejected by Clarke, despite the fact that the additional product line would have helped reduce overheads, which were about to be adversely

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171 Roberts, *Ford Model Y*, p. 36.

172 P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

173 A. R. Smith to P. Perry, 16 Mar. 1932 (BFRC, Acc. 572, Box 18).

174 There is no information as to where Zierold came from or what his position was in the Cork organisation, but he appears to have worked either as the plant or foundry manager. He was mentioned in *CE* 27 Feb. 1929 as J. Zierold.

175 A. R. Smith to P. Perry, 16 Mar. 1932 (BFRC, Acc. 572, Box 18).

affected by the transfer of all motor car and tractor castings to Dagenham. According to Smith, Clarke ‘lacked industrial courage’. Clarke’s only suggestion to improve costs was to reduce wages again. Smith felt this ‘should be the last expedient as men were not likely to work “all out” for such a rate’.<sup>176</sup> Describing Clarke and Zierold as ‘beaten men’, he recommended sacking them both and changing the management completely.<sup>177</sup> The only issue remaining was what to do about the industrial castings contract. Smith identified two choices, firstly, close the foundry and pay the customer a large penalty charge for failing to meet their contractual obligations, or alternatively, continue with production and make the business pay. He recommended the latter as the most sensible option. His opinion was that it would cost less in the longer run and that the company’s prestige would be maintained. In addition, since they were at the early stages of an eighteen month contract, they could expect efficiency to improve as they gained experience. The hope for the Cork plant was that if, in the following eighteen months, Ford fulfilled their contract they would command eighty per cent of the English builder’s merchants’ market, and be well placed to have a profitable business. The only risk he foresaw to this scheme was the political risk that the British Government might impose ‘a tax of ten percent or even more on castings from the Free State in the event of de Valera’s government seceding from allegiance to the Crown’.<sup>178</sup>

Perry supported Smith’s view in spite of his initial feeling that ‘the best economy would be to endeavour to cancel the orders we had accepted and/or place them with sub-

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176 A. R. Smith to P. Perry, 16 Mar. 1932 (BFRC, Acc. 572, Box 18).

177 Ibid.

178 Ibid.

contractors who could work at lower costs'.<sup>179</sup> Won over by Smith's report he felt justified in trying to create a profitable future for the Cork foundry, but claimed to have lost 'the last vestige of faith' in Clarke and the Cork management. However, he was reluctant to sack him 'because of the existing political situation' in Cork.<sup>180</sup> He suggested that John O'Neill, a man who was 'well trained in Ford policies' and who had worked in a number of branches overseas, could act to bolster up Clarke 'as he seems to be a much stronger character'.<sup>181</sup> Two years earlier when the pressure was on to get the plant up and running, Clarke had been rewarded for his efforts by having his salary increased to £2,250 per annum. Now, Perry proposed telling Clarke 'that he was not worth and never could be worth' such a high salary and intended giving him, what he called, 'a good Irishman's rise'.<sup>182</sup> Lest Sorensen think he was weak not to sack Clarke, Perry pointed out that it this would be unwise course to take, since Clarke, an Irishman, had been identified with the Cork plant for almost six years and Perry could 'readily envisage riots and all sorts of destruction at Cork if, on top of everything else, we threw Clarke out into the street'.<sup>183</sup>

Perry's sensational assertions arose from his fears regarding the recent change of government in the Free State. Fianna Fáil had contested the February 1932 general election and gained enough seats to form an administration with the support of the Labour party. The economic difficulties of the depression and de Valera's promises of political and social change had led to the first change of government since the foundation

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179 A. R. Smith to P. Perry, 16 Mar. 1932 (BFRC, Acc. 572, Box 18).

180 Ibid.

181 Ibid.

182 Ibid.

183 Ibid.

of the state. Many wondered if after ten years in power, Cumann na nGaedheal, the victors of the civil war, would relinquish the reins of government to their opponents. In the event, Cosgrave adhered to the principles of democracy and handed over power, but in the lead up to the election and in an attempt to hold onto power, the government had made efforts to mount a 'red scare'. So there was a widely held expectation of disturbances or even revolution, according to Hoppen: 'The comfortable classes expected the skies to fall in as red republicans led by the archfiend himself turned the world upside down.'<sup>184</sup>

Perry, too, was alarmed by the situation and his reaction to the intelligence received was somewhat hysterical, his anxieties no doubt stoked by local rumours and newspaper reports. Perry's fear, as expressed to Edsel Ford, was added to by the advice he received from an unnamed, but prominent cabinet minister, who, around the time of the election had warned him that there was 'trouble on the horizon'.<sup>185</sup> The minister's 'confidential verbal communication' warned Henry Ford & Son that they 'ought to "watch [their] step" because of possibilities of political disturbance'.<sup>186</sup> This opinion seemed to be confirmed when Perry attempted to get 'insurance against first loss caused by civil disturbance, riot and war' for a sum of £104,000, but was unable to get the full sum underwritten.<sup>187</sup> He wrote to Edsel Ford in April:

When I tell you that we were totally unable to get outside insurance, or underwriters to complete the policy, and it is impossible at this time to get any insurance at any price against the risk of loss by civil disturbance, riots and war in the South of Ireland, you will

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184 K. Theodore Hoppen, *Ireland since 1800: Conflict and conformity* (London, 1995), pp 180/1.

185 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

186 P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

187 First loss insurance policy is a type of partial insurance (which covers less than the full value of goods or property at risk).

'Business dictionary' (<http://www.businessdictionary.com/definition/first-loss-policy.html>) (6 Feb.2008).

appreciate the condition of affairs is considered to be very bad.<sup>188</sup>

Perry's interpretation of de Valera's statements added to his fear of imminent revolution. Writing to Sorensen he said that 'in this morning's papers deValera has come out flat-footed with a declaration that he is going virtually to turn the Free State into a republic by abrogating the oath of allegiance, repudiating the national debt, and other revolutionary steps'.<sup>189</sup> As we have seen previously, Perry was wary of the threat of communism and obviously gave sufficient credence to Cumann na nGaedheal's propaganda, as well as the anonymous minister's comments, to warn his management and shareholders at the annual general meeting in April 1932, that:

We regard the changed political outlook in the Free State with grave concern and apprehension. As a consequence we have made provision out of capital reserve for possible loss and depreciation in respect of our investment in Henry Ford and Son Ltd., of a sum amounting to £1,224,262.<sup>190</sup>

Justifying these remarks, he informed Edsel Ford that: 'The reference to the matter made by me in the speech to the shareholders was carefully considered and the actual wording approved by a cabinet minister'.<sup>191</sup> Perry offered no clue as to the identity of his cabinet confidante, but presumably he was from the former Cumann na nGaedheal government. Based on both public and private intelligence Perry seemed convinced that the Irish situation was about to erupt into violence, creating further problems for the company. According to him Ireland's unique situation meant that it was 'impossible to escape the political situation or to pursue an independent commercial policy'. His outlook contrasts

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188 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

189 P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

190 *IT*, 11 Apr. 1932

191 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

with Henry Ford's attitude. Ford had traded with the Russian Bolsheviks from as early as 1919 and while he did not support their ideology and insisted that his managers stay out of politics, he was a believer in change as part of the progress of society.<sup>192</sup> Perry had not been with the company during the war of independence and the civil war in the early 1920s and seems to have little understanding of the Irish political situation. He also appears anxious and ambivalent, lacking his usual confidence and drive in his report to Edsel.

Cork [Ford factory] lived through, without any considerable damage, all the Sinn Fein damage of 10 years ago. I do not contemplate anything very serious in the near future, but it is more than likely that there will be an organised revolution in Ireland and as you are aware, it is impossible to prognosticate what may happen as Irishmen, when their blood is up, do the most unreasonable and unaccountable things. De Valera's unofficial 'Irish Republican Army' is, I'm told, 24,000 strong, trained up to the minute, well armed and itching for a fight.<sup>193</sup>

Whether he was genuinely fearful of a revolution in Ireland, with possible damage to the Cork factory, or whether he was using the political position to reinforce the decision to close the Cork factory is not clear. Certainly, in reporting to Sorensen, he was increasingly pessimistic at the uphill struggle he faced. He said he was 'really in despair concerning the personnel and management at Cork, but also I have cold feet about Dagenham'.<sup>194</sup> With the Cork foundry still producing Model A engines and tractor demand running at about 35 units a day, Perry proposed that while they would continue 'to rely on Cork for tractor production until next September and casting until Dagenham

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<sup>192</sup> WH, pp 208/212.

<sup>193</sup> P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

<sup>194</sup> P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

foundry starts up', that the tractor department should be moved completely in September.<sup>195</sup> He was fully aware that the closure of Cork's foremost industry was bound to cause anger and disappointment amongst the workers and people of Cork, so he determined to keep the news of the move quiet, leaving Rowland Smith to organise the removal with the minimum of fuss and expense.<sup>196</sup>

Looking back on the three years of tractor production in Ireland, Perry appeared disappointed and discouraged that his earlier hopes for the plant had not materialised. He outlined the numerous difficulties encountered at the Irish plant, hinting that the idea of putting such a huge project into Cork was a mistake. The task, which had been undertaken so optimistically in 1928, had been damaged by inadequate management, unskilled labour and unsuitable machinery. The original production demands were more than could be coped with:

The optimistic estimates of all managers everywhere (including U.S.A.) called for a production far in excess of anything we could live up to and the ultimate collapse of demand and the necessity to clear the ground of heavy accumulated stocks all over the world, caused not only a hold-up in production, but considerable expense in re-distribution.<sup>197</sup>

The project had been embarked upon without adequate planning or organisation. Problems caused by the rapid introduction and installation of a large number of complex machines were exacerbated by the many changes in the tractor's design which Cork was instructed to incorporate. Since these changes were often unproven, they caused considerable delays due to the need for subsequent corrections. The demand for the

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195 P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

196 Ibid.

197 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

production of accumulated orders, especially from the Russians and particularly with unsuitable machinery operated by inexperienced labour, proved an impossible task. Even the decision to find work to occupy the Cork factory when tractor operations were transferred to Dagenham, he dismissed as an 'adventure'. However, in Perry's opinion, the biggest issue was the poor local management, unable to cope with the challenges presented to it: 'The management of Cork has never been strong and big enough to take hold of the rapid expansion which was occasioned by the transfer of the Dearborn plant.' While everything possible had been done to make a success of the venture, Perry went on that even had the management been competent the world depression and events over which they had no control would still have undermined Cork.<sup>198</sup> He acknowledged that he was wrong in his optimism and that 'all this is going back on what I have hoped so ardently to achieve at Cork, but I have to face facts, and in my excuse I hope you will agree that conditions are so different from what anyone and everyone thought they were going to be three years ago'.<sup>199</sup>

Henry Ford's enthusiastic efforts on two occasions to bring real industry to the city, had both ended in failure and the Cork factory was now finally doomed. The very promising global tractor business brought to Cork had failed to live up to its early promise, killed by the depression and American tariff barriers. Cork's respite was now at an end as the Dagenham plant started to produce. Perry presented Cork's future very starkly when he informed Edsel that 'the Cork premises would be retained as a distribution centre for the Irish Free State for our motor car and tractor products and should certainly pay its way (apart from the interest on the building and land

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198 P. Perry to Edsel Ford, 15 Apr.1932 (BFRC, Acc. 572, Box 18).

199 P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

investment).<sup>200</sup> In preparation for the move out of Cork, Perry sought formal permission from Edsel Ford to go ahead with centralising operations in Dagenham.<sup>201</sup>

In an apparent last ditch attempt to redeem some of Cork's losses, Perry, at a meeting of the directors on 1 April 1932, introduced the second wage reduction in less than a year. The minutes of the board of directors reads:

Having regard to the economic conditions of this country and other European countries, consideration was given to the question of affecting economies, and it was decided that effective 1 April 1932, the directors, executives and staff be requested to accept a reduction of 10 per cent in the amount of their salaries.<sup>202</sup>

The wage cut went into effect immediately, but the workers were not prepared to accept another unilaterally imposed wage cut and stopped work on the following Friday. Following the intervention of Mr D. O'Sullivan of the Department of Industry and Commerce and Fianna Fáil T.D. Mr T. P. Dowdall, the men resumed work.<sup>203</sup> The *Irish Times* reported that:

The exact terms of the settlement are not yet known but it is understood that any reductions in pay will affect only a small proportion of the workers and that the wages of those on the lower grades will not be reduced at all...nearly all hands, who number about 1600, were involved....<sup>204</sup>

It is not clear from the documentation available what percentage cut was applied to the workers, but since it was later described as the 'ten per cent reduction in salaries and the general reduction in wages' it seems that the ten per cent cut was applied to salary staff

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200 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

201 Ibid.

202 Minutes of board of directors' meeting, 1 Apr. 1932 (BFRC, Acc. 38, Box 10).

203 Thomas Dowdall, Fianna Fáil T.D. for Cork Borough.

204 *IT*, 11 Apr. 1932.

while a different regime applied to the general workers.<sup>205</sup> The deduction scheme continued for at least 21 months, as the manager, John O'Neill, in his quarterly report for December 1933, reported that total savings from the scheme for the period 1 April 1932 to the end of December 1933 amounted to £12,786.<sup>206</sup> A further meeting of the directors was held three weeks later, when again Perry had little in the way of good news to convey. He reported that the financial outcome for the year 1931 was an adverse balance of £129,316.1s. 6d. Tractor production for the year had amounted to 3,501 units while motor cars and trucks sold in the Irish Free State had dropped almost 30 per cent, down from 1930s record performance to 2,604 units. Perry also reported that the company had entered into a contract to produce cast-iron goods for Britain's largest group of builder's merchants. Despite the fact that the manufacture and costing of these products was already extremely problematic, strangely, he stated confidently that a 'considerable volume of business from this source will accrue in the year of 1932'.<sup>207</sup> He had already written to Edsel Ford seeking confirmation of the decision to close down all of Cork's production operations in September which meant that without a foundry these parts could not be produced.<sup>208</sup> It is not clear what his motivation was in making such a statement at that time, other than to distract from the imminent closure of production operations. There is no further mention of the industrial casting business in the available documents, but it would appear to have ceased soon after this, as the transfer of tractor equipment to Dagenham began on 30 July and continued through August 1932.<sup>209</sup>

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205 Cork manager's quarterly report (to Sept. 1933), 24 Oct. 1933 (BFRC, Acc. 712, Box 18).

206 Ibid.

207 Minutes of board of directors' meeting, 22 Apr. 1932 (BFRC, Acc. 38, Box 10).

208 P. Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

209 Cork manager's monthly report for Aug. 1932 (BFRC, Acc. 38, Box 10).

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The strategy of cutting Clarke's salary solved a problem for Perry, so that at the directors' meeting on 22 April he was able to report that 'Mr E. L. Clarke intimated that he desired to tender his resignation as director, secretary and general manager of the company'.<sup>210</sup> As we have seen, Perry was unhappy with Clarke, believing that he was not doing a good job and was overpaid for the work. He had refrained from sacking him due to the risk of a reaction in Cork, instead, he had instructed Smith to reduce his salary from £225 to £120 per month, effective from 1 April 1932.<sup>211</sup> Clarke was not prepared to accept this affront and tendered his resignation, which was accepted without comment. His severance pay amounted to three months salary at his new, reduced rate, covering a month's notice together with holiday pay for the previous and current years.<sup>212</sup> Following this ignominious dismissal by Perry, Clarke left the company. From his home in Knockree Park he wrote a polite and dignified farewell letter to Sorensen stating that: 'I have at all times done my utmost to give to the company the best and most concentrated service of which I was capable'. Offering Sorensen his 'sincere thanks for the many kindnesses and great support' he wished the company success with its new models and tendered his best wishes to Henry and Edsel Ford.<sup>213</sup> Like others before him, Clarke was probably 'burned out' after fifteen exhausting years with Ford. In his farewell letter to Sorensen, he made no negative comment about the company nor his relationship with it, which suggests that he may indeed have been relieved to be finished. Thus, another loyal,

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210 Minutes of board of directors' meeting, 22 Apr. 1932 (BFRC, Acc. 38, Box 10).

211 Clarke's salary was the equivalent of £2,700 per annum; previously, Perry had said that 'two years ago, his salary was put up to £2,250 per annum', its not clear if the difference is due to increases in the intervening period, which seems unlikely with the economic situation.

212 P. Perry to C. E. Sorensen, 22 Apr. 1932 (BFRC, Acc. 572, Box 18).

213 E. L. Clarke to C. E. Sorensen, 14 May 1932 (BFRC, Acc. 572, Box 18).

long-serving Ford employee was pushed out in the typical Ford manner. His replacement, John O'Neill, was appointed managing director of the company and went on to manage the company for the next twenty-seven years.<sup>214</sup>

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Clarke's forced resignation was not unusual; in fact the Ford company was notorious in this era for its treatment of its managers. As we have seen, many of the senior managers appointed to run the English business only lasted a short period and were then either fired or eased out. In Dearborn, Henry Ford was ruthless when it came to removing men who did not meet his approval or fully support his ways. According to Brinkley, Ford cultivated instability in the management ranks believing that 'insecurity fostered achievement'.<sup>215</sup> While the Irish company was less harsh in its treatment of its senior employees, nonetheless a significant number of the early managers, including Perry, Grace and Clarke, all left in unhappy circumstances.

During the financial difficulties in January 1921 Ford decimated the management ranks including many of his best executives.<sup>216</sup> According to Dean Marquis, who saw the sackings close up, Ford did not deal with these matters himself, instead he deputised Sorensen to do the dirty work. At first, Marquis, like many other workers, believed that Ford did not know what was actually going on.<sup>217</sup> While Ford was not aware of all of the actions taken by his subordinates, both Liebold and Sorensen were scrupulous in following the wishes of their boss. When Marquis eventually became convinced of Ford's involvement he left the company in January 1921, disheartened by what he had

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214 Ford & Son, *Ford in Ireland*, p. 29.

215 Brinkley, *Wheels for the world*, p. 290.

216 *Ibid.*, pp 269/70.

217 Marquis, *Henry Ford*, p.172.

seen.<sup>218</sup>

Callous and absurd methods of dismissal were common in the company. Managers could arrive at work and find their desk destroyed or their department moved and nobody prepared to tell them where it had gone to, giving them a clear signal that they no longer had a job.<sup>219</sup> Many executives were frozen out of their jobs and forced to resign.<sup>220</sup> Another method of dismissal was to send someone on holidays and telegram him with the bad news. For example, in August 1928, William Klann was fired in this manner. He was worried about his position, as many other managers had recently been fired, but was persuaded to take holidays by P. E. Martin, production superintendent. En route, Klann stopped off at a tractor dealers and while he was there helping the agent with a problem the local sheriff arrived and told him he had been discharged from the Ford company. No reason was given. Klann, who hated Sorensen, was clear that he was behind the dismissal.<sup>221</sup> Sorensen, acting at Henry Ford's behest had also fired Klann's boss, Ernest Kanzler, on 26 July 1926.<sup>222</sup> Peter Drucker argues that Henry Ford wanted to manage the business without managers, but in doing so lead the company to near collapse. When executives 'seemed to acquire managerial authority or responsibility of their own they were generally fired'.<sup>223</sup> According to Drucker, Ford 'misdirected managers, set up their jobs improperly, created a spirit of suspicion and frustration,

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218 Marquis, *Henry Ford*, p. xv.

219 Brinkley, *Wheels for the world*, p. 288.

220 Keith Sward, *The legend of Henry Ford* (New York, 1948), pp 189/ 90.

221 William C. Klann, reminiscences (BFRC, Acc 572, Box 20), pp 292/300, 306/307 and 312.

222 Kanzler was a very effective vice-president of Ford Motor Company, appointed by Edsel Ford, who had deigned to point out to Henry the need for a replacement for the Model T; see Brinkley, *Wheels for the world*, p. 345.

223 Peter Drucker, *The practice of management* (London, 1969) pp 141/142.

misorganised his company and misdeveloped management people'.<sup>224</sup> Ford needed technicians, but as the owner, he felt that management was his prerogative. He expected his executives to be personal assistants, to follow his instructions, but not to initiate, only those who followed his dictates to the letter, such as Sorensen and Liebold, survived.<sup>225</sup>

While Perry used typical Ford tactics to oust E. L. Clarke in 1932, Perry himself, despite his work for the Ford Motor Company through the war years and before, fell from favour and was dismissed, sharing the fate of so many Ford executives. As in many other cases, the exact causes are unclear. As early as March 1918, criticism of his work was expressed by Frank L Klingensmith, newly appointed vice-president and treasurer of the Ford Motor Company. He felt that Perry had spent too much of Ford's time on government work, that he was 'not working for the Ford Motor Company but giving [his] entire time to the British government'.<sup>226</sup> Perry responded to Klingensmith, with a copy to Edsel Ford, defending his actions, outlining how he had used contacts at government level to further the company's aims and pointing out that the government positions which he held had been of significant assistance in furthering Ford's business.<sup>227</sup> Perry claimed that the accusations were 'either made in ignorance of the prevailing conditions or with the intention of deliberately misleading you and making mischief'.<sup>228</sup> After a lull when the matter seemed to have subsided, further allegations arose. H. A. Bate, Perry's assistant, cabled Klingensmith making accusations against Perry of 'subordination of

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224 Drucker, *The practice of management*, p.149.

225 Ibid., p.143.

226 P. Perry to F. L. Klingensmith, 10 Apr. 1918 (BFRC, Acc. 6, Box 5).

227 WH, p. 83, see P. Perry to F. L. Klingensmith, 10 Apr. 1918 (BFRC, Acc. 6, Box 5).

228 Tolliday, 'Ford in Britain', p. 12.

funds, organisation and product to personal interest'.<sup>229</sup> Klingensmith did not believe the charges against Perry describing them as 'too serious to be well founded', but nonetheless decided, in early 1919, to send the Highland Park plant manager William S. Knudsen and Albert Byrns of the Auditing Department to Europe to investigate.<sup>230</sup>

By this time Perry's health was poor and while Knudsen was impressed with his business ideas and tended to dismiss the charges that had been made against him, he was critical of Perry's administration and his political manoeuvrings. He was doubtful of the benefits to the company of his political contacts in peacetime and suspected that Perry had political aspirations which might cause problems.<sup>231</sup> In his reports to Klingensmith there were hints of wrongdoing regarding his use of business contacts.

There is no doubt that a coterie of men have until recently received substantial preference in their business the directorates of which interlock to a great extent, and that these men have possibly obtained such advantage by assisting the managing director's political aspirations which are frank and undisguised.<sup>232</sup>

Perry's political networking and lobbying on Ford's behalf was interpreted by Knudsen as ambitious political scheming and while he did not spell out the nature of Perry's political ambitions, Knudsen listed a number of business issues, such as hire purchase, truck distribution, insurance arrangements, all of which were being operated against Ford company policy. Even Perry's management of the business was found wanting. Knudsen reported that:

The way our business here is run...on a kindergarten plan with different men getting

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229 F. L. Klingensmith to Edsel Ford, 5 Feb. 1919 (BFRC, Acc.572, Box 18).

230 Ibid., Knudsen (of whom Henry Ford said 'the best production man in the United States', Lacey, *Ford*, p. 274) and Klingensmith, were both soon gone from Ford; Knudsen in Feb. 1921 and Klingensmith in late 1920, see Lacey, *Ford*, p. 273.

231 WH, p. 84. See Knudsen to Klingensmith, 4 Mar. and 15 Mar. 1919, (BFRC, Acc. 334, Box 1).

232 Tolliday, 'Ford in Britain', p. 12.

overlapping charges...An enormous amount of business radiates direct from the office on Shaftsbury Avenue where business, politics, personal matters, and policies are being worked at with feverish haste and in a hopeless tangle.<sup>233</sup>

These allegations by Knudsen were too serious to be left unanswered. To put his case in person, Perry sailed to Dearborn and on 29 April 1919 met Edsel and Henry Ford who questioned him critically on his stewardship of the business. Henry Ford appears to have been unhappy with Perry's business practices and rejected his other ideas on the future development of the company, as well as his continued promotion of the Southampton location. Ford offered Perry a salaried position managing the Cork tractor plant, while insisting he step down as managing director of Ford of England.<sup>234</sup> Effectively, Perry was being rewarded for his success and loyalty with a demotion to a backwater, with little responsibility or scope for advancement. This exile to Cork with its associated loss in prestige and status presented a deliberate affront to Perry, in all probability calculated to encourage him to leave the company.

A special meeting of the shareholders of the Ford Motor Company (England) was held on 13 May 1919 to confirm the new arrangements. Having demoted Perry, Sorensen was clearly under instructions to ensure that Perry spent his time in Cork. At the end of July Sorensen cabled Perry asking him to assist Edward Grace who had arrived in Cork earlier in the month.<sup>235</sup> He said he 'would like to have you spend every moment you can with him until he returns. [I] would like to see him home in four weeks'.<sup>236</sup> At the same time Sorensen was writing to Grace: 'Is Perry working right along with you? If not show

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233 WH, p. 85.

234 Ibid.

235 Ibid., p.102.

236 C. E. Sorensen to P. Perry, 29 July 1919 (BFRC, Acc.572, Box 18).

him that he must be with you continually so you can turn your work over to him in four weeks. How much has he been in Cork? [I] insist upon his being with you.<sup>237</sup> Perry's health was still very poor and on 15 August 1919 he wrote to Dearborn explaining his medical situation and the necessity to follow his doctor's advice. However, the last straw for Perry arose out of a cable he sent to Henry Ford notifying him that J. L. Fawsitt of CIDA was in America with a letter of introduction to Ford from him. Perry asked to be kept advised of these matters as he was aware of the 'extreme delicacy of the political and industrial situation in Ireland'. Ford's secretary E. G. Liebold, who acted as both protector and spokesperson for Ford, cabled back to Perry: '[I] cannot see what can be gained through keeping you posted from this end [and] believe the best manner for you to keep posted would be in Cork.' This rebuff was interpreted by Perry as an instruction to stay in Cork which his health forbade him from doing. His response was to resign his position.<sup>238</sup>

Protesting his loyalty to Ford, Perry wrote to both Edsel Ford and Sorensen. In his letter to the latter he said: 'I must ask you to believe it possible that anything Knudsen may say is very much biased by prejudice and self-interest.'<sup>239</sup> After his departure from Ford, Perry headed a successful company trading in war surplus motor vehicles until his return to Ford nearly nine years later. Not everyone believed his story of ill-health. 'Perry had an ulterior motive for resigning' wrote Ford's public relations department almost six decades later, 'well aware that peacetime would bring a huge demand for motor vehicles, he had formed a consortium to purchase war surplus cars and trucks in France and sell

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237 C. E. Sorensen to Edward Grace, 25 July 1919 (BFRC, Acc.572, Box 18).

238 Minutes of directors' meeting, 29 Sept. 1919 (BFRC, Acc.328, Box 1)

239 P. Perry to C. E. Sorensen, 30 Sept. 1919 (BFRC, Acc. 328, Box 1).

them in England'.<sup>240</sup> Meanwhile in nationalist circles gossip regarding suspicions of Perry and his departure were widespread. In an internal memo Kevin Sheil wrote that Perry was dismissed 'for carrying on with the English motor interests against Fords'.<sup>241</sup>

Perry was unusual in that Henry Ford afterwards accepted that he been mistaken in his decision and in 1928 welcomed Perry back into the company.<sup>242</sup> Fifteen years later, Ford in a confused state following minor strokes in 1937 and 1941, again turned against Perry and ordered him to resign.<sup>243</sup> A letter sent on 7 June 1943 signed by Sorensen instructed him to resign from Ford, but as Perry was a very sick man the English board of directors decided not act on it.<sup>244</sup> According to Perry's long-time secretary, Miss Howard, they never understood what was behind the dismissal, but the following day they received another letter saying to 'ignore the previous letter...Henry Ford was getting senile, and he was acting entirely irrationally'.<sup>245</sup> Perry finally retired in 1948.<sup>246</sup>

Following Perry's departure Edward Grace took over as his successor and managed Henry Ford & Son until July 1926 when he too was forced out of the company. For much of his period as manager, Grace was the locus of continuity and stability in the management of the company in both England and Ireland. He remained in position while British managers came and went. His battles to ensure the success of Cork, as well as his role in advising and directing British management, all contributed to the Ford's development and success. During this period he enjoyed the confidence of Edsel Ford

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240 Ford & Son, *Ford in Ireland*, p. 14.

241 Kevin O'Sheil, Internal memo, 'Customs, Imperial Preference and the North East', 24 Mar. 1923 (NAI, Department of Taoiseach, S 5782A).

242 WH, p.189.

243 Brinkey, *Wheels for the world*, p. 469.

244 Sorensen, *Forty years with Ford*, pp 246/247.

245 Mira Wilkins interview with Miss Vera Howard, 10 Aug. 1960 (BFRC, Acc. 880. Box 5) p. 5.

246 Bryan, *Henry's lieutenants*, p. 233.

and Sorensen, though he endured plenty of criticism and abuse from Sorensen. The reason for his dismissal is uncertain, but early in 1926 on a visit to Dearborn he was obviously facing a personal dilemma. An unsigned letter to Gehle stated that:

Ed Grace is pretty much undecided just what to do. His little boy you know, has a touch of the con and the doctors advise keeping him in Arizona, until he outgrows this disease.<sup>247</sup> Ed will probably have to move there as he says he will not live anywhere without his family and you can't blame him. I think he deserves a lot of consideration because he has things in pretty good order in Cork and he put in quite a bit of hardship over there. On top of this it is a 100 to 1 shot that the little fellow contracted this disease while in Ireland and the company should feel obligated to a certain extent. It is a pretty tough problem for Ed to decide just what to do. It would be quite a job to find a position for him in Arizona.<sup>248</sup>

Shortly after, during the week ending 13 February 1926, H. S. Jenkins visited Ireland and carried out an investigation of the Cork organisation as well as the main Ford dealerships. Identifying 'no outstanding weaknesses' he reported that he had spent considerable time with Grace discussing operational problems, however, he made no comment on the likelihood of Grace departing from Cork, or whether the issue had been discussed during Grace's recent trip to the United States. Jenkins' report was addressed to the company president, Edsel Ford and reached his office on 15 March from where it was then passed to Kanzler and Sorensen. Kanzler scribbled on it: 'This will give you an angle on how Grace handled his plant and organization'.<sup>249</sup> These comments and the plant report seem positive, suggesting no criticism of Grace. Subsequently Grace's

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<sup>247</sup> Consumption.

<sup>248</sup> Unsigned letter, most likely from Russell Gnau, Sorensen's secretary to Gehle, 22 Jan. 1926 (BFRC, Acc. 572, Box 17).

<sup>249</sup> H. S. Jenkins to Edsel Ford, 22 Feb. 1926 (BFRC, Acc. 6, Box 5).

departure was reported by the *Cork Examiner* on Thursday 18 March with the explanation that he was ‘to take over control of the Ford works in California’.<sup>250</sup> The report also commented on the valuable presentations which he had received ‘during the past few weeks’ implying that the announcement of his transfer had been made at the end of February. Two days later, on Saturday 20 March, the same paper published a photograph of Ford’s 1,300 employees after a retirement presentation to Grace. Somewhat prematurely they said: ‘Mr E. L. Clarke who has been assistant manager, has been appointed by Mr Henry Ford as Mr Edward Grace’s successor’.<sup>251</sup> All of this implies that Grace’s transfer was communicated to him about the end of February or early March, perhaps even as early as his January visit to Dearborn. At this time there seems no suggestion that it was other than an amicable arrangement. By the time of the next inspection of the Cork operation at the end of May, Grace was definitely gone, but a successor had not been appointed and speculation was rife. Jenkins said: ‘We understand that Mr Grace told Mr Clarke he would succeed to the managing director’s job....I would suggest that the appointment be made there at the earliest possible date’.<sup>252</sup> From the foregoing it appears that Grace departed from Cork sometime around the end of March, however the reasons for his departure are not clear.<sup>253</sup>

William Squire, who had worked as a machinist alongside Grace in Dearborn in 1915/16, later said that he was a marvellous character, a non-drinker, non-smoker and a good churchman, but ‘wine, women and song’ ruined him in Ireland and led to his

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250 *CE*, 18 Mar. 1926.

251 *Ibid.*

252 H. S. Jenkins to Edsel Ford, 3 June 1926 (BFRC, Acc. 6, Box 5). The inspection was carried out on 25/28 May 1926.

253 Grace’s departure dated 1 July 1926 by Ford & Son, *Ford in Ireland*, p. 22.

discharge from Ford and he never returned to work for Ford in the United States.<sup>254</sup> Klann in his oral testimony claimed to have been responsible for getting rid of Grace.<sup>255</sup> He said that he had told Grace to return to America, then criticised him for entertaining the hockey team, 'I didn't like that because I thought he should be watching his shop a little instead of entertaining girls all the time'. However, in America, Klann claimed he had instructed Grace to don overalls and get to work. Grace refused to accept this order, preferring to quit. By forcing Grace to accept a reduction in status, in effect a demotion from management back to working in overalls, Klann was attempting to freeze him out, leaving him with little choice but to resign.<sup>256</sup> Klann offered no date for this event, but it may have been after Grace's return from Ireland at the end of March or early April. While Klann and Squire's recollection suggest that Grace's behaviour in Ireland was the cause of his downfall an alternative explanation is that internal Dearborn politics was the cause. Grace may have been caught in the crossfire of a power struggle between Sorensen's faction and P. E. Martin's group, to which Klann belonged. As manufacturing operations were being moved from Highland Park to the massive new River Rouge plant, the atmosphere became increasingly tense as Sorensen struggled to consolidate his hold on the new plant and prevent P.E. Martin from taking over. One of the tactics used was to fire managers from the opposition's group. These dismissals were not based on necessity, but seem to be based on undermining the opposition and unsettling employees at all levels leaving them tense and fearful with their job security undermined.<sup>257</sup> Klann was

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254 Mira Wilkins interview with W. J. Squire, 5 Sept.1960 (BFRC, Acc. 880, Box 5) p.1., Squire also commented that at that time 'Grace is still alive and living in Detroit ---with a gear company.'

255 Reminiscences of W. C. Klann, Sept.1955 (BFRC, Acc. 65 ), pp 302/3.

256 Ibid.

257 Brinkley, *Wheels for the world*, p. 286.

unhappy with Grace's behaviour in 1924, calling him sarcastically the 'king of Ireland', and may have taken this action in order to undermine Sorensen. He admitted that 'Sorensen got sore because I fired Grace'.<sup>258</sup> However, if this was the case, it might have been expected that Sorensen would have supported Grace, but he did not. Whether this was because Grace had fallen out of favour as a result of the various disputes over the previous years, or whether he had another dispute with Sorensen arising from the issue of his son's illness is not clear. Grace could have sought a transfer to a more healthy climate and been declined by Sorensen, leaving him little alternative but to resign.

Sorensen's feelings can be determined by his response in 1929 when Grace, somewhat in desperation, applied to Ford for a job. His application arrived on Percival Perry's desk. Perry who had known him only briefly in 1919, referred the letter to Sorensen who replied sharply: 'The writer is very well acquainted with the above individual, having known him for the last 10 years. I would advise that no one in our business, in any of our plants, to have anything to do with him'.<sup>259</sup> Clearly, Sorensen was still very angry with Grace. Apart from this job application Grace does not feature in the records after that. Thus, despite Grace's efforts in the factory in Cork and his loyalty to the company, like so many other Ford employees, he was ignominiously dismissed. Whether he a good worker destroyed by Klann's vivid reporting, or whether he had indeed drifted into a life of 'wine women and song' is not certain, but clearly his erstwhile friend William Squire seemed ready to believe the latter story.

After forty years of wielding the axe on others 'Cast-Iron' Charlie Sorensen finally found himself at the receiving end. According to his autobiography, on 2 March

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<sup>258</sup> Reminiscences of W. C. Klann, Sept. 1955 (BFRC, Acc. 65 ) p. 303.

<sup>259</sup> C. E. Sorensen to P. Perry, 22 Oct.1929 (BFRC, Acc. 572, Box 18).

1944 Frank Campsall, Henry Ford's secretary at that time, called him with word from Ford suggesting that he should resign. Sorensen claimed that the reason Ford fired him was that he believed that Sorensen 'was ambitious to be president of his company'.<sup>260</sup> However, it is more likely that with the appointment of Henry Ford II as vice-president following the death of his father Edsel in May 1943, Ford family members were ridding the company of men who had been bothersome to Edsel.<sup>261</sup> Either way, within months of leaving Ford Sorensen had joined the jeep company, Willys-Overland, as president.<sup>262</sup>

While many of the Ford senior managers were fired, even those who held onto their jobs were often poorly treated. For example, Peter MacGregor, Cork works manager was a key figure in setting up tractor production in 1919 and again in 1929. He worked for 35 years with the company on many assignments, but when the time came to retire he was informed that he was not eligible for a pension and was forced in old age to seek scarce work as a tool and die maker. Finally in desperation at eighty years of age he wrote to the company: 'I beg of you to open my case and give me the pension. My wife and I cannot get along on our present income. I will not ask you to give me a pension from the time I was laid off, if I could only get it from now on. At my age, it cannot be long'.<sup>263</sup>

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Clarke's departure was reported to headquarters who duly confirmed the next steps. Sorensen stated that: 'We have explained to all of our people here, including Mr Henry and Mr Edsel Ford, that Clarke has resigned, and further that your program is to

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260 Sorensen, *Forty years with Ford*, p.331.

261 Bryan, *Henry's lieutenants*, pp 272/273.

262 Brinkley, *Wheels for the world*, p. 480.

263 Reminiscences of Peter MacGregor, 21 March 1957 (BFRC, Acc. 65).

move out of Cork as soon as possible. Everybody here is in accord with you on this'.<sup>264</sup> Thus, after thirteen short, but turbulent years of production at the Marina and despite Henry Ford's earlier enthusiasm, it seemed that he now confirmed the decision to abandon manufacturing, to pull out of Cork and convert the site into a distribution centre. All that remained was to run down tractor production and transfer operations to Dagenham. On 30 July 1932 the first shipment of tractor production machinery left the wharf in Cork bringing an end to tractor manufacturing operations by Henry Ford & Son in Ireland. The 3,088 tractors produced that year brought the total output since 1919 to 39,076.<sup>265</sup>

As Perry was receiving his instructions in early May, Éamon de Valera and Fianna Fáil were settling in to government and were about to announce their long-promised protection and self-sufficiency plan. Clearly, Perry had given little thought to the form that Fianna Fáil's tariff barriers might take, for even as Sorensen's letter, written on 3 May and authorising the move out of Cork, was on its way to Ireland, the Fianna Fáil Executive Council made a provisional order covering customs duties on motor car bodies and parts. The order introduced 75 per cent tariffs on imported cars and eliminated tariffs on car parts. This came into effect on the 6 May 1932.<sup>266</sup> The intention of the order was to use the high tariff to discourage the importation of complete motor cars, while promoting the assembly of motor cars in the Free State by eliminating import duty on car parts.<sup>267</sup> Fianna Fail's tariff impositions forced Perry to reconsider his plan

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264 C. E. Sorensen to P. Perry, 3 May 1932 (BFRC, Acc 572 Box18). The letter was written on 3 May and no doubt the information would have been communicated by a phone call or cable.

265 WH, p. 439.

266 Dáil debates, 19 May 1932, vol. 41, col. 1996.

267 Jacobson, 'Motor industry in Ireland', p.122.

to convert the Cork site into a distribution centre. Instead, he had to seek approval from Sorensen to set up a body assembly department. He wrote: ‘You will observe that the duty is so prohibitive that it would practically put us out of business unless we either buy or assemble our own bodies’.<sup>268</sup> He arranged to spend a total of £3,400 to set up a basic assembly system. ‘This equipment will consist only of simple box type ovens, with the usual assembly fixtures, but no conveyor; we propose to handle the bodies on trucks’.<sup>269</sup> He estimated that with this installation they could produce twenty four car bodies each day which would be more than sufficient to meet the contemporary demand in the Free State.<sup>270</sup> Fianna Fáil’s tariffs came at precisely the right moment to forestall Ford’s final closure of all of its production operations, though presumably even if the company had given up production they would have been forced to restart due to the draconian level of tariffs and the later imposition of quotas in 1934.

Later, Henry Ford & Son’s publicity department suggested that following the imposition of duty by Fianna Fáil and the subsequent retaliatory measures by the British government that ‘Ford management decided to transfer production to the newly-opened factory at Dagenham’.<sup>271</sup> However, it is clear from Sorensen’s letter of 3 May that the decision to close Cork was made with Henry and Edsel Ford’s agreement prior to the announcement of the Fianna Fáil decision on tariffs. Moreover, Fianna Fáil’s tariff imposition was instrumental in forcing the company to revisit the decision and set up assembly operations to the benefit of at least some of the Cork workforce.

While the Marina became an assembly plant to supply the home market the main

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<sup>268</sup> P. Perry to C. E. Sorensen, 3 June 1932 (BFRC, Acc. 572, Box 18).

<sup>269</sup> Ibid.

<sup>270</sup> Ibid.

<sup>271</sup> Ford & Son, *Ford in Ireland*, p. 29.

loss to the plant was its foundry operation which had been the key to its continued existence over the previous 13 years. As the equipment was transferred to Dagenham many of the Cork workers followed. According to William Squire, ‘the foundry labour was largely recruited from Ireland, 95 per cent from Southern Ireland. The supervisory personnel came from Cork. The foundry which began by being run by the Irish has been run by the Irish ever since’.<sup>272</sup> As late as 1954 it was stated that in the Ford foundry ‘50 per cent of the 3,300 men are Irish: our proportion in the supervisory grades—men with 15 to 20 years experience at Dagenham is even higher’.<sup>273</sup> In the post-war years Irish emigrants came to represent a significant proportion of the population in the Dagenham suburban estates which followed Ford’s industrial expansion.<sup>274</sup>

In conclusion, Henry Ford’s 1928 decision to convert the Cork plant into the sole worldwide supplier of Fordson tractors, seemed to make sense. The tractors had been off the American market for over a year, so Ford’s decision to restart production and supply world markets from a single source permitted economies of scale to be achieved. It utilised an existing resource, with manufacturing equipment and furnace as well as trained labour. With Ireland centrally located between the United States and Europe it allowed relatively easy access to both markets. Meanwhile, space was freed at the Rouge plant to produce cars for the still burgeoning car market. The decision by the Irish Free State government to cooperate with a suitable tariff arrangement as well as lenient administration arrangements also helped to make the plan attractive. Finally, it allowed Ford to continue to keep his promise to bring industry to Ireland.

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272 Mira Wilkins interview with W. J. Squire, 5 Sept. 1960 (BFRC, Acc. 880, Box 5) p. 4.

273 *Cork Weekly Examiner and Holly Bough*, 1954, p. 30, in Nyhan, ‘A history of the Cork plant’, p. 44.

274 Enda Delaney, *The Irish in post-war Britain* (Oxford, 2007), pp 89 and 107.

On the negative side the plan to introduce the complex Dearborn equipment to Ireland proved to be an overambitious. The main market for Fordson tractors was in the United States, which resulted in high shipping costs, as well as vulnerability to potential changes in United States tariff regimes. The attempt to turn Cork into a world manufacturer was undermined by the men expected to manage it and to cope with the flood of untrained labour necessary to make it work. The fall-off in demand for tractors as a result of the worldwide depression rendered the plant uneconomical, while the advent of the Dagenham works, with its huge excess capacity in foundry and elsewhere, meant that Cork's fate was inevitable once it came into operation. In a depressed market, Ford's need to achieve economies of scale to maximise throughput and absorb overheads while ensuring the elimination of quality, costs and tariff problems meant that there was no choice but to discontinue manufacturing operations in Cork. Attempts at introducing new product lines such as the industrial castings which required substantially different skills from Ford's core business, proved unworkable.

In the end, Fianna Fáil's decision to introduce tariffs and quotas forced Ford and later other car distributors to move to assembly instead of importation and provided the framework where the company could flourish, albeit on a much more modest scale than originally intended. Twenty years after his first thoughts of bringing real industry to the land of his forefathers, Henry Ford's altruism ended. Instead of a mighty industrial enterprise churning out agricultural tractors for a global market, Cork was left with a modest assembly plant to supply the tiny Irish market.

## CHAPTER NINE

### Ford as assembler:

#### Tariffs and quotas bring frugal stability (1932-1984)

Fianna Fáil's protective tariff policy was introduced at a crucial moment and it dissuaded Ford management from closing their factory down permanently. Instead, tractor operations were wound down, workers were let go, and Henry Ford & Son began to reconfigure itself once more. Under a new manager, John O'Neill, Cork was soon assembling a range of models including the new Ford Model Y with parts shipped from Britain.<sup>1</sup> Following the introduction of import duties and, later, quotas, Ford found themselves competing with a growing number of assemblers, many of them dealers who had formerly only imported cars. Within two years there were ten other assembly plants in the Free State, turning out makes such as Dodge and Chrysler, but despite the competition Ford retained the majority of new car registrations. The change to assembly operations, with a smaller workforce, marked a final transition and the beginning of a half-century of relative stability and success for Ford's of Cork. Before 1932 the fate of the factory had been constantly affected by matters external to the Irish situation, but the tariffs imposed by the Fianna Fáil government ultimately ensured Ford's long-term status as an assembly plant. The earlier attempts by Ford to find a suitable product line for the plant resulted in a series of dramatic turnabouts, demonstrating the company's financial and technological power as well as its flexibility as a major multinational manufacturer. From 1932 on, with the exception of the war period, the factory continued to operate profitably and to supply Irish consumers with a range of popular cars. As protective

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<sup>1</sup> Ford & Son, *Ford in Ireland*, p. 29.

tariffs were scaled down under the Anglo Irish Free Trade Agreement (AIFTA) in 1965 and then further reduced upon Ireland's entry into the European Economic Community (EEC), Ford remained Ireland's largest motor producer until January 1984, twelve months before the end of tariffs, when they finally announced the closure of all factory operations in Ireland.<sup>2</sup>

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After a decade of Cumann na nGaedheal's cautious approach to tariffs, Fianna Fáil took office on 9 March 1932 with two ideas, self-sufficiency and the elimination of the land annuities. Éamon de Valera, leader of Fianna Fáil, like almost all of those who survived the struggle for independence and the civil war, had little understanding of economic issues.<sup>3</sup> His aspiration was for a simple lifestyle with a strong rural ethos and a 'desire for industrialisation without urbanisation'.<sup>4</sup> He believed in the promotion of traditional Irish culture with emphasis on national sports and pastimes, dancing, storytelling, folklore and literature. Independence was likened, by de Valera, to a servant leaving the house of the master and accepting fewer luxuries. 'If he goes into the cottage, he has to make up his mind to put up with the frugal fare of that cottage.'<sup>5</sup> De Valera's austere vision for Fianna Fáil and the Irish Free State involved sacrifice. Apart from food, he saw little hope of establishing an export industry. Protection was introduced by

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2 Hoppen, *Ireland since 1800*, p. 222.

3 Gabriel Doherty and Damien Keogh (eds), *De Valera's Ireland* (Dublin, 2003), p. 200.

4 *Ibid.*, pp 176/7.

5 *Ibid.*, p. 118.

him not as a means to develop industry to compete in export markets, but rather as a way to provide employment and to reduce emigration.<sup>6</sup>

Fianna Fáil's action in introducing protection was not unique, as in that period, described as 'the darkest hour of the Depression', many countries were erecting tariff barriers.<sup>7</sup> The economic collapse of 1929 led to the American Congress passing the Smoot-Hawley bill in June 1930 which introduced high tariffs on imports.<sup>8</sup> Italy, Spain and France introduced reciprocal tariffs.<sup>9</sup> Even Britain introduced tariffs at the end of 1931, leaving the Irish Free State as one of the last countries operating principally on a free-trade basis.<sup>10</sup> Pressure for a change of policy was mounting even before the Fianna Fáil government took office. Seán MacEntee articulated the party's policy of protectionism in the Dáil: 'so long as Irish hands are idle, nothing that can be made in this country or grown in this country should be imported unless very good reason can be shown for its importation. That is our policy'.<sup>11</sup> John Horgan suggested that protection, in addition to boosting employment also addressed the 'need to wean industrialists and manufacturers away from their political and class based association with Cumann na nGaedheal'.<sup>12</sup> It provided an emotionally satisfying way of creating a self-sufficient economy, particularly appealing to those who wished to make a distinct separation from Britain and all things British. The introduction of duties in May 1932 initiated the process of protection. However, two months later, the dispute with Britain over the payment of

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6 Kieran Kennedy, Thomas Giblin, and Deirdre McHugh, *The economic development of Ireland in the twentieth century* (London, 1988), p. 40.

7 J. W. O'Hagan, (ed.), *The economy of Ireland: policy and performance of a European region*, (8th ed., Dublin, 2000), p. 30.

8 WH, p. 205.

9 WH, pp 230/31.

10 L. M. Cullen, *The economic history of Ireland since 1660* (London, 1987), p. 178.

11 Dáil debates, 15 Mar. 1932, vol. 41, col. 136.

12 John Horgan, *Sean Lemass: The enigmatic patriot*, (Dublin, 1997), p. 72.

annuities raised the stakes, accelerated the process, and led to the economic war. Once de Valera withheld the payment of annuities due on 1 July 1932, the British government retaliated by imposing a twenty per cent duty on Free State agricultural exports. This in turn led to Irish tariffs on British imports, notably coal, cement and steel.<sup>13</sup>

Seán Lemass, was appointed Fianna Fáil Minister for Industry and Commerce in March 1932 and within months of entering the Dáil went into action. On 5 May 1932, the Free State Executive Council made an order under Section 1 of the Customs Duties (Provisional Imposition) Act, 1931, which imposed ‘*ad valorem* duties from 15 to 75 per cent on 38 classes of goods, with specific duties on five other classes’.<sup>14</sup> Section 14 of the Finance (Customs duties) (No.2) Act 1932 referred to the importation of motor car bodies.<sup>15</sup> Under this act complete motor cars were to be subject to a 75 per cent *ad valorem* duty, while assembled parts and sub-assemblies for use in the car building process were subject to 15 per cent duty.<sup>16</sup> Discrete parts, to be used in the assembly of motor car bodies, which previously would have incurred 33.33 per cent duty, were permitted to be imported, under licence, free of duty.<sup>17</sup> Lemass believed that this reallocation of duty would encourage motor assemblers to set up in Ireland and lead to a reduction in the cost of locally assembled cars as well as generating much needed jobs.<sup>18</sup> The trade viewed the tariffs with outrage and anger, predicting that the outcome would be the opposite, that it would reduce the sales of cars and lead to unemployment, while the *Irish Times* saw the tariff as anti-British, undermining British goodwill on which the Free

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13 Kennedy, et al., *Economic development of Ireland*, pp 40/43.

14 Dáil debates, 19 May 1932, vol. 41, col. 1996 and Kennedy, et al., *Economic development of Ireland*, p. 40.

15 ‘Irish Statute Book’ (<http://www.irishstatutebook.ie/1932/en/act/pub/0011/sec0014.html>) (25 Sept. 2007).

16 The preferential rate of two thirds the full rate applied in each case i.e. seventy five percent was reduced to fifty percent.

17 Jacobson, ‘Motor industry in Ireland’, p. 122.

18 *Ibid.*

State's trade depended.<sup>19</sup> Lemass, however, was confident of the effect of his tariffs and he told the Dáil:

Every motor manufacturer whose cars sell in any quantity in this country has made, or is making, arrangements to have the bodies assembled here...It is anticipated that very considerably increased employment will be given in centres in which the existing works are or in which new works will be established...Motor cars will be cheaper when these Irish bodies are available than they are at present or have been in the past.<sup>20</sup>

The opposition disagreed with his view that the higher tariffs would improve matters. The former Minister of Industry and Commerce, Patrick McGilligan, suggested that most bus and commercial vehicles were already being supplied locally and that higher duties would only remove potential competition from abroad, leading to higher costs and lower productivity. He pointed out that motor car bodies required mass production for efficiency so they were unlikely to be built, as demand was too low and production volumes too small to support an efficient body plant. As evidence, he quoted approaches made to a manufacturer, probably Ford, he said:

That was investigated to the point that about five years ago when, tentatively, a suggestion, I will not say an offer, was made to one firm as to whether it would not pay them to set up an assembling factory in this country if they got the entire monopoly of the business, and the answer was that it would not pay them.<sup>21</sup>

Lemass disputed the opposition's view, but the different approaches to protection are evident. Where McGilligan believed that it was up to the manufacturers to act and to have what he called 'sound business push', Seán Lemass 'considered that this could and

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<sup>19</sup> *IT*, 7 May 1932.

<sup>20</sup> Dáil debates, 19 May 1932, vol. 41, cols. 1997/8.

<sup>21</sup> *Ibid.*, vol. 41, col. 2005. This may refer to the offer made by the government to Ford in 1924 to remove duties in return for a guarantee of a 'substantial business', see chapter six and Jacobson, 'Motor industry in Ireland', p.124

should be changed, and saw protectionism as a means of achieving this change'.<sup>22</sup>

Lemass, ignoring the cost benefits of mass production continued:

The cost of assemblage here should not be higher than anywhere else, and the fact that the duty will have been remitted upon the parts and that bodies assembled here will pay no duty whatever will enable them to be sold cheaper in competition with the imported bodies. I am quite satisfied that if there is a single tariff which the government has imposed which justified itself to the full in the shortest possible space of time this is that one. Within three months we shall have reached a position in which no new motor car will be offered for sale in this country except with an Irish built body.<sup>23</sup>

However, despite Lemass's confidence, progress in the setting up of motor assembly plants was slow. The increased tariffs did little to promote manufacturing or to encourage industrial efficiency, but instead led to increased prices which were borne by the consumers.<sup>24</sup> While the application of tariffs to motor cars imports appeared to have a rational thrust, insofar as its aim was to produce a home motor assembly industry, generally, protection was introduced piecemeal and with no coherent basis.<sup>25</sup> Firms made representations for the introduction of tariffs for their own industry, leaving the system open to abuse or cronyism. For example, on 9 March 1932 Dr James Ryan, the newly-appointed Fianna Fáil Minister for Agriculture, received a deputation of workers from the agricultural machinery industry, many of whom were employed in his Wexford

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22 Dáil debates, 19 May 1932, vol. 41, col. 2004 and Lemass quote in Jacobson, 'Motor industry in Ireland', p. 125.

23 Ibid., vol. 41, col. 2009.

24 Cullen, *The economic history of Ireland since 1660*, p. 179.

25 O'Hagan (ed.), *The economy of Ireland: policy and performance*, p. 30.

constituency. The following day Lemass introduced an emergency duty of 33.33 per cent on imported agricultural machinery.<sup>26</sup>

Despite the deficiencies of the tariff system, it did achieve its main aim of increasing employment, so that between 1931 and 1938 industrial employment increased almost fifty per cent from 110,600 to 166,100.<sup>27</sup>

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From early 1932, Percival Perry had been conscious of the political situation in the Irish Free State and would have been aware of Fianna Fáil's trade protection policy. Given Fianna Fáil's stated intentions, it was quite likely that tariffs on luxury goods, such as motor cars, would be increased, yet Perry appeared to have no contingency plan to deal with that eventuality. Consequently, when Fianna Fáil dropped their tariff bombshell on 6 May Perry was forced to react and convert the Cork factory to assembly. For the Ford Motor Company, car assembly was a long established practice. From its earliest years in the United States the company had, in the interest of transport cost efficiency, shipped cars in a knocked-down state from Dearborn to outlying assembly plants. Dagenham was meant to fulfil that same role in Europe. Despite the Ford company's experience in assembly, Perry does not seem to have considered it as an option for Cork. Instead he had planned to convert the Marina site into a distribution centre, importing complete cars, despite the relatively high cost of transport, the existing duty of 22.22 per cent duty and the risk of further new tariffs.<sup>28</sup> Additionally, Henry Ford had apparently concurred with

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<sup>26</sup> Horgan, *Sean Lemass: The enigmatic patriot*, p. 69.

<sup>27</sup> *Ibid.*, pp 80/ 81.

<sup>28</sup> Percival Perry to Edsel Ford, 15 Apr. 1932 (BFRC, Acc. 572, Box 18).

this decision and reneged on his stated commitment and aspiration to bring industry to Ireland.<sup>29</sup>

Faced with prohibitive tariffs on their motor car imports, Henry Ford & Son quickly changed their plans and converted the Marina to assembly operations. With this transition the business began to benefit from a degree of stability not experienced up to that time. To quote John O'Neill: 'After 1933, the Irish company assembled British and American vehicles. Nothing eventful happened. It functioned as would any assembly plant'.<sup>30</sup> O'Neill, who succeeded Clarke, was to manage the company for almost three decades. Originally from the north of Ireland, he had joined Henry Ford & Son in 1919 when they were recruiting all over Britain and Ireland. O'Neill's first job in the company was in costing, purchasing and stock control.<sup>31</sup> Five years later he accepted the opportunity to go to Antwerp as office manager. Having improved his school French, he was promoted to assistant manager in Paris, where he spent a year before transferring to Istanbul as assistant manager of the Ford Motor Company Export Inc. During a visit to Istanbul early in 1932, Perry found that the Turkish sales were in poor shape due to the recession, so in order to cut expenses, he transferred O'Neill back to Cork as assistant manager.<sup>32</sup> With O'Neill's experience and familiarity with Ford policies, Perry felt that he 'may be a good bolstering up for Clarke as he seems to be a much stronger character'.<sup>33</sup> By the time O'Neill arrived in Cork Clarke had resigned and O'Neill was

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29 C. E. Sorensen to P. Perry, 3 May 1932 (BFRC, Acc. 572, Box 18).

30 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7), p. 7.

31 Ibid., p. 1.

32 Ibid., p. 6.

33 P. Perry to C. E. Sorensen, 23 Mar. 1932 (BFRC, Acc. 572, Box 18).

appointed manager in his place.<sup>34</sup> At a subsequent board meeting in April 1932 he was appointed a director of the company.<sup>35</sup>

August 1932 found O'Neill overseeing another major changeover at the Marina. The remaining part-finished tractors were completed, bringing tractor production at the Cork plant to a final end. Shipment of the production machinery to Dagenham had commenced on 30 July and a further five shipments were made during August.<sup>36</sup> At Dagenham, the machinery arriving from Cork showed signs of neglect. When W. E. Carnegie of the accounting department was requested by Perry to investigate why there were so many men working in the tool room, he discovered that the equipment was in a poor state and had to be completely overhauled before it could be put into production. Carnegie reported and submitted photographs which 'plainly demonstrated that the machinery did not get sufficient lubrication while in use on production at Cork plant'. Whether the condition of the machinery was due to carelessness or sabotage is not suggested. However, John Squires who was in charge of the Cork production was held responsible and fired by Percival Perry.<sup>37</sup> No doubt, for the workmen in the Cork plant it was hard to be enthusiastic about maintaining the machinery when their own livelihoods were to be lost as a result of the transfer.

In Dagenham the company's struggle to get the Model Y into production finally bore fruit in mid-August 1932 when the first car came off the line.<sup>38</sup> Despite being in the process of winding down, Cork was still acting as a manufacturing support to them.

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34 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7), pp 6/7.

35 Minutes of board of directors' meeting, 22 Apr.1932 (BFRC, Acc. 38, Box 10).

36 Cork manager's monthly report for Aug.1932 (BFRC, Acc. 38, Box 10).

37 W. E. Carnegie to Percival Perry, 6 Feb. 1933 (BFRC, Acc. 572, Box 18), p. 11.

38 Roberts, *Ford Model Y*, p. 54.

During the early part of the month the number of tool room and pattern shop workers had been reduced significantly, but those remaining were working to get Model Y patterns, particularly the cylinder block, into production.<sup>39</sup> Meanwhile, Perry's original proposal to install a very basic assembly operation at the Marina had been expanded and by the end of August the installation of conveyors, sprayer booths and ovens was complete and a start had been made on body-building.<sup>40</sup> Setting up the assembly plant was a substantial financial undertaking, though not on the scale of parts manufacture with its furnaces, metal presses and other expensive capital equipment. In the initial stages, Cork imported knocked-down parts and built-up chassis to assemble the Model BF which had replaced the Model A in early 1932.<sup>41</sup> While the car sold in Tudor, Fordor and deluxe body configurations, for the moment, sales had dropped owing to the new duties which had increased low-priced models by at least £40.<sup>42</sup>

Perry's attitude to the Cork facility had changed somewhat. The Marina plant seemed to have fallen out of favour, and had lost the preferential status that it held as a manufacturing plant. He informed Sorensen that:

I propose in respect of Cork to treat it just like a little assembly plant, e.g., as Barcelona. The Irish Free State is now a foreign country and the big duties make it profitable for us to assemble there. I think we can make it pay, although the output will be very small, excepting that, of course, we have big buildings which we cannot use and the expense of which cannot be charged against the operations of Cork as a small assembly plant.<sup>43</sup>

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39 Manager's report for Aug. 1932 (BFRC, Acc. 38, Box10).

40 P. Perry to C. E. Sorensen, 3 June 1932 (BFRC, Acc. 572, Box 18) and Manager's report for Aug. 1932 (BFRC, Acc. 38, Box 10).

41 Roberts, *Ford Model Y*, pp 26/27.

42 Tudor and Ford are two and four door respectively; Manager's report for Aug. 1932; total sales Aug.1932: 93, Aug. 1931: 206 (BFRC, Acc. 38, Box10).

43 P. Perry to C. E. Sorensen, 15 Dec. 1932 (BFRC, Acc. 572, Box 18).

As stated earlier, assembly was an area where Ford had considerable experience and expertise.<sup>44</sup> According to John Rae, between 1910 and 1915 Ford had developed this form of decentralised manufacture and opened assembly plants in some twenty seven cities all across the United States.<sup>45</sup> The Ford system of branch assembly plants gave rise to a number of cost benefits. Transportation, as well as loading and handling charges were reduced, while inventory could be stored away from the main factory in Detroit, reducing storage costs as well as providing inventory of parts to meet peak demand. Where suppliers existed, parts could be manufactured locally and delivered directly to the assembly plant. Finally, the system helped Ford maintain tight control over their dealer network, as the local branch managers could supervise dealers ensuring they carried adequate stocks of spare parts and provided an efficient service to Ford car owners.<sup>46</sup> In Europe, following the appearance of the original assembly plant in Manchester in 1911, production had been supplemented by assembly plants opened in locations throughout the continent, including Denmark, Spain, Belgium, France and Germany.<sup>47</sup> Cork, too, had assembled Model T's in the 1920s.

The process of changing from tractor production to car assembly continued at the Marina for the remainder of 1932. In the building shop department work progressed steadily and the company assembled 72 cars in September and were scheduled to produce 10 cars a day in October.<sup>48</sup> In addition to building car bodies onto imported chassis, production of some iron castings continued, as well as a reducing range of parts for

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44 John B. Rae (ed.), *Henry Ford* (Englewood Cliffs, 1969), p. 89.

45 *Ibid.*, pp 89-90.

46 *Ibid.*

47 For a full list of Ford assembly plants operating outside the United States around this time, see Appendix 7.

48 Manager's report for Sept. 1932 (BFRC, Acc. 38, Box 10).

Dagenham. The number of workers employed continued to be cut as the remaining tractor equipment was shipped, while departments such as the machine shop, having completed their orders, were closed down. Trained factory personnel were hired by the Ford Motor Company in Dagenham beginning the practice of Cork workers migrating to Dagenham and later to other Ford factories in Britain. Upon their return they were known as 'Dagenham Yanks'.<sup>49</sup>

Business in the country remained depressed due to the uncertainty hanging over the tariffs and the high cost of motor cars. Sales for Ford, the only firm assembling car bodies, crept up slowly while competitors' sales were negligible.<sup>50</sup> The retail motor trade wrote to Lemass in November stating that since the imposition of the tariffs, business had stagnated, compelling them to let 120 workers go. They claimed that their combined gross turnover had dropped by 60 per cent and was continuing to decline, forcing them to contemplate closure.<sup>51</sup> As 1932 closed, O'Neill was concerned about the political and economic situation in the country which had a depressing effect on the demand for passenger and commercial vehicles. He reported that amendments to the import tariffs had become effective during December.<sup>52</sup> This arose because the Fianna Fáil government had, following representations by motor dealers, refined the duties to further encourage the assembly of the motor chassis. The duty on complete cars as well as the duty-free status of car parts remained unchanged, but in the case of motor chassis and motor bodies the government introduced a three-tier tariff system. This system allowed unassembled body and chassis parts to be imported into the Free State duty-free, but provided for two

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49 Manager's report for Oct. 1932 (BFRC, Acc. 38, Box 10) and Nyhan, 'A history of the Cork plant', p. 46.

50 Ibid., total sales, Sept. 1932: 96, Oct: 125, Nov: 148 (BFRC, Acc.38, Box 10).

51 Dáil debates, 7 Dec.1932, vol. 45, col. 963.

52 Manager's report for Dec. 1932 (BFRC, Acc.38, Box 16).

levels of duty to be imposed, depending on the amount of assembly work which had been competed at the time of importation. It was introduced as an incentive to import the chassis parts and carry out the chassis assembly work in the Irish Free State.<sup>53</sup> In January 1933 John O'Neill remarked that:

It may encourage our competitors to commence assembling operations. The commendable reductions in rates of duties on chassis and engine units are definitely designed to encourage chassis assembly and we are investigating the desirability of commencing such operations. Consideration is also being given to the advisability of assembling Model Y job at this plant.<sup>54</sup>

Moving the amendment in the Dáil in early December, Lemass pointed out that since the tariff scheme had been introduced in May 1932, Ford alone, representing more than half the total trade of the country, had begun building their own motor bodies. In general, motor traders and coach-builders had not, despite concessions, made any serious attempt to begin assembling motor vehicles.<sup>55</sup> Shortly after the introduction of the tariff, Lemass had given a concession to the motor traders which applied a reduced rate for a period of 3 months from mid-May to mid-August. The concession was given on the undertaking that they would set up to build motor cars by the end of the period. This had not happened as a lack of cooperation between the motor trade and the coach-building industry was preventing progress.<sup>56</sup> Speaking for the retail motor trade, Cumann na nGaedheal T.D. for Cork West, Eamonn O'Neill, claimed in the Dáil that they accepted the tariff provided that Irish coach-builders were prepared to assist them by producing motor bodies locally.

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53 Dáil debates, 7 Dec. 1932, vol. 45, cols. 957/960.

54 Manager's report for Dec. 1932 (BFRC, Acc.38, Box 16).

55 Dáil debates, 7 Dec. 1932, vol. 45, col. 959.

56 Ibid., vol. 45, col. 961.

Meetings between the two groups had convinced the motor traders that the coach-builders were either unable or unprepared to invest in the equipment to build bodies. Since the motor traders were essentially retailers and the coach-builders, the only industry competent to build cars, were unwilling to do so, the motor trade was left with a dilemma.<sup>57</sup> In revising the rules the government refused to allow further concessions for firms doing only part of the manufacturing process, as it would be uncompetitive and damaging to Ford's profitability.<sup>58</sup> Eamonn O'Neill, in response, claimed that the tariffs represented a grave injustice to the whole motor trade. In effect, he suggested that the new structure was subsidising Henry Ford & Son at the expense of the much longer established motor traders.<sup>59</sup> Belittling Ford's assembly process, he claimed that 'some of the citizens in Cork would tell you that the advent of Messrs Ford to Cork was the biggest curse which ever fell upon them...the bodies come over finished and they are admitted free because there are a few rivets to be put in them at the works in Cork'.<sup>60</sup> O'Neill offered no elaboration on why he considered Ford a curse, however, his suggestion that the assembly process consisted only of adding a few rivets was unfounded. His remarks perhaps represent the resentment of the motor trade, who, while not prepared to undertake assembly themselves were resentful of Ford's head start in the business.

Despite the apparent preferential treatment gained by Ford, 1932 was far from profitable. The balance sheet for the year ended 31 December gives a picture of the magnitude of the losses incurred by the company. Trading losses for the year amounted to £67,379.10s.7d., while accumulated losses up to December 1931, together with the

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<sup>57</sup> Dáil debates, 7 Dec. 1932, vol. 45, col. 963.

<sup>58</sup> *Ibid.*, col. 960.

<sup>59</sup> *Ibid.*, col. 964.

<sup>60</sup> *Ibid.*, col. 962.

charges for writing off surplus plant, machinery, stores and tools brought the adverse balance to £1,210,002.3s.4d.<sup>61</sup> By any standards, these were huge losses which no ordinary company could absorb. While there may have been a transfer of benefits within the Ford organisation, insofar as machinery written off could be reused elsewhere, the enormous losses incurred support Henry Ford's assertion that he had wanted to assist Ireland on the road to industry and proved that he had been prepared to support it financially. However, the magnitude of the accumulating losses would explain Perry's despair with the Cork situation and confirm his rationale in proposing closure of the plant in 1932.

Somewhat incongruously for a major motor manufacturer, but a sign of the company's financial difficulties, Ford had used some of their land to plant crops. This enterprise helped to provide employment for some Ford workers and in the autumn O'Neill reported on the outcome of these farming operations. The wheat crop had been harvested and the potato crop dug and stored, while cabbage was being disposed of locally. Potatoes, vegetables and hay brought in £74 in November. O'Neill commented that while prices obtained compared favourably with general market prices, but were low due to a fall in market conditions.<sup>62</sup>

Following the sale of all of the tractor plant, machinery, tools, stores and parts to Ford Motor Company in Dagenham, Henry Ford & Son now redefined its objectives. No longer a tractor producer, the company's activities instead would, according to the directors, be directed to the 'assembly of chassis and production of bodies for the Irish

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61 Debit balance on the profit and loss account showed £440,134. 10s. 0d. as at 31 Dec. 1931, while the cost of writing off equipment etc was given as £627,003. 13s.8d. Minutes of board of director's meeting, 6 June 1933 (BFRC, Acc. 38, Box 16 ).

62 Manager's report for Aug. to Nov. 1932 (BFRC, Acc.. 38, Box 10).

Free State market, and the sale therein of automobiles, tractors and service parts'.<sup>63</sup> With the process of converting to its new role as an assembly plant well under way, the board expressed confidence that the demand for Ford products appeared to be favourable, and as the scale of operations was now considerably less than before, negotiations were commenced to lease or dispose of surplus company land, buildings and plant.<sup>64</sup> Preparatory to any action being taken on the land, and no doubt mindful of the dispute over the lease with the Cork Corporation in 1922, a full investigation of the various leases was carried out by Ford's auditing department, who came to the conclusion that there was 'no restriction on sale or other disposition of the property by the Company'.<sup>65</sup> As the process of closing down departments continued and parts of the Marina site were sold off or leased, the plant's future now depended on the success of Dagenham's new car, the Ford Model Y. Fortunately for both Cork and Dagenham, the Model Y had been well received and sales in England were buoyant, so that the outlook for the car was very promising.<sup>66</sup>

Henry Ford's original business strategy had been to produce simple, but well-engineered vehicles with few variations and to manufacture them in the most cost-effective manner possible, thus making them accessible to the greatest number of people. This attitude extended to the models on offer in Europe. He saw no reason to offer separate European designs, sticking instead to the large-engined, heavy vehicles which were so well suited to conditions in the United States even though motorists all over

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63 Henry Ford & Son, minutes of board of directors, meeting, 6 June 1933 (BFRC, Acc. 38, Box 16).

64 Ibid.

65 E. J. Matz, Auditing Department, report on property at Cork, Ireland, 28 Mar. 1933 (BFRC, Acc.38, Box 16).

66 Surplus buildings and land at the Marina Estate were leased out to various industries, including Dunlop Rubber Company; see Appendix 9 for a list of agreements.

Europe were buying smaller and cheaper locally produced cars. As far back as 1920, Ford's competitors in Britain had begun providing the compact, economical cars that motorists wanted. When sales of the Model T were declining in the mid-1920s, despite repeated appeals from his European managers, Henry Ford refused to budge.<sup>67</sup> Later, despite sluggish sales, he insisted on tooling up Dagenham to produce the Model A, but, by the time production began in 1932, the car was almost unsaleable.<sup>68</sup> Edsel Ford had returned from the opening of Dagenham in early October 1931 convinced that the European market required a small car and succeeded in convincing his father to develop such a car.<sup>69</sup> Nevins and Hill, on the other hand, claim that it was the tactful Perry who was able to convince Henry Ford to design a baby Ford suitable for the English and European markets.<sup>70</sup> Either way, where previous attempts by Gehle and others in 1925 had failed, this time Henry Ford was finally convinced of the need to build a car specifically for the European market.<sup>71</sup>

Once the decision had been taken, the 'car for Europe' project started in Dearborn on 19 October 1931.<sup>72</sup> Following an intensive evaluation of the best European competitors, work on designing the new car, the Model Y, was progressed rapidly and the first prototypes were shipped to Europe for assessment in early 1932.<sup>73</sup> Unveiled to the public at the Royal Albert Hall on 19 February 1932 with a projected price of £120, it

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67 Tolliday, 'Ford in Britain', p. 17.

68 Ibid., p. 20.

69 Roberts, *Ford Model Y*, p. 26.

70 NH, vol. III, p. 81.

71 Roberts, *Ford Model Y*, p. 26.

72 Ibid.

73 Tolliday, 'Ford in Britain', p. 20.

went into production six months later.<sup>74</sup> Sorensen insisted that Dagenham follow the American example by forcing costs down to achieve an attractively low sale price and thus enlarge the market. Through paring of costs and pressure on suppliers the target price of £100 was later achieved.<sup>75</sup> For Ford, in both Britain and Ireland, the Model Y was the most significant model of the era. While early sales were depressed by a combination of the ongoing recession and teething problems with the car, it soon began to gain acceptance, though it was not until 1936/1937 when the price reductions were implemented that sales took off.<sup>76</sup> In the Free State sales of the Model Y rose steadily and new sales records were broken regularly despite increasingly stiff opposition as the other motor companies began assembling. Up to the end of 1937, a total of 153,197 Model Y's had been sold in Britain as well as 13,201 in the Free State.<sup>77</sup>

British production commenced on 10 August 1932, but early output was sluggish as the newly-opened Dagenham factory grappled with the difficulties of producing the brand new model. Problems with the car's rear-axle arose and as the claims and troubles accumulated, Perry, awaiting the implementation of the necessary engineering improvements, was acutely conscious of the importance of the Model Y to the British company. He stressed that 'we cannot afford to get a black eye over [the] Model Y because it is our bread and butter so long as the present high tax and commercial depression continue. We are therefore watching it very carefully indeed'.<sup>78</sup> By year end

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<sup>74</sup> Roberts, *Ford Model Y*, pp 36/37 and 54.

<sup>75</sup> Tolliday, 'Ford in Britain', pp 21/22.

<sup>76</sup> P. Perry to C. E. Sorensen, 13 Dec. 1932 (BFRC, Acc. 572, Box 18 ).

<sup>77</sup> Roberts, *Ford Model Y*, p. 194.

<sup>78</sup> P. Perry to C. E. Sorensen, 13 Dec. 1932 (BFRC, Acc.572, Box 18).

only 7,341 cars had been produced, insufficient even to meet the British demand.<sup>79</sup> Consequently, the introduction of the Model Y to the Free State market was delayed until early 1933, though a single car was shipped to Cork in September 1932, probably as a sample for demonstration purposes.<sup>80</sup>

Imported as complete cars, the early Model Y Tudors sold for £210 and the Fordors for £230, against the equivalent British prices of £120 and £135 respectively.<sup>81</sup> The high price reflected the additional duty imposed by the Free State government. Cork had to wait till the spring of 1933 for fully disassembled kits to be shipped.<sup>82</sup> In early March 1933, John O'Neill cabled Bill Neiland in the London office to confirm his order for the knocked-down (KD) kits. He was planning to begin work on the Model Y bodies on 27 March, allowing the body department time to assemble a stock of bodies and then to start building the chassis the following week. His order was for 240 KD vehicles.<sup>83</sup> He also ordered separately, five KD bodies and five chassis as well as a Model Y Tudor body and a Fordor body. He explained: 'The knocked-down items are for negotiations with the customs, and the two built up bodies more or less samples for our assembly hands'.<sup>84</sup> This delivery marked the beginning of full body and chassis assembly. As noted previously, Ford had assembled the Ford Model BF on chassis which had been imported fully built up. Lemass's new reduced rate of duty, which applied to the KD chassis, was sufficient incentive for Ford to adapt their process to introduce both chassis and body

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79 Roberts, *Ford Model Y*, p. 54.

80 *Ibid.*, p. 194.

81 *Ibid.*, pp 163/4. and 56, 58.

82 *Ibid.*, pp 163/4.

83 130 Tudors, 70 Fordors, 30 DeLuxe and 10 Commercial; see Roberts, *Ford Model Y*, p. 164.

84 John O'Neill to Bill Neiland, 14 Mar. 1933, quoted in Roberts, *Ford Model Y*, p. 164.

assembly in order to ensure the lowest cost and therefore the most price-attractive motor car on the market.

According to O'Neill, the arrival of the new 8 horsepower Model Y excited considerable interest amongst the Irish car buying public, particularly since it was assembled in Cork.<sup>85</sup> On Monday, 17 April 1933, newspaper advertisements announced that the latest Ford models would be on show the following week and by the weekend dealers were advertising the Model Y at a price of £170 ex-works.<sup>86</sup> While this price was cheaper than the earlier imported fully-built-up models it was still considerably more expensive than the British price. No doubt the higher price reflected the additional transport and less efficient assembly costs, but Ford's claim that 'to make the price as attractive as possible, the factory made no profit at all on the first Models Ys to be produced and dealers took a reduced commission', seems somewhat doubtful in the light of the high sales price and the subsequent trading profits reported for 1933.<sup>87</sup> The relatively high price meant that the cost-conscious and cash-strapped Irish opted for the more inexpensive two-door model. O'Neill wrote to Roland Phillip in Dagenham, stating that the Model Y Fordor and deluxe cars had not met with ready acceptance by the public, resulting in his need to reduce stocks by replacing his orders for these models with the more economical Tudors.<sup>88</sup>

In July 1933, O'Neill reported that he had received an enquiry to purchase thirty tractors for the new peat industry, as well as a delivery of twelve V-8 Fordors to the Free State army along with six tractors for hauling guns. Sales for the month amounted to 282

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85 Manager's monthly report for Apr. 1933 (BFRC, Acc. 38, Box 16).

86 *CE*, 17 and 22 Apr. 1933.

87 Ford & Son, *Ford in Ireland*, p. 31 and Board of directors' meeting, 28 May 1934 (BFRC, Acc. 38, Box 23).

88 John O'Neill to Bill Neiland, 13 July 1933, quoted in Roberts, *Ford Model Y*, p. 165.

passenger vehicles, the highest month's sales recorded in 3 years. By year end, conditions in the country showed no signs of a general improvement; farmer's earnings were depressed due to the economic war with Britain and the agricultural recession.<sup>89</sup> This was reflected in the fact that out of record-breaking sales of 2,152 vehicles for the year, tractor sales only amounted to a trifling 54 units.<sup>90</sup> On the other hand, sales of the inexpensive Model Y continued to increase with 866 cars sold up to November 1933.<sup>91</sup> In contrast with the two previous years, a profit of £51,631.4s.9d. was returned in 1933, while the company continued to implement the ten per cent salary cut, accumulating savings of £12,786 since it was first implemented in April 1932.<sup>92</sup>

The proximity of the Northern Ireland market, serviced by Ford from Britain, highlighted the fact that while the border might be a political reality, commercially it was porous and any attempt to pass-off an out-of-date or a less advanced model was quickly spotted. According to O'Neill:

All important newspapers and periodicals published in your country and in which you advertise, circulate to an enormous extent in our territory. Automobile opinion in our country is largely influenced by the trend of events in the English market. Therefore, we strongly recommend that any changes which you might contemplate for your own territory of Great Britain and Northern Ireland, should be made effective at the same time in our territory of the Free State.<sup>93</sup>

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89 Manager's Quarterly report to 31 Dec. 1933 (BFRC, Acc. 712, Box 18-1).

90 Ibid., Mar. to Dec. 1933 (BFRC, Acc. 712, Box 18-1); sales for 1933: 1,556 passenger vehicles and chassis; 542 commercial vehicles and chassis; 54 tractors; Vehicle total 2,152

91 Figures for Jan.-Nov. only, see Roberts, *Ford Model Y*, p. 194.

92 'Profits' from Board of directors' meeting, 28 May 1934 (BFRC, Acc. 38, Box 23); 'salary cut' in Manager's quarterly report to 30 Sept. 1933 (BFRC, Acc. 712, Box 18-1), see chapter eight.

93 John O'Neill to Roland Phillip, 13 July 1933 in Roberts, *Ford Model Y*, p. 165

He quoted the example of a dealer in Donegal who refused to accept delivery of a truck which did not have a refinement, a full floating rear-axle, which was available in Northern Ireland. Obviously the company acted on this advice as assembly parts delivered to Cork conformed to the British offering, while other assembly operations in Europe absorbed surplus stocks of parts.<sup>94</sup>

Early in 1933, de Valera had dissolved the Dáil and called a general election. Fianna Fáil were returned with an overall majority, no longer relying on Labour's support. In August, Lemass reported to the Dáil regarding the effect of his tariff policy on the motor industry:

The imports of motor chassis for the first six months of this year show an increase of over 400 per cent on the imports of last year. Those chassis are now coming in here to be fitted with bodies in Irish works, instead of being imported complete as heretofore. In respect of private cars, there are now four or five makes of car available from Irish works. In some cases those cars are completely assembled. In other cases they are imported at the medium rate of duty, and finished and fitted in those Irish works.<sup>95</sup>

Despite the optimism of this statement, apart from Henry Ford & Son, there was little move towards assembly. Motor dealers and importers were unanimously opposed to the tariffs and cognisant that the additional duty added to the retail price, reducing sales. Since any duty imposed increased prices proportionally for all dealers, there seemed little advantage to be gained in unilaterally setting up an assembly operation.<sup>96</sup> Shortly after, on 22 November 1933, Lemass introduced a further incentive to encourage dealers to commence assembly. He reduced the road tax on higher powered cars whose body and

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<sup>94</sup> Roberts, *Ford Model Y*, p. 165

<sup>95</sup> Dáil debates, 9 Aug. 1933, vol. 49, col. 1534.

<sup>96</sup> Jacobson, 'Motor industry in Ireland', p. 224.

chassis were assembled in the Irish Free State. The rate was to be £1 per horsepower, to a maximum of £16. The scheme was designed to encourage American car importers, whose cars were of higher horsepower and who, according to Lemass, seemed more interested in setting up plants than the importers of British cars.<sup>97</sup> While this further attempt to woo the American motor companies seemed to acknowledge that, apart from Ford, they were not showing great interest in assembly, however, within months agents for some of the American firms, namely Dodge commercial vehicles and Chrysler cars, had begun to assemble and were advertising their vehicles as ‘Irish built’.<sup>98</sup> For Ford the taxation change was of no benefit in selling their 8 horsepower Model Y, but it did make their larger cars more attractive and Ford highlighted the new reduced road tax in their advertising of the new Ford deluxe V8.<sup>99</sup> Inevitably the competition grew as motor agents began setting up their own assembly. In March 1934 O’Neill wrote:

For the first time for many years it seems we shall have to meet competition of American cars and trucks here in the Free State market. Dodge and Chrysler cars are at present being assembled by the dealers in Dublin. Studebaker and Dodge Cars and trucks are also being assembled by dealers in Cork. It is rumoured that Terraplane and English Singer cars are to be assembled in Dublin.<sup>100</sup> Bedford trucks are now being assembled in Dublin by the dealer. Continental cars are being imported by the dealers semi-KD. All of these items, with the exception of the Dodge, are in a very small way, and so far, in the

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97 Dáil debates, 22 Nov. 1933, vol. 50, col. 463.

98 *IT*, 23 Mar. 1934: Dodge agent J. O’Neill Ltd., Pleasant’s street, Dublin; *IT*, 28 Mar. 1934: Chrysler agent F. M. Summerfield, Lower Baggot street, Dublin.

99 *CE*, 27 Aug. 1934.

100 P. J. Tracy of Stephens Green, Dublin, advertising in the *Irish Times* supplement on 23 Jan. 1935 claimed to have been assembling Terraplane and Hudson cars since May 1933.

preliminary stages. None of them are expected to develop into large production for some time at any rate.<sup>101</sup>

After Ford, Dodge had been next to begin assembling in November of 1933, By the end of June 1934 O'Neill reported that there were ten plants in the Irish Free State including Morris commercial vehicles, Singer and Vauxhall cars. However, Ford's early entry into the assembly process, allied to their previous industrial and sales experience, not to mention their aggressive marketing, meant they had a decided advantage over the newcomers. In their advertising, Ford, like Chrysler and Dodge, emphasised the fact that their vehicles were built in Ireland. However, their relatively long history of motor car and tractor manufacture in Cork allowed them to highlight their experience and technical knowledge. In a clear reference to the potential quality problems likely to be encountered by the newer assemblers, Ford assured customers that it was 'no new, inexperienced firm that is turning out the work, but rather one well grounded in the niceties of detail required to ensure that well-finished product it has been, and is the pride and pleasure of so many in this country to own'.<sup>102</sup> Describing their highly developed assembly operation the advertisement continued:

First-the stores of material both for body and chassis—from the hides for the seat coverings to the channel section of the frame and the body panels-requiring welding and riveting to bring them into any semblance of the finished article. Then, the conveyors with their burden of bodies in initial stages...a steady flow of them—each operation done carefully and well, and minutely inspected before being passed on to the recent new installation of equipment—a paint conveyor, which takes the body shell through the

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<sup>101</sup> Manager's quarterly report to 31 Mar. 1934 (BFRC, Acc.712, Box 18-1).

<sup>102</sup> *IT*, 24 Mar. 1934.

painting booths and drying ovens as well as the rubbing down stands at a predetermined rate of progress.

...to upholster and fit window glass, windscreen, sliding or fixed roofs to these bodies, another army of men are ranged on a separate conveyor and work deftly and surely –each at his special operation. The final polishing-and then the body waits for its chassis on one of the two assembly conveyors, where meanwhile, the results of the chassis construction lines have been gathering to that stage when a body is all they need to complete the car or commercial vehicle...

Rigid inspection of every detail of chassis and body marks the closing stages of the vehicle's progress...This is then no experimental, unfledged, inexperienced production of an article for use in the Irish Free State, but a highly-efficient, skilled organization turning out a product second to none...that any Irishman can be proud to own.<sup>103</sup>

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Publicity, promotion and advertising were key factors in Ford's success from the beginning. The company used conventional press advertising as well as other promotional activities. Henry Ford had first come to public attention with his racing exploits as his first win at Grosse Pointe in 1901 made him the talk of automotive circles, but his success in breaking the land speed record at an official rate of 91.37 miles per hour on 12 January 1904 brought public acclaim and fame, enhancing his reputation as a car-maker and promoting his business.<sup>104</sup> With the advent of the Model T in 1908 the Ford Motor Company staged publicity stunts to promote the ruggedness and reliability of the car. One such exploit was a 4,000 mile transcontinental race which started on 1 June 1909. The event was won by Ford, but complaints that Ford dealers had been 'overly

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<sup>103</sup> *IT*, 24 Mar. 1934.

<sup>104</sup> Brinkley, *Wheels for the world*, pp 40 and 69.

helpful' en route saw Ford's winning entry being disqualified in November. In the meantime, Ford had benefitted from the publicity by aggressively advertising the Model T's achievements.<sup>105</sup> Subsequently, the success of the Model T, Ford's well publicised price reductions and the introduction of the five dollar day were widely recorded and publicised, so that Henry Ford's reputation was known worldwide. His frequent and often controversial remarks kept his name in the headlines, ensuring valuable publicity and advertising. In Britain too, press advertising was supplemented by promotional stunts as, for example, when in May 1911 a Scottish Ford dealer, Henry Alexander, prompted by Percival Perry, drove a Model T to the top of Ben Nevis to demonstrate its ruggedness and capability.<sup>106</sup>

In Ireland, Ford's cars gained publicity by competing successfully in reliability trials run by the Irish Automobile Club (IAC).<sup>107</sup> Ford advertised their cars, commercial vehicles and tractors extensively in the newspapers and trade publications, and following the American example, advertisements concentrated on vehicle quality, price, versatility and the availability of after-sales service. In America, from as early as 1910, Ford provided guided tours for visitors to view the wonders of his massive plants, as their mass production system turned out thousands of cars every day. This innovative approach to public relations was in direct contrast with other industrial firms of the time who feared that competitors might use the visits to indulge in industrial espionage.<sup>108</sup> The Cork plant was not on the same scale as the Rouge plant, nonetheless it was the most modern industrial enterprise in Ireland at the time and it too attracted many visitors, particularly

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105 Brinkley, *Wheels for the world*, pp 116/7.

106 *Glasgow News*, 29 May 1911, in WH, p. 47.

107 Montgomery, *Ford manufacture*, p. 6, IAC later became the RIAC.

108 Brinkley, *Wheels for the world*, p. 139.

politicians. Days before his murder, the lord mayor of Cork Tomás MacCurtain visited the plant.<sup>109</sup> Michael Collins too, while in Cork addressing a pro-treaty rally, took the opportunity to spend time in the Fordson factory.<sup>110</sup> Unusually for a politician, Collins tried his hand at casting some cylinders and, like MacCurtain, was photographed astride a Fordson tractor. During his period in office W. T. Cosgrave visited the factory twice in the late 1920s and his political opponent and successor, Eamon de Valera, was also shown round the Marina plant while in Cork to open the restored town hall in September 1936.<sup>111</sup> Post-war, the custom persisted and Jack Lynch opened a new extension in October 1967.<sup>112</sup> These visits and the attendant publicity offered mutual public relations benefits providing a platform for the politicians, particularly local politicians, to be associated with the success of the Ford business, while the company got to spread the Ford message and promote their vehicles.

Though the tariffs of 1932 left Ford with little choice but to commence motor car assembly operations, in their advertising they could justifiably emphasise their relatively long presence in Ireland. With manufacturing activities in the country dating back to 1919, they could boast in their advertisements of Henry Ford's personal association and business foresight in bringing the factory to the banks of the River Lee, asserting that 'Cork and its factory have striven and prospered together'.<sup>113</sup> Unlike their competitors, they could claim that they had never been forced to set up assembly to avoid the tariffs, as their advertisement proclaimed, their factory 'was never a mushroom growth forced in

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109 Ford & Son, *Ford in Ireland*, p.16; see chapter four, Tomás Mac Curtain died 20 March 1920.

110 *CE*, 14 March 1922, see chapter five.

111 *IT*, 10 Sept.1936, he also visited the Dunlop factory.

112 Ford & Son, *Ford in Ireland*, p. 37.

113 Ford advertisement, *IT*, 2 Jan. 1937.

expediency'.<sup>114</sup> While Ford's long established operation gave them a distinct advantage in assembling cars, as O'Neill had noted, the tariffs imposed were likely to encourage his competitors to set up too. By early 1934, Ford's factory was fully operational making them the only substantial assembler in the Free State and in a very strong position with increasing sales and a higher market share deriving from their new Model Y. The company was determined to maintain its position and used all its skills at marketing and promotion. Activities in the period were particularly intense and included an 'open house week' at the factory when 16,525 people visited, souvenir booklets were distributed and Ford films were shown in local cinemas and round the country.<sup>115</sup> Price reductions, made possible by the lower tariffs applying to assembled vehicles, were introduced. On 1 August 1934 a new tractor parts price list was implemented which reduced prices by ten per cent. The following month retail prices on all models of Ford Model Y were reduced by £10, down to £160.<sup>116</sup> When the national newspapers were strike-bound for nine weeks in late 1934, and newspaper advertising was effectively eliminated, O'Neill overcame this difficulty by getting the news of Ford's price reduction broadcast as a news item from 2RN, the national broadcasting station.<sup>117</sup> Other sales incentives included retail hire-purchase schemes, demonstrations and reduced insurance premiums on all Ford models.<sup>118</sup>

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114 Ford advertisement, *IT*, 2 Jan. 1937.

115 Manager's quarterly report, June 1934 (BFRC, Acc. 712, Box 18-1).

116 *Ibid.*, Sept. 1934 (BFRC, Acc. 712, Box 18-1); *CE* advertisement, 24 Mar. 1934 shows price at £170, reduced to £160 in *IT* 24 Oct. 1934.

117 Newspapers were closed from 27 July to 1 Oct. 1934 as a result of a dispute with ITGWU, see *IT* 2 Oct. 1934; Manager's quarterly report Sept. 1934 (BFRC, Acc. 712, Box 18-1).

118 *Ibid.*

The government's introduction of quota restrictions in late 1934 finally forced the remaining motor companies to set up assembly plants.<sup>119</sup> In this new situation with practically all cars made assembled locally and therefore in a position to claim to be 'Irish made', Ford no longer held this unique position, but being longer established in the country gave them other advantages which could be exploited. In January 1937 they advertised their factory policy as: 'To make better transport available at less cost to all Irish people; to achieve this with Irish brains and Irish labour, and as far as possible with parts and raw material of Irish origin.'<sup>120</sup> During a visit to the Ford works in December 1937, Seán Lemass, the Minister for Industry and Commerce, was given an extensive tour and briefing by the management. Lemass was apparently impressed by the plant and the amount of Irish-made materials incorporated in the Ford cars.<sup>121</sup> The following month Ford highlighted this aspect, taking a quarter page advertisement to draw attention to their suppliers' use of Irish labour and Irish-made materials.<sup>122</sup> Ford also emphasised their higher production capacity and by implication their quality advantage over their competitors. Morris Motors, Ford's nearest competitor, advertised in late 1937 that their assembler, G. A. Brittain Ltd., would produce 200 cars per month at a new assembly works at Portobello on Dublin's Grand Canal while Ford already overshadowed that production with a claimed output of 1,000 vehicles per month.<sup>123</sup>

Ford's unique position as a long-term and high-volume motor manufacturer created other opportunities for marketing promotions. In Detroit, milestones such as the

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119 See below.

120 *IT*, 2 Jan. 1937.

121 Montgomery, *Ford manufacture*, p. 24.

122 *IT*, 3 Jan. 1938, see Appendices for list of suppliers.

123 Advertisement, *IT*, 25 Sept. 1937 and *IT*, 2 Jan. 1937 respectively.

millionth model produced were opportunities to be highlighted and publicised. The Marina's output figures were much more modest, but were celebrated nonetheless. The 25,000th car to be built by the company since the commencement of assembly operations in 1932 came off the line in mid-January 1938, while the company's coming of age, the 21st anniversary of Henry Ford & Son's incorporation in 1917, was celebrated on 1 April 1938.<sup>124</sup> As on previous occasions, the company held an 'open house' with guided tours when thousands of visitors viewed the plant.<sup>125</sup>

Another feature of Ford's marketing was their annual national exhibition. For example, in January 1939, they staged an elaborate exhibition of their Irish-built vehicles at the Mansion house in Dublin. The show exhibited the full range of Ford products as well as films explaining Ford's technology and history. Musical entertainment provided by the No. 1 Army and Garda bands helped to justify the one shilling admission fee. The exhibition was accompanied by large scale advertising in the national newspapers.<sup>126</sup>

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Deepening depression combined with the effects of tariffs caused motor car imports into the Irish Free State to drop sharply from 7,333 units in 1931 down to 2,903 in 1932.<sup>127</sup> Ford's rapid response to the tariffs, substituting locally assembled cars in place of imports in the second half of 1932 year accounted for part of the decline, though probably less than 500 cars as total Ford sales amounted to only 708 vehicles.<sup>128</sup> Furthermore, people were holding off purchasing in the expectation that the tariffs would

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124 Manager's quarterly reports, Dec. 1937 (BFRC, Acc.712, Box 18-1).

125 Montgomery, *Ford manufacture*, p. 24.

126 *IT*, 26 Jan. 1939.

127 See Appendix 11.

128 They sold 708 vehicles from June to Dec. 1932, Manager's monthly report, Sept. and Dec. 1932 (BFRC, Acc. 38, Box 10).

eventually be reduced.<sup>129</sup> In the following two years imports declined further; 2,508 cars and 2,176 were imported in 1933 and 1934 respectively, while total new car registrations reached 4,659 in 1934, the majority of which were assembled by Ford.<sup>130</sup> These figures showed that the move to assembly had not been as comprehensive as Lemass suggested and that the remaining car imports represented a significant number of potential jobs still to be realised. Since neither the extra duties nor the road tax incentives had persuaded all of the importers to set up assembly, in March 1934 the government introduced the Control of Imports Act, 1934 which authorised the imposition of import quotas.<sup>131</sup> Subsequently, the act was used to introduce quota orders on a variety of goods. On 19 October 1934 the Executive Council introduced quota orders numbers 8, 9 and 10, which prohibited the import, except under licence, of assembled motor cars, chassis or bodies. These rigorous quota orders effectively eliminated the import of complete vehicles and forced the remaining motor vehicle distribution firms to set up assembly plants. While rumours had been afoot about imminent quota orders from the beginning of October, there were mixed views in the motor trade.<sup>132</sup> No doubt Henry Ford & Son were satisfied, for, as we have seen, they had fully developed their assembly plant. Later, F. S. Thornhill Cooper, company secretary, remarked smugly that ‘our competitors both English and American, have been very jealous of our position vis-à-vis the automobile trade and our holding of a large percentage of the registrations’.<sup>133</sup> Equally, firms who were already engaged in assembly had reason to feel pleased. F. M. Summerfield, who was both an

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129 Manager’s monthly report, Sept. 1932 (BFRC, Acc. 38, Box 10).

130 For motor car imports, see Appendix 11; new private motor vehicles licensed for first time, Statistical abstracts 1935, Stationery Office Publications, NLI.

131 ‘Irish Statute Book’ (<http://www.irishstatutebook.ie/1934/en/act/pub/0012/index.html#zza12y1934>) (5 Oct. 2007).

132 *IT*, 20 Oct. 1934.

133 F. S. Thornhill Cooper (P. .Perry’s assistant) to C. E. Sorensen, 3 Dec. 1934 (BFRC, Acc.38, Box 29).

importer and an assembler, assembling Chryslers as well as other makes at his works on the North Wall, Dublin, welcomed the quota orders as he believed they ‘should give my fellow car builders and myself a decided fillip in our activities’.<sup>134</sup> Regarding importers he stated that ‘several well-known car agencies, including some I hold myself, will be wiped out’.<sup>135</sup> Thus, where previous measures had failed, the draconian quota orders forced all remaining importers to adapt to assembly. A measure of the success of the quota orders can be seen from the fact that car imports dropped from 2,176 in 1934 to 426 in 1935 and then to 227 in 1937.<sup>136</sup>

Towards the end of 1934, as the new assemblers were setting up, government inspectors began checking the motor plants, clarifying specifications and informing assemblers of the conditions necessary to qualify for the reduced road tax rate of £16 from February 1935.<sup>137</sup> This caused problems for Ford’s V-8 Model 48. On the previous V-8 Model 40 the customs inspector had noticed welds on back-panel assemblies called ‘balloons’, had designated them as complete assemblies and refused to allow them enter duty-free. Since these parts were imported from Dearborn and the process of welding them required specialised and expensive equipment John O’Neill sought a meeting with the Minister of Industry and Commerce to discuss the matter.<sup>138</sup> The minister was prepared to grant the necessary certificate for cars assembled up to 1 February 1935 on condition that the knock-down state, at importation, was similar to the previous V-8 Model for which certificates had already been issued. He was not prepared to make any

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134 *IT*, 20 Oct. 1934.

135 *Ibid.*

136 See Appendix 11.

137 John O’Neill to F. S. Thornhill Cooper, 5 Dec. 1934 (BFRC, Acc.38, Box 29).

138 F. S. Thornhill Cooper to C. E. Sorensen, 3 Dec. 1934 (BFRC, Acc. 38, Box 29 ).

commitment regarding cars assembled after that date. Despite O'Neill's submissions he could not get any concession on this matter.<sup>139</sup> Sorensen, when apprised of the issue, was his usual obstinate self and said: 'You will only need to tell them that this is the only way it can be made...'<sup>140</sup> The argument rumbled on and Ford's first consignment of the V-8 Model 48 were disqualified from the reduced tax. The minister remained adamant that the part was not one piece, as the various welds were clearly visible, while Ford's case was further undermined by the fact that Plymouth and Terraplane were doing the equivalent assembly locally. O'Neill finally cabled Sorensen recommending that Ford re-examine the possibility of shipping the parts knocked down so that they could retain prominent position in the Free State market and avoid the exclusion of the V-8 Model 48 from the Irish market.<sup>141</sup>

Notwithstanding Ford's problems with the V-8, general trading conditions improved in 1934, cars sales increased and Ford's share of the market rose steadily. The leading light in this revival was the Model Y. In Britain it had become the market leader, selling 54 per cent of all vehicles of 8 horsepower or under.<sup>142</sup> Sales in Ireland, too, were buoyant with 1,600 Model Y's sold out of total Ford sales of 3,074 vehicles.<sup>143</sup> Ford's share of the market at the end of 1934 accounted for 54.4 per cent of new registrations.<sup>144</sup> The year also saw the addition of new small commercial vehicles, the Model Y 5-cwt van and the Model B 12-cwt light van.<sup>145</sup> Even tractor sales in Ireland for 1934 were the

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139 John O'Neill to F. S. Thornhill Cooper, 5 Dec. 1934 (BFRC, Acc. 38, Box 29).

140 C. E. Sorensen to F. S. Thornhill Cooper, 19 Dec. 1934 (BFRC, Acc. 38, Box 29).

141 J. O'Neill cable to C. E. Sorensen, 14 Feb. 1935 (BFRC, Acc. 38, Box 29).

142 WH, pp 287/8.

143 Model Y sales: Roberts, *Ford Model Y*, p. 194; Manager's quarterly report 31 Dec. 1934 (BFRC, Acc.712, Box 18-1 ).

144 Manager's quarterly report 31 Dec. 1934 (BFRC, Acc.712, Box 18-1 ).

145 Ibid., Mar. 1934 (BFRC, Acc.712, Box 18-1 ).

highest in the company's history, though at 150 units, small in absolute terms. The company's intensive marketing was paying off.<sup>146</sup> Gross profits for the year at £66,129 showed a substantial improvement over 1933. However, net profits were less strong having been affected by the reduced retail vehicle prices, and the preliminary costs associated with setting up production facilities for the new models.

After sixteen years of fluctuating markets, plant installations and removals, not to mention tariff issues, Henry Ford & Son finally settled down to a steady business and in 1935 had their most profitable year before World War II. With stocks of Model Y parts now freely available from Dagenham, the company sold 5,563 vehicles of which 2,877 were Model Y's.<sup>147</sup> Profits rose to £126,680, almost double the previous year.<sup>148</sup> Ford's market share, expressed monthly, averaged over 60 per cent of new car registrations and reached 71.2 per cent of the market in June, followed by a peak of 71.7 per cent in July.<sup>149</sup> Dealerships numbered 191 (of which 72 were main dealers) up from 158 in 1934.<sup>150</sup> The price of tractors and parts were reduced on 1 January 1935 and further price reductions were made in March 1935 on the Model Y 'Popular' and V-8 models.<sup>151</sup> With the advantage of being first to assemble, vigorous marketing and lower prices, Ford had become the dominant motor company in the Irish Free State. Nevertheless, serious competition was looming, the quota restrictions had forced the remaining motor companies to change their attitudes and there was now a rush to set up assembly

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146 Manager's quarterly report Mar. 1934 (BFRC, Acc.712, Box 18-1).

147 Ibid., , Mar. to Dec. 1935 (BFRC, Acc.712, Box 18-1 ); Model Y sales: Roberts, *Ford Model Y*, p. 194.

148 Board of directors' meeting, 17 Apr. 1936 (BFRC, Acc.38, Box 34).

149 Manager's monthly report, 31 July 1935 (BFRC, Acc.712, Box 18-1)..

150 Manager's quarterly report, 31 Dec. 1935 (BFRC, Acc.712, Box 18-1).

151 Ibid., 31 Mar. 1935 (BFRC, Acc.712, Box 18-1); the name 'Popular' had been introduced at Ford's 1934 motor exhibition in London. Roberts, *Ford Model Y*, p. 78.

operations. Moreover, Ford's commanding position, around sixty per cent of car sales in 1935, left very little market share to be divided amongst so many other competitors and Ford's near monopoly was bound to be attacked and eroded. O'Neill warned Dearborn of the effect on revenue likely to result from the combined effect of the increased competition, reduced prices, as well as higher costs of supplies such as tyres, now available only from the Irish Dunlop Company Ltd.<sup>152</sup> His warnings were well founded and in 1936 a number of cost issues arose which reduced the company's profitability; at the same time Ford's share of the market declined about ten percentage points, though they remained the clear market leader with over fifty per cent of new car registrations.<sup>153</sup>

The Austin Motor Company and the Morris Motor Company, two of Britain's major motor manufacturers and Ford's main competitors there, had delayed setting up assembly operations in the Ireland until forced to do so by the introduction of quotas. Morris was first to set up in September 1935 with a competitive range of vehicles, including 8 and 10 horsepower cars as well as a large six-cylinder model, while Austin motors followed soon after.<sup>154</sup> Lemass had his suspicions about their unwillingness to assemble in the Free State. In early 1935, defending the quota system, he told the Dáil:

The number of cars sold during 1933 was down...the main cause was that certain traders, representing the manufacturers of the types of cars at that time most popular in the country, other than the Ford car, were deliberately shutting down on any attempt on behalf of their principals to assemble these cars here; and they hoped, in that way, to secure the defeat of the whole policy. The quota order changed that situation. These particular traders, and others in the same position, will in due course disappear entirely

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152 Manager's quarterly report, 30 Sept. 1935 (BFRC, Acc.712, Box 18-1).

153 Ibid.

154 Ibid.

from the motor business unless they proceed to sell Irish-assembled cars. The number of persons engaged in the business of distribution and servicing cars will be no less in the future than in the past and the number engaged in manufacture will be a clear gain.<sup>155</sup>

Certainly, the quota system had forced the remaining car makers to assemble locally, but Lemass appeared to have a bias against the British manufacturers. Previously he was prepared to improve taxation arrangements for the larger-engined American cars, but clearly was suspicious that the British companies were trying to frustrate the government's policies. Whatever Lemass's view of the trade, none of the motor companies withdrew from the Irish market. On 1 January 1936, to counter the efforts of their many competitors, Ford reduced the price of the Model Y Popular by a further £10 to a very competitive price of £140. This reduction had become possible as Dagenham had stripped and pared the original Model Y Popular and introduced it in Britain at a price of £100 in October 1935.<sup>156</sup>

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Fianna Fáil initiated legislation to improve the working conditions of Irish workers in 1936. Designed to regulate the hours of work and conditions for individual employees, the Conditions of Employment Act came into effect on 29 May of that year and introduced compulsory annual leave and public holidays with pay. Previously at Henry Ford & Son only salaried staff had enjoyed paid leave, now according to O'Neill, these new requirements would add to Ford's annual costs.<sup>157</sup> In September, O'Neill had reported that the recent Model Y price cut would cost £27,000, while higher priced tyres from the monopoly supplier, Dunlop, cost an additional £12,000 and the new holiday

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155 Dáil debates, 13 Feb. 1935, vol. 54, cols. 1931/1932.

156 Roberts, *Ford Model Y*, p. 77; price reduction: Tolliday, 'Ford in Britain', p. 23.

157 Manager's quarterly report 30 June 1936 (BFRC, Acc.712, Box 18-1 ).

payments added £3,500.<sup>158</sup> The end-of-year results for 1936 showed that while total car sales reached 5,467 units, up 17.5 per cent on the previous year, gross profits, affected by the additional costs, had dropped by 32 per cent to £86,025. 6s.3d.<sup>159</sup> Despite the dip in profits O'Neill was confident that prospects for 1937 appeared good and conditions throughout the country indicated that more money was being spent.<sup>160</sup> The number of assembly plants continued to rise with the addition of production plants for Nash cars as well as Opel cars and Opel commercial vehicles.<sup>161</sup> At the end of 1937, John O'Neill, outlined the state of play with his competitors. He said that:

There are now, including our own, 26 assembly plants in the country, assembling 36 different makes of cars and 16 different make of commercial vehicles. The latest additions are Chevrolet cars and trucks, which with the Opel, Vauxhall and Bedford completes General Motors best selling lines.<sup>162</sup>

With only 194 cars imported in 1937 Lemass's ambition of substituting assembly for importation had become a reality, but not everyone in Fianna Fáil agreed with the policy.<sup>163</sup> According to his son, Gerry Boland did not agree with the strategy of setting up 'little factories everywhere making inferior goods and large profits'; he was particularly opposed to car assembly, describing it as 'a fake "industry" producing an inferior article for which you paid double the price...bloody madness.'<sup>164</sup> Boland's remarks were not without truth, for by 1937 the six largest producers accounted for almost 91 per cent of the new car registrations, while the remaining twenty were very small scale assembling

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158 Manager's quarterly report to 30 Sept. 1936 (BFRC, Acc.712, Box 18-1).

159 Board of directors' meeting, 26 Apr. 1937 (BFRC, Acc. 38, Box 29); Car sales: Manager's quarterly report Mar. to 31 Dec. 1936.

160 Manager's quarterly reports to 31 Dec. 1936 (BFRC, Acc.712, Box 18-1).

161 The retail price of the Opel Cadett was £208 ex-Cork: Manager's quarterly report to 30 Sept. 1937 (BFRC, Acc. 712 , Box 18-1).

162 Manager's quarterly report to 31 Dec. 1937 (BFRC, Acc. 712 , Box 18-1).

163 Car imports: see Appendix 11.

164 Horgan, *Sean Lemass: The enigmatic patriot*, p. 95.

only a handful of cars each week.<sup>165</sup> Inevitably the inefficiency of such low volume output would be reflected in both the price and quality. For example, as we have just seen, the Ford Model Y was being sold in Britain for £100 in early 1936 and was on sale in the Free State for £140, the higher price being due to additional transport and assembly costs.<sup>166</sup> If fully built up Model Y cars could have been imported duty free from Britain they would have incurred only the transport cost making them slightly dearer than in Britain, perhaps £110, some £30 less than the Irish price. However, if the government's duty of 50 per cent was applied to such a car, clearly the price would be greater than £140, perhaps as much as £160.<sup>167</sup> So Boland was right in that importing the parts and assembling them in Ireland meant that Ford cars were dearer than when imported duty-free, but about £20 cheaper than when imported under the existing duty regime. This example applies to Ford, the largest and most experienced assembler who sold almost six thousand cars in 1937, but many of the smaller companies were producing less than 150 cars per annum and did not have Ford's economies of scale and were therefore likely to have proportionally higher costs and prices. His comments about the quality of the vehicles also applied to the smaller volume producers who had neither Ford's experience nor their quality systems and controls. With the exception of Ford, and perhaps Morris, Boland's criticism that the consumer was paying a higher price and in some cases getting poorer quality, is probably true, but against this we can set the many jobs created by the assembly industry and the opportunities it provided to develop basic engineering skills.

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<sup>165</sup> Car registrations 1937, Montgomery, *Ford manufacture*, p.23.

<sup>166</sup> *IT*, 6 Jan. 1936.

<sup>167</sup> The preferential rate of two thirds the full rate applied for British imports i.e.seventy five per cent was reduced to fifty per cent.

In spite of the large number of competitors, 1937 was another excellent year for Ford, sales continued to improve, though at a slower rate than in 1936; even a protracted building strike in Dublin and Cork, while it had an upsetting influence on business generally, did not significantly affect Ford's progress.<sup>168</sup> The year also saw the introduction of two new models, a new Ford 10 horsepower and the Ford 7Y.<sup>169</sup> The 7Y was designed in the United Kingdom to replace the Model Y which was becoming antiquated and was being overtaken by its competitors. Patrick Hennessy, who had started in Henry Ford & Son, Cork, but had been transferred to Dagenham in 1931 to take over purchasing, worked with the Dagenham engineers during 1936 to produce the improved Model 7Y.<sup>170</sup> This was strictly against Ford's rules as all designs were expected to emanate from Dearborn. Perry despatched Hennessy to Dearborn to persuade headquarters of the merit of the new design. Despite initial criticism from Charlie Sorensen, Hennessy succeeded in getting Edsel Ford's approval.<sup>171</sup> The Model 7Y, which has been described as the first Ford car to be designed and developed in Britain, was launched in August 1937 and went on to become Ford's most successful car of the late 1930s, despite it being only a reworked version of the original Model Y.<sup>172</sup> The Model 7Y arrived in Ireland towards the end of 1937. It was launched as the 'New Ford Eight' at a price of £165, against £140 for the previous Model Y and £177.10s.0d. for its nearest competitor, the 8 horsepower Morris.<sup>173</sup> In spite of returning a profit of £110,151 for the

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168 Manager's quarterly report 30 June 1937 (BFRC, Acc.712, Box 18-1).

169 Ibid.

170 Roberts, *Ford Model Y*, p. 17.

171 Ibid., p. 82.

172 Tolliday, 'Ford in Britain', p. 23.

173 Manager's quarterly report to 31 Dec. 1937 (BFRC, Acc. 712, Box 18-1); Ford Eight price: *IT*, 18 Dec.1937.

year, O'Neill, always cautious, was concerned for the coming year.<sup>174</sup> He anticipated that the market would not expand and that Ford's leading position would be weakened by the recent retail prices increases.

In mid-January 1938 negotiations commenced between the British and Irish governments on the dispute which had been ongoing since 1932. For the motor trade, uncertainty over the negotiations together with the worsening international situation led to a fall off in sales. O'Neill reported that a severe trade recession was being felt as the public postponed purchases of all kinds, pending the outcome of the negotiations.<sup>175</sup> Even after the Anglo-Irish agreement had been concluded on 25 April, sales continued weakening probably in expectation of prices being reduced. The general election held on 17 June 1938 further interfered with business. With the market contracting, Ford were now facing much stiffer competition from the other assemblers, particularly G. A. Brittain, Morris assembler in Ireland, who were investing very heavily in advertising.<sup>176</sup> Towards the end of 1938 both Austin and Morris reduced prices in an attempt to regain sales. Despite these efforts new car registrations for 1938 dropped by 27 per cent on the previous year while Ford sales had contracted by 28.5 per cent.<sup>177</sup> With the deteriorating political situation in early 1939 as the world drifted to war, car sales showed no signs of revival.

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The outbreak of World War II in September 1939 left the Irish Free State largely isolated by its limited access to shipping and its neutral status. For the motor industry,

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174 Board of director's meeting, 28 Mar. 1938 (BFRC, Acc.38, Box 34).

175 Manager's quarterly report 31 Mar. 1938 (BFRC, Acc. 712, Box 18-1).

176 Ibid., 30 June 1938 (BFRC, Acc. 712, Box 18-1).

177 Ibid., 31 Dec. 1938 (BFRC, Acc. 712, Box 18-1).

relying mainly on imported materials, production effectively ceased. Ford's position was put succinctly by O'Neill:

Operations came to a standstill from 1941 to the end of 1945, owing to the inability to secure supplies due to the war. The Irish company was completely dependent on the American and English companies. During the war, dealers supplied service parts to enable authorised vehicles to function. When the war ended, the Cork plant resumed production with the same models.<sup>178</sup>

For the first year of the war, life continued in a surprisingly normal manner. As late as January 1940 the Ford Prefect, the first Ford to have a model name and so called because it was 'at the head of its class', was still being promoted in the national newspapers.<sup>179</sup> Petrol was fairly plentiful and a liberal ration permitted motorists to travel without too much inconvenience.<sup>180</sup> The Ford company took the necessary air-raid precautions and built ten air-raid shelters to accommodate its employees. Production continued in Cork at a much reduced rate, but O'Neill saw little prospects of obtaining further supplies of parts. By September, amongst his main competitors, Morris had already been out of stock for some time, but Austin, Hillman and Vauxhall still seemed to be securing sufficient stocks of assembly parts.<sup>181</sup> By the end of 1940, assembly parts for all Ford vehicles were exhausted. Sales for the second half of 1940 had amounted to 819 passenger vehicles compared with 1,151 and 1,869 in the comparable period in 1939 and 1938 respectively.<sup>182</sup> However, there was a glimmer of hope as deliveries of materials to

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178 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7), p.7.

179 *IT*, 8 Jan. 1940; the 10 horsepower Ford had appeared in 1938, Burgess-Wise, *Ford at Dagenham*, pp 55 and 62.

180 *IT*, 9 Jan. 1942.

181 Manager's quarterly report 30 Sept. 1940 (BFRC, Acc. 712, Box 18-1).

182 *Ibid.*, from 1937 to 1940 (BFRC, Acc. 712, Box18-1).

assemble both the Ford 8 and 10 horsepower were promised for the end of January 1941, but in the meantime assembly operations were shut down for at least a month.<sup>183</sup>

The last 26 Ford passenger vehicles were sold in early 1941.<sup>184</sup> Presently, with national supplies of petrol dwindling, the government introduced an order to curtail petrol consumption. The original rationing scheme had allowed private motorists with eight horsepower cars an allowance of eight gallons per month. This was later increased to twelve gallons, but the order announced on 9 January 1941 reduced the allowance to two gallons per month.<sup>185</sup> Gloomily the *Irish Times* predicted: ‘in consequence of last night’s order, private motoring for most practical purposes will come to end in Éire’.<sup>186</sup> Petrol imports for January 1941 dropped further forcing the government to reserve stocks for vital services. On 29 January 1941 they announced the complete elimination of petrol supplies to private owners: ‘no licences can be issued to owners of private cars except for very limited quantities for clergymen, doctors, veterinary surgeons and those engaged on work of national importance’.<sup>187</sup> With petrol only available for essential services the motor trade in the Free State came to a standstill, while the Ford factory was now working at four per cent capacity.<sup>188</sup> To maintain a degree of mobility, resourceful motorists began converting their cars to run on town gas, but the shortage of gas in turn led to the government banning its use for car propulsion.<sup>189</sup>

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183 Manager’s quarterly report 31 Dec. 1940 (BFRC, Acc.712, Box18-1).

184 Sales, Manager’s quarterly report 31 Mar. 1941 (BFRC, Acc.712, Box 18-1).

185 *IT*, 10 Jan. 1941.

186 *Ibid.*

187 *IT*, 30 Jan. 1941.

188 Manager’s quarterly report 31 Mar. 1941 (BFRC, Acc.712, Box18-1).

189 *IT*, 9 Jan. 1942.

With normal production suspended Henry Ford & Son turned to other areas to occupy its resources. Conscious of the availability of both premises and a trained workforce, the company sought permission from the government to manufacture aero-engine components for export to Britain.<sup>190</sup> However, the government's firm position on neutrality meant that permission was refused. Subsequently, many of the Cork workers volunteered to go to England and worked at Dagenham or at the Ford aero-engine factory at Manchester where they endured the German bombing and wartime conditions.<sup>191</sup> At first the British government had been reluctant to use Dagenham as a supplier due to its location, visibility and consequent vulnerability, but under full war pressure in June 1940 they changed this and Dagenham went on to make a massive contribution to the war effort, despite regular German bombing.<sup>192</sup>

Because the majority of the cars still running on Irish roads were Fords and since new parts were unavailable until later in the war, and then only in small numbers, the company began reconditioning old parts.

Gears which normally would have been scrapped were reclaimed by welding and re-machining: such components being prominently marked WESP – 'War Emergency Salvaged Part'. Axle parts were made from old tram axles purchased from the Great Southern Railway. The country was scoured for machine parts to keep the factory running.<sup>193</sup>

Later in the war the company looked for other ways of providing employment and contributing to the national emergency. By salvaging packing crates they were able to

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190 Ford & Son, *Ford in Ireland*, p. 32.

191 Ibid.

192 NH, vol. III, pp 281/3.

193 Ford & Son, *Ford in Ireland*, p. 32

produce items such as wooden clogs, while the nails removed from the crates were straightened for reuse by Ford employees. Products as diverse as screwdrivers were made from old valve stems and wheeled-carriages for Irish Army Bren-guns were turned out.<sup>194</sup> The company contributed to the defence of the Free State by arranging to import from Dearborn, via Spain, some V-8 chassis and components for use by the Army.<sup>195</sup> The V-8's were shipped to Thompson's engineering works in Carlow who were commissioned to build fourteen armoured cars on Ford chassis. The vehicles proved very reliable and one squadron commander commented that 'you could drive them from hell to eternity with no problems'.<sup>196</sup>

When the realities of the war becoming clearer, in January 1941, Dr James Ryan, the Minister for Agriculture, in anticipation of the curtailment of grain imports, called on farmers to increase tillage by a million acres to make the country self-sufficient.<sup>197</sup> O'Neill responded to the government's urgent appeal by planting 60 acres of wheat and 5 acres of beet on Ford's land, in addition, he acquired a further 74 acres at Carrigtwohill, also for the cultivation of wheat.<sup>198</sup> The company also retained part of its workforce harvesting turf at a bog near Nad.<sup>199</sup> O'Neill reported that:

We have placed 150 and are hiring 30 of our unemployed workers on turf production to protect our own company's fuel supplies and also the domestic requirements of our workers. The surplus, if any, would of course be made available to the public. An experiment will be made by the Midleton (Co. Cork) Gas Company for us in producing

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194 Ford & Son, *Ford in Ireland*, p. 33.

195 *Ibid.*, p. 32.

196 Donal MacCarron, *Step together: The story of Ireland's Emergency army* (Dublin, 1999).

197 *IT*, 14 Jan. 1941.

198 Manager's quarterly report to 31 Mar. 1941 (BFRC, Acc.712, Box18-1).

199 Montgomery, *Ford Manufacture*, p. 25.

peat charcoal for sale to users of producer gas outfits on trucks, the Gas Company taking the peat gas for mixing with their town supply. We are endeavoring to secure a forest to enable us to transfer these men during the winter period and others will be used to repaint interior and exterior of our factory if sufficient paint can be obtained.<sup>200</sup>

Nationally, in February 1941, the country faced a foot and mouth outbreak which affected home and export trade, while the rationing of other essentials such as tea, cocoa and coal was also implemented. At the end of March, O'Neill wrote that he had no remaining stock of tractors and urgently required a minimum of five hundred for the coming sowing season.<sup>201</sup> It is not clear if or when these tractors were delivered, as Dagenham was under considerable pressure to supply the British market. Tractor production there had risen steadily since Dagenham took over production in 1933; the factory produced 22,210 units in 1941, 27,650 in 1942 and went on to produce a total of 136,811 tractors during the war period.<sup>202</sup> Dagenham's Fordson tractors played a vital role in reducing Britain's dependence on imported food by ploughing millions of extra acres in a 'Dig for victory' campaign.<sup>203</sup>

The war period saw a number of significant changes in Ford's management. Though the Ford plant in Cork was at a standstill, in both Britain and the United States the company was occupied producing materials for the war effort. Henry Ford had initially refused to undertake building Rolls-Royce aircraft engines for Britain, but later relented and became fully involved in producing aircraft as well as land vehicles.<sup>204</sup>

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200 John O'Neill to Minister of Industry and Commerce, 7 July 1941, NAI. DT S5782B, in Nyhan, 'A history of the Cork plant', pp 89/90.

201 Manager's quarterly report to 31 Mar. 1941 (BFRC, Acc.712, Box18-1).

202 NH, vol. III, p. 283 fn., Burgess-Wise, *Ford at Dagenham*, p. 86 quotes 137,483; for other figures see Appendix 2.

203 Burgess-Wise, *Ford at Dagenham*, p. 85.

204 NH, vol. III, pp 176 and 186.

Following the unexpected death of Edsel Ford in May 1943 at the age of 49, Henry Ford resumed the presidency of the Ford motor company, despite declining health and mental ability.<sup>205</sup> With the death of the heir-apparent and the company being managed in a chaotic and inefficient manner, the United States government, in order to protect its war output, decided, instead of seizing the firm and managing it, to recall Ford's grandson, Henry Ford II, to take over.<sup>206</sup> Released from the navy in August 1943, the American government officials hoped that he might put an end to the growing chaos in the company management.<sup>207</sup> He had not been expected to run the company, and had not been groomed for the position, but given the circumstances there was little other option. He was appointed vice-president in December 1943 and later Clara Ford convinced her husband, Henry Senior, to hand over control of the business to him.<sup>208</sup> On 21 September 1945 the board of directors voted Henry Ford II, aged 28, president of the Ford Motor Company a post he held until 1960 when he became chairman and chief executive officer.<sup>209</sup> Old Henry took little interest in the company after this and died at his home in Fair Lane on Monday, 7 April 1947, following a cerebral haemorrhage. He was 83.<sup>210</sup>

Meanwhile, the Ford family were determined to rid the company of managers who had been troublesome to Edsel. Sorensen was one of these, and on 13 March 1944 he was forced to resign after almost forty years in the company.<sup>211</sup> Percival Perry, who was rewarded for political and public services and made Lord Perry of Stock Harvard in

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205 NH, vol. III, pp 248/250

206 Arthur Kuhn, *GM passes Ford, 1918-1938: Designing the General Motors performance-control system* (Pennsylvania, 1986), p. 266.

207 NH, vol. III, pp 252/ 254.

208 Ibid., pp 252 and 260.

209 Brinkley, *Wheels for the world*, pp 499/501 and 677.

210 Ibid., p. 517.

211 Bryan, *Henry's Lieutenants*, pp 272/3.

1938, survived as chairman of the Ford Motor Company in Britain until his retirement in 1948, following which he continued on as a director until his death in 1956.<sup>212</sup> Another man who came to prominence in the period was Patrick Hennessy, a Corkman, who had joined Henry Ford & Son on his return from service in World War I. He rose to become purchasing manager at Dagenham and was appointed general manager in 1939.<sup>213</sup> Knighted for his war work in 1941 he became chairman of the British company in 1956.<sup>214</sup>

The period also saw a major change in Ford's industrial relations policy. Henry Ford's lifelong battle to keep the unions out of his plants finally ended in the United States in 1941. Unionisation activities had climaxed in April 1941 when Ford employees went on strike. Under pressure of government regulations and also, reputedly, from his wife Clara, Ford conceded. An election was held on 21 May 1941 to decide which union would represent the workers. When the ballots were counted the United Automobile Workers of America had gained almost 70 per cent of the votes, while only 2.7 per cent voted for Ford's non-union code. Henry Ford, despite his long-standing opposition to unions, altered his stance and agreed a contract in June 1941 which met all the worker's demands.<sup>215</sup> In Britain too, the war forced changes. Before the war the motor industry was described by Huw Beynon 'as the most weakly organised section of British trade unionism', but the war period changed that and by the 1960s it had become the most organised and militant section.<sup>216</sup> Government wartime regulations and the demand for

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212 Bryan, *Henry's Lieutenants*, p. 233 and Burgess-Wise, *Ford at Dagenham*, p. 60.

213 *New York Times*, 10 Jan. 1961.

214 Roberts, *Ford Model Y*, p. 17. See biographical note on Hennessy in Nyhan, 'History of the Cork plant', p. 116.

215 Lacey, *Ford*, pp 376/9.

216 Huw Beynon, *Working for Ford* (London, 1973) p. 45.

munitions made it difficult for employers to sack employees, particularly union activists, permitting them to organise the rank and file workers.<sup>217</sup> The Ford Manchester aero-engine plant, while being managed by Ford, was effectively under government control and consequently Perry, in December 1941, was forced to sign an agreement with the Amalgamated Engineering Union, thus recognising trade unions for the first time in its history. This was followed two years later by an agreement with Dagenham and while the achievement of union recognition was considerably less bitter than in the United States, Dagenham workers demonstrated their militancy when shortly after recognition, trade union activists occupied managerial offices.<sup>218</sup> Unionisation did not arrive in Cork until 1949, when, according to O'Neill, the company followed the British example and accepted trade union representation of the workers. By 1960 the Henry Ford & Son was negotiating with 13 unions through a joint negotiating committee.<sup>219</sup> The main body of workers was represented by the Irish Transport and General Workers Union (ITGWU).<sup>220</sup>

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Soon after the war's end, the Ford Marina plant resumed motor car production. The factory management were once more concerned with issues such as sales, marketing and production efficiency, without the interruptions and dramatic directional changes seen in the interwar period. John O'Neill, in 1960, described events during his post-war tenure in office as 'humdrum.' He said: 'There have been no scandals or explosions, no front page stories. "We kept on selling and kept on making money".'<sup>221</sup> Following a

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217 Huw Beynon, *Working for Ford* (London, 1973) p. 45.

218 Burgess-Wise, *Ford at Dagenham*, pp 92/93.

219 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7) p. 8.

220 Nyhan, 'A history of the Cork plant', lists 11 unions in 1965 see p. 114, she claims unionisation came about in 1950, p. 69.

221 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7) p. 8.

period of stagnation immediately after the war, the Irish government began to move towards free trade from the late 1950s, however the pre-war tariffs and quotas remained and continued to protect the motor assembly industry, including Ford, up to the 1980s. During this period, Ford carried out a series of rationalizations aimed at reducing complexity and improving costs and quality. Despite their efforts, the Marina's size and location worked against it and factory operations ceased when it finally succumbed to market forces in 1984.

In Britain, once the war in Europe ended, Dagenham got back into production in a remarkably short time. The first Ford Prefect came off the production line on 21 June 1945.<sup>222</sup> In Cork, it was the spring of the following year before production restarted.<sup>223</sup> News of the imminent production restart was announced in the *Cork Examiner* on 8 February 1946 and the following day the paper reported that the first car, a 10 horsepower Prefect, had rolled off the line. The company emphasised that in the short term output would be limited and would depend on assembly parts received from United States and Britain. Plant capacity was given as ten thousand vehicles per year.<sup>224</sup> Cork's post-war range of private cars included the 8 horsepower Anglia and the 10 horsepower Prefect, both of which differed very little from the pre-war models they replaced, yet even at a price of £340 for the cheapest model demand outstripped supply.<sup>225</sup> By the end of 1949, Cork sales for the year had exceeded ten thousand for the first time ever.<sup>226</sup>

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<sup>222</sup> Burgess-Wise, *Ford at Dagenham*, p. 97.

<sup>223</sup> Montgomery, *Ford Manufacture*, p. 26.

<sup>224</sup> *CE*, 8 and 9 Feb. 1946.

<sup>225</sup> *IT*, 23 Mar. 1946.

<sup>226</sup> Ford & Son, *Ford in Ireland*, p. 34.

In the immediate post-war years Henry Ford II concentrated on rebuilding and reorganising his American business, but once it had been secured he turned his attention to the difficulties in Europe. In the spring of 1948 he crossed the Atlantic to get a first hand view of the damage inflicted by the war, to evaluate Ford's remaining assets and to assess the prospects for developing the European business. Though the company in continental Europe was in a shattered condition there was a huge hunger for cars.<sup>227</sup> Major rebuilding, reorganisation and restructuring were required and to do this it was necessary firstly to tighten both ownership and administration. While Perry's 1928 reorganization had carried the organisation through the previous two decades, the post-war problems demanded a new structure to manage and coordinate sales and capital expansion.<sup>228</sup> As well as reviewing continental operations, Ford paid particular attention to Dagenham, whose plant had emerged from the war relatively unscathed. He appointed Lord Airedale as chairman in place of Percival Perry. Perry was approaching his seventieth birthday, but was clinging to power despite his failing health and inability to attend board meetings.<sup>229</sup> Henry set up the new International Division in Dearborn to coordinate and control Ford's overseas activities.<sup>230</sup> He said: 'This is an American company and it's going to be run from America.'<sup>231</sup> According to O'Neill, while the United States 'acquired the holdings of the European continental companies, there was no thought of shifting the holdings of the Cork company to the United States' as 'unlike most of the European continental companies, the Irish company was a wholly-owned

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227 NH, vol. III, p. 389.

228 Ibid., p. 391.

229 Burgess-Wise, *Ford at Dagenham*, p. 114.

230 NH, vol. III, p. 394.

231 Burgess-Wise, *Ford at Dagenham*, p. 116.

subsidiary of the English company'.<sup>232</sup> Henry Ford II, on his way back to the United States, paid a brief visit to Dublin on 26 March 1948 where he was entertained for the weekend by the American Minister to Ireland, George A. Garrett. On this his first visit to Ireland he insisted that it was private 'and had nothing to do with the business of his firm'.<sup>233</sup> The fact that he did not visit Cork suggested that the Marina plant had little bearing on the development of his European strategy. With a clearer view of the European situation, Ford, on his return to the United States called a meeting of all the overseas managers to present the results of his investigations. John O'Neill of Cork was amongst the thirty managers representing Ford organisations in seventy-eight countries.<sup>234</sup> In Dearborn, the managers were introduced to Ford's plan to rebuild the company in Europe and while substantial investments were planned for the other European plants the Irish plant seems to have been little affected. O'Neill commented that he was impressed not just with the ideas and the presentation, but also with the views of the future, he described it as 'a good conference, very well organised'.<sup>235</sup> Despite being impressed with the trappings of the event, O'Neill, in his interview with Mira Wilkins, made no reference to planned developments or implications for the Cork plant. In fact, in this period Cork seems to have received scant attention from Ford senior management. It was simply a matter, as Perry had indicated earlier, of letting the plant continue to supply the local market, fulfilling its role in avoiding the Irish tariffs with little else to offer. Henry Ford's sentimental support of earlier days was being replaced by the more pragmatic and business-like approach of his grandson, Henry Ford II.

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232 Mira Wilkins interview with John O'Neill, Sept. 1960 (BFRC, Acc. 880, Box 7), p.7.

233 *IT.*, 26 and 27 Mar. 1948.

234 NH, vol. III, pp 393/4.

235 Mira Wilkins interview with John O'Neill, Sept. 1960, (BFRC, Acc. 880, Box 7), p. 8.

In the decade after the war Britain led the boom in car sales, with a record total of 1.4 million cars sold by 1955.<sup>236</sup> Britain already had the best Ford factory in Europe at Dagenham, but massive investment was required to increase its capacity to meet market demand. Company investment on buildings and machinery in the 1950-1953 period exceeded £15 millions.<sup>237</sup> A further programme of modernisation and expansion, including a new assembly plant together with stamping and machining facilities was initiated in 1954. Original cost estimates of £65 million (\$180 million) rose to almost £80 million (\$216 million) by the time of its completion in 1959.<sup>238</sup> As well as new organisational structures and increased production capacity, new, more modern car models were required to attract consumers. The obsolete pre-war models continued to be sold until Dagenham finally brought forward a new range of models. First to be developed was the larger Consul/Zephyr range which appeared in early 1951.<sup>239</sup> After twenty one years on the market, in various guises, the Model Y, now known as the Ford Popular 103E 8 horsepower, went out of production on 8 August 1953.<sup>240</sup> In October it was replaced by the new Anglia 100E and Prefect.<sup>241</sup> Both models were introduced to Cork shortly after their Dagenham debut.<sup>242</sup>

The Cork plant carried on assembling private and commercial vehicles for the Irish market, operating behind the tariff walls with all the inefficiencies of a small scale, multiple product operation. Investment in the plant was minimal. The initial post-war

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236 NH, vol. III, p. 396.

237 Ibid.

238 Ibid., p. 399.

239 Four cylinder Consul on 1 Jan. 1951 and six cylinder Zephyr on 12 Feb. 1951, Burgess-Wise, *Ford at Dagenham*, p. 119.

240 Burgess-Wise, *Ford at Dagenham*, p. 130.

241 28 Oct. 1953, Burgess-Wise, *Ford at Dagenham*, p. 125.

242 *IT.*, 17 Nov. 1953.

sales boom pushed production at the Marina to 11,007 in 1949 and then to 11,881 vehicles in 1950.<sup>243</sup> Demand declined during the 1950s, affected by the introduction of the Volkswagen Beetle in 1950, whose sales reached 2,155 cars in 1952, while production of Ford vehicles fell to 6,046 units in that year. The Korean conflict of the early 1950's and Suez crisis of 1956 also affected sales and it was 1958 before production returned to 1949 levels with 11,479 vehicles produced.<sup>244</sup> As the market grew, the dominant market share held by Ford in the 1930s dwindled, according to Ford, 'to between 25 and 35 percent of the Irish car market' from the 1950s.<sup>245</sup> Even as late as the mid-1970s production output was averaging less than 17,000 vehicles per annum.<sup>246</sup> While the tariffs had ensured that the Marina plant remained operational in 1932, plant expansion depended on increased production volume and improved efficiency, but Irish sales remained small so expansion was only going to be achieved through exports. The 8,286 vehicles exported during the years 1955 to 1960, was too little to materially improve the efficiency of the Marina plant.<sup>247</sup> No doubt it would have helped absorb overheads, but the exports only served to add further complexity to an already complex assembly mix. On John O'Neill's retirement in 1959 he was succeeded by Thomas J. Brennan, another local man who benefited from the advancement opportunities provided by Ford.<sup>248</sup> Brennan had started with Ford in 1922 at 16 years of age, went to Dagenham

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243 See Appendix 18.

244 Ibid., Volkswagen sales: 'Volkswagen assembly' (<http://www.eircooled.com/volkswagen.aspx>) (10 Jan.2007).

245 Ford & Son, *Ford in Ireland*, p. 36.

246 Ibid., p. 34.

247 Nyhan, 'A history of the Cork plant', p. 95.

248 Ford & Son, *Ford in Ireland*, p. 36.

in 1932 where he rose to area sales manager. He returned to Cork in 1955 as general sales manager and became managing director in 1959.<sup>249</sup>

With the rest of Europe rebuilding, Ireland was in relative decline against comparable states in Europe.<sup>250</sup> Most of the economic problems stemmed from the failure of protectionism. In 1958, T. K. Whitaker's policy document, *Economic development*, proposed a shift from protection to free trade, while the government's subsequent white paper, the *First programme for economic expansion*, followed a broadly similar direction.<sup>251</sup> In 1957 Seán Lemass, the chief economic force within the Fianna Fáil government, embarked on a programme to improve the ailing Irish economy. Lemass realised that the methods he had introduced in the 1930s had failed and he was clear that greater industrial efficiency was necessary. He set out to build a broad-based consensus of the key players including trade unions, business and farmers, in the decision-making process.<sup>252</sup> The Committee on Industrial Organisation (CIO), was one of a number of organisations introduced to bring the various industrial interest groups together and into government structures. It was set up to examine Irish industry's suitability for entry into EEC, to investigate the difficulties facing particular industries, and to formulate measures for adjustment and adaptation.<sup>253</sup> Membership was drawn from the Federation of Irish Industries, the Irish Congress of Trade Unions, the Federated Union of Employers and the Public Service.<sup>254</sup> To carry out the detailed investigation of various industries, the committee appointed survey teams and when they reported in 1962, the weakness of Irish

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249 CE, 12 Oct. 1967.

250 Brian Girvin and Gary Murphy, *The Lemass era: Politics and society in the Ireland of Sean Lemass* (Dublin, 2005), p. 29.

251 Ibid., p. 32/35.

252 Ibid., pp 46/47.

253 Ibid., pp 35/37.

254 CIO, *Report on the motor vehicle assembly industry* (Dublin, 1963), p. 4. See Jacobson, 'Motor industry in Ireland', p. 215.

industry was exposed, especially in relation to export potential.<sup>255</sup> The motor industry was particularly vulnerable and the CIO in its report accepted the conclusion of their survey team ‘...that the motor vehicle assembly industry would have no economic prospects of survival under free trade conditions and that the commercial vehicle body building industry would be very badly hit’.<sup>256</sup> When asked their opinion, it was the ‘virtually unanimous view of the industry that the motor assembly in this country will cease under free trade’.<sup>257</sup> The report estimated that, in mid-October 1960, 2,500 people were directly employed in assembly while a further 650 were employed in supplying parts and they concluded that the cessation of assembly would mean that 2,450 to 2,650 of these jobs were likely to disappear. With such a dismal prospect the only issue for consideration was what action should be taken to provide alternative employment for the displaced workers.<sup>258</sup>

Because of the interrelationship of the Irish and British economies it was vital that Ireland join the EEC at the same time as Britain, so when Britain’s application was rejected in 1963, the Irish application lapsed. This postponement provided an opportunity to begin negotiations with Britain which in turn led to the signing, on 14 December 1965, of the AIFTA, effectively ending the trade war and the protectionist policy.<sup>259</sup> The agreement came into operation on 1 July 1966 when Britain removed virtually all protective duties on Irish goods, while Irish protective duties on British goods were to be reduced by 10 per cent per annum. Irish quantitative restrictions on motor tyres, motor

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255 Girvin and Murphy, *The Lemass era*, p. 36.

256 CIO, *Report on the motor vehicle assembly industry*, p. 7.

257 *Ibid.*, p. 83.

258 *Ibid.*, p. 5/7.

259 Girvin and Murphy, *The Lemass era*, p. 45.

cars, commercial vehicles, chassis and bodies were also terminated.<sup>260</sup> Special arrangements were agreed to ensure that the assembly of British motor cars continued. Under these arrangements the Minister for Industry and Commerce negotiated an agreement between representatives of the British motor industry and their Irish assemblers. In broad terms, the agreement ensured that assemblers maintained their existing scale of assembly while rules were agreed for new entrants to the market as well as non-British importers. It was also understood that these arrangements would have to be changed upon entry to the EEC.<sup>261</sup> Prior to Ireland's accession to the EEC, Dr Paddy Hillery negotiated a revised agreement which recognised that Ireland's small scale assembly was unlikely to be viable in free trade conditions. Consequently, a special twelve year protocol was agreed which aimed to protect the employment of workers in the motor car assembly industry while protective tariff duties were progressively eliminated. In the Dáil, Hillery said that: 'The scheme at present in operation for the assembly and importation of motor vehicles in Ireland should be maintained after our accession to the Communities until 1985'.<sup>262</sup> Effectively, the agreement permitted a twelve year deferral of free trade to permit alternative employment possibilities to be provided for motor assembly workers.<sup>263</sup>

In Europe, Ford had expanded dramatically, but despite Henry Ford II's post-war reorganisation, the company still operated in a disjointed fashion. The two major plants in Britain and Germany acted like rivals, overlapping in many areas, while Dagenham was plagued by poor industrial relations. According to Tolliday, by 1964 it was apparent to

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260 Dáil debates, 13 May 1970, vol. 246, cols. 1355/6.

261 Jacobson, 'Motor industry in Ireland', pp 216/217.

262 Dáil debates, 15 July 1971, vol. 255, cols. 1553.

263 National Prices Commission, *Motor vehicle assembly study, occasional papers No 26* (Dublin, 1978), p. 46.

Ford international planners that as British and German plants were close to their production limits the company would face a capacity shortage in its European plants by 1968/1970.<sup>264</sup> Senior members of Ford's European management were also aware that the EEC was becoming a reality, eliminating barriers and restrictions, though it was not yet clear when Britain would join. Anticipating further improvements in European trade they proposed to Henry Ford II in June 1965 that all of Ford's business in Europe should be brought under one European umbrella forcing Dagenham and Cologne to cooperate and share engineering, sales and even manufacturing. The cooperation was also expected to extend to the other thirty eight plants around Europe. This concept of a 'Ford of Europe' took two years to bring about.<sup>265</sup>

With trade liberalisation on the agenda for both Ford and Ireland, it became necessary that Henry Ford & Son, at a minimum, improve efficiency, quality and costs at the Marina in preparation for the increased competition. While Ford had a shortage of production capacity in Europe, Cork's potential contribution to any shortfall was likely to be small, so the company's decision to invest in the Marina in 1967 did not anticipate significantly increased output, but focussed on modernising and upgrading the plant. The investment involved the expenditure of £2 million in the construction of an additional 117,000 square feet of new building space and the reorganisation of the plant incorporating two separate assembly lines, one for heavy commercial vehicles and the other for passenger and light commercial vehicles.<sup>266</sup> In addition to re-equipping and modernising the plant a significant part of the expenditure went on improving the quality

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264 Tolliday, 'Ford in Britain', p. 41.

265 Brinkley, *Wheels for the world*, pp 630/631.

266 Ford & Son, *Ford in Ireland*, p. 36;CE., 11 Oct. 1967 quoted £1.5 million.

control of the finished vehicles.<sup>267</sup> The opening of the expanded assembly plant by Jack Lynch in October 1967 coincided with the company's fiftieth anniversary. At the time Henry Ford & Son employed about a thousand men, occupied 33 acres and assembled a range of fourteen passenger vehicles.<sup>268</sup> The *Examiner* in its leading article saw the investment in a positive light and was particularly magnanimous about the example given by Ford. It said that: [Ford] 'has identified itself with the hopes and ambitions for the future and by its profession of faith, as instanced by its heavy capital investment in its Marina factory is offering constant encouragement to other industrialists to do likewise'.<sup>269</sup> Dismissing doubts about Ireland's imminent membership of the EEC, the *Examiner* viewed Ford's investment policy as an important example to other companies, while their policy of sourcing parts and components in Ireland added considerably to local employment.<sup>270</sup> Undoubtedly, the investment was a significant advance for the plant, improving both efficiency and quality, but the company was still producing their complete range of vehicles, which sometimes meant producing as few as three or four of a particular model per day, ensuring that no economy of scale could be achieved and despite the investment, the plant remained relatively inefficient and uncompetitive compared with the larger European plants.<sup>271</sup>

Five years after the AIFTA came into effect, Booth Poole, a Dublin company assembling Wolseley motor cars planned to make its 140 workers redundant following a rationalisation of the group's activities. The matter was raised in the Dáil and the Minister

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<sup>267</sup> Ford & Son, *Ford in Ireland*, p. 36.

<sup>268</sup> Nyhan, 'A history of the Cork plant', p. 98. *CE.*, 12 Oct. 1967

<sup>269</sup> *CE.*, 12 Oct. 1967.

<sup>270</sup> *Ibid.*

<sup>271</sup> Ford & Son, *Ford in Ireland*, p. 37.

for Industry and Commerce, Patrick J. Lalor pointed out that employment in the motor assembly industry had risen by 300 since 1965, that ‘3,765 people were employed on assembly in 1970 as compared with 3,449 people in 1965’.<sup>272</sup> In addition, he stated that the total number of vehicles assembled by the Irish car assembly industry in 1970 had risen to 52,976 from 49,709 in 1965.<sup>273</sup> On the face of it, it seemed that the AIFTA was operating successfully with little loss of jobs, despite the earlier predictions of the CIO. In fact the various assemblers were only maintaining the *status quo*, making little attempt to prepare for free trade. Faced with no alternative, they had set up assembly operations in the 1930s with considerable reluctance. Their output, limited by the size of the market, was small and their operations very inefficient. Jacobson stated that ‘the minimum size of plant incorporating the latest techniques in 1960 was one with the capacity to assemble 60,000 units a year’.<sup>274</sup> Since no Irish assembler was required to produce more than a fraction of that output, there was little incentive to improve or diversify. The smaller assembler’s best hope was to await the return of free trade when they could expect to revert to their original role as distributor for overseas manufacturers.<sup>275</sup> Even Ford, with an annual output of about 15,000 vehicles was far too small to support a viable plant, but despite its lack of long-term viability, until such time as the tariffs disappeared there continued to be a benefit to be derived from operating the assembly plant.<sup>276</sup> Additionally, it made economic sense to run it as efficiently as possible, so under the leadership of a new managing director, Paddy Hayes, the company carried out a further

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272 Dáil debates, 11 Feb. 1971, vol. 251, col. 1299.

273 Ibid., col. 1300.

274 Jacobson, ‘Motor industry in Ireland’ p. 227.

275 Ibid., pp 228/9.

276 Ford & Son, *Ford in Ireland*, p. 34.

plant rationalization in 1972. To address the inefficiency of assembling the entire range of cars and trucks, they converted the lines to produce only two models, the Escort and Cortina, which together accounted for about seventy five per cent of Ford sales in Ireland. The remainder of the range was now imported fully built up and a surplus output of Escort vans was exported to Britain, balancing imports from Britain, Holland and Germany.<sup>277</sup>

Even as Ford was implementing its rationalisation Dr Patrick Hillery, Minister for External Affairs, was in Brussels negotiating the terms for Ireland's accession to the EEC. As we have seen, motor assembly was considered a sensitive industry, so an extended transition period was agreed for phasing out of the protective scheme applying to the Irish industry. The amendment was laid down in Protocol 7 which was annexed to Ireland's Treaty of Accession. The main modification was that the special provisions which had formerly applied to British manufacturers would apply to all EEC manufacturers and the scheme could remain in operation until 31 December 1984 when all restrictions would end.<sup>278</sup>

Ireland's entry to the EEC on 1 January 1973 was followed by the 1973 oil crisis. In the subsequent recession the Irish market demand for motor vehicles declined and with it the number of vehicles assembled, down to 53,540 vehicles in 1974 from 61,276 in 1973.<sup>279</sup> By early 1975 Irish car assemblers were starting to close down. In the Dáil, Des O'Malley of Fianna Fáil pointed out that: 'There have been three closures in motor assembly firms in Dublin and the total number of redundant workers is between 1,300

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<sup>277</sup> Ford & Son, *Ford in Ireland*, p. 38.

<sup>278</sup> National Prices Commission, *Motor vehicle assembly study*, p.11.

<sup>279</sup> Dáil debates, 17 Dec. 1975, vol. 286, col. 1882.

and 1,400 in Brittain's, McCairns and Reg Armstrong'.<sup>280</sup> The Minister for Industry and Commerce, Justin Keating, defending the situation pointed out that new manufacturing operations were being set up which would provide alternative employment for redundant assembly workers. One diversification project had already commenced production and was envisaged to provide 130 jobs, while another was expected, on reaching full production in 1977, to employ 500 people.<sup>281</sup> Later Keating appeared to be holding Ford up as a model when he suggested that:

On the basis of our costs, structures and skills, we have a real future on the condition that we get a volume larger than that directed at our home market. In other words, firms like Ford which are able to reach a volume that encompasses exports and, perhaps, other firms as well have a firm future. The other sector where there is a firm future is in components and, as I think the Deputy knows, we are vigorously diversifying in that direction. But firms doing a very small number of cars for the Irish market have unit costs so enormous that, after the ending of our special period, they would not be viable.<sup>282</sup>

For Henry Ford & Son, as a subsidiary of a multinational corporation, the issue of diversifying or replacing assembly was not in its hands, but would be determined by the interests of Ford of Europe.<sup>283</sup> The local management had little or no control over the direction their business would take. Given Ford's history of switching product lines to suit political and economic situations, and their long history in Cork, it seemed likely that they would replace car assembly with an alternative manufacturing operation. On 5 April 1977 the *New York Times* reported that Ford was talking to the Irish government and the Industrial Development Authority (IDA) about making automobile components for Ford

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280 Dáil debates, 17 Apr. 1975, vol. 279, col. 2004.

281 Ibid.

282 Ibid., vol. 286, col. 1883.

283 Jacobson, 'Motor industry in Ireland', p. 229.

of Europe. The report suggested that four thousand employees could be involved. However, a government aide described the report as ‘an embarrassing leak’.<sup>284</sup> The issue was followed up in the Dáil when Gene Fitzgerald of Fianna Fáil asked the Minister for Industry and Commerce if he could confirm that Ford had ‘concluded negotiations for the setting up of a major industry which will employ 3,000 people on an IDA site at Cork Harbour’.<sup>285</sup> The Minister declined to give any information pointing out that ‘negotiations between the IDA and industrial promoters are treated as confidential until such time as the promoters are prepared to release information’.<sup>286</sup> So, when Henry Ford II visited Cork in June 1977 for the company’s sixtieth anniversary there was considerable expectation that he would announce a forthcoming investment by the company. Apparently optimistic for Cork’s future, he described Henry Ford & Son as ‘a vital link in the Ford of Europe sales and manufacturing chain’, he highlighted the jobs created by suppliers to Ford and predicted a bright future for Cork and ‘emphatically denied there was any question of phasing out car assembly at the Marina plant’.<sup>287</sup> He was pressed for details of future developments and was asked if some form of shift work was envisaged at the Cork plant. He agreed that this could be so and went on to say that they ‘hoped to double the present hourly paid workforce’.<sup>288</sup> However reassuring these comments were to the workforce, they ran counter to the reality of the assembly situation and ignored the possibility of an investment in an alternative business. More tellingly, in his comments

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284 *New York Times*, 5 April 1977.

285 Dáil debates, 12 May 1977, vol. 299, col. 822.

286 *Ibid.*

287 *CE*, 14 June 1977.

288 *Ibid.*

he remarked: 'We as business people, go on business not on sentiment'.<sup>289</sup> By September the reason for Ford's hesitation became clear when the investment being discussed with the IDA went instead to Wales, despite the IDA having put together 'a package worth around £50 million in investment grants-plus the prospect of a tax free holiday for the profits earned by the engine-plant until 1990'.<sup>290</sup> According to the National Prices Commission (NPC), Ford were planning to proceed with the promised rationalisation in 1978, investing £4 to £5 million, adding another shift to create 850 new jobs concentrating on a single model producing 200 cars a day for export to the EEC.<sup>291</sup> Around that time the motor industry employed 2,519 people in assembly, together with 1,496 in distribution, leading the consultants employed by the NPC to conclude that the industry was 'rapidly becoming a distributive network'.<sup>292</sup>

Henry Ford II retired as chairman of the Ford Motor Company in 1980 and two years later paid a final courtesy visit to Cork. He was en route to England where he was due to be appointed an honorary knight of the British Empire by the Queen.<sup>293</sup> Shortly beforehand, on 22 July 1982, Dagenham had discontinued production of the long-running Ford Cortina and adapted the line to produce its replacement, the Ford Sierra, using robots.<sup>294</sup> Simultaneously, Ford invested about £10 million to further upgrade the Marina factory and convert it into a single car plant for Sierra production.<sup>295</sup> Since Cork's volume did not justify the installation of robots, the process of assembly continued. Questions

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289 *CE*, 14 June 1977.

290 *Dáil debates*, 23 Nov. 1977, vol. 301, col. 1546.

291 National Prices Commission, *Motor vehicle assembly study*, p. 69.

292 *Ibid.*, p. 39.

293 'Henry Ford II, 1982' ([http://media.ford.com/article\\_display.cfm?article\\_id=14710](http://media.ford.com/article_display.cfm?article_id=14710)) (12 October 2007) and Montgomery, *Ford manufacture*, p. 29.

294 Burgess-Wise, *Ford at Dagenham*, pp 184 and 187.

295 Nyhan, 'A history of the Cork plant', p. 102.

asked in the Dáil regarding the financing of the Ford company's modernisation programme by government agencies failed to discover what monies were paid due to the 'confidential nature' of such grants.<sup>296</sup> With the end of tariffs looming and assemblers such as Talbot Motors Limited closing down, this investment seemed foolhardy and unrealistic.<sup>297</sup> Mechanisation, particularly the use of robots, was widespread in the motor industry, where it reduced labour costs and improved quality, but it was only justified in plants that had sufficient volume to absorb the heavy capital outlay. Cork's output of eighty cars against Dagenham's production of a thousand a day, was insufficient to justify such high investment.<sup>298</sup> Even with a single line the plant was operating at a loss. The company later claimed to have lost £35 million in the years 1980-1984.<sup>299</sup> Meanwhile in the United States from 1980 to 1982 the Ford Motor Company was also losing money and unlikely to continue supporting loss-making operations.<sup>300</sup> Despite Ford's long association with Cork the economics of small, inefficient assembly plants was no longer justified and the future of the Marina plant looked decidedly gloomy.

On Tuesday morning, 17 January 1984 the *Cork Examiner* announced the closure of the Dagenham foundry after half a century in operation, with the comment that Ford of Cork would not be hit by this event.<sup>301</sup> Shortly after the Marina workers had read this news and perhaps breathed a sigh of relief, they were called to the company canteen to be told that their own factory was closing down in about six months time. Paddy Hayes, chairman and managing director summed up the company's difficulties 'as the

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296 Dáil debates, 20 May 1982, vol. 334, col. 1846.

297 Ibid., 9 Apr. 1981, vol. 328, col. 1725.

298 Nyhan, 'A history of the Cork plant', p. 106.

299 Ibid.

300 Brinkley, *Wheels for the world*, p. 693.

301 *CE*, 17 Jan. 1984.

uncompetitiveness of a small plant located in a population backwater' compounded by the imminent removal of the remaining tariff restrictions in 1985.<sup>302</sup> While the workers had anticipated bad news, few anticipated complete closure. Despite being aware of the demise of other assemblers, as well as being 'conditioned' by management over the previous two years, the news came as huge shock.<sup>303</sup> Small signals had been identified and interpreted as indicating Ford's declining interest in Cork. For example, the year before when Dunlop had ceased production and redundant workers took over the plant, cutting off steam supplies vital to Ford's painting operation, Ford management, according to the *Examiner*, showed 'no evidence of great concern,' which heightened the suspicion that the plant's condition was terminal and its end was near.<sup>304</sup>

Unexpectedly, at the end of the speeches, in response to the devastating news, thirty or forty workers began to applaud. Union officials explained to the *Examiner* that 'they were not clapping about what we had just been told, they were clapping because at least we had been told the news first'. Bob Montgomery, suggests that the applause was 'an indication of the widely-held appreciation by the workers for the efforts that had been made to keep the Cork plant operational in the face of huge odds, and for the efforts made to secure an alternative industry'.<sup>305</sup> Either way, the end of an era had arrived. The factory finally closed its doors on Friday, 13 July 1984 after 65 years of production. Less than six months later the tariffs and quota restrictions on fully built up vehicles finally ended.

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302 *CE*, 18 Jan. 1984.

303 Nyhan, 'A history of the Cork plant', p. 107.

304 *CE*, 18 Jan. 1984.

305 Montgomery, *Ford Manufacture*, p.28.

The company run by Henry Ford before World War II had been managed arbitrarily at his whim, but the hard economics of a post-war world meant that a more professional and orderly approach was necessary. Henry Ford II had introduced more formal management systems. The advent of a borderless EEC and Ford of Europe demanded that plants be located in the most economic locations, without reference to national borders. Factories had grown bigger, more complex and capital intensive. Cork's dilemma was that it was located in a small market, remote from the major markets of Europe. Henry Ford's stated objective of 'starting Ireland along a road to industry' never really happened, the factory in Cork ended up being used as a stopgap by the Ford company.<sup>306</sup> Though that stopgap gave employment for sixty seven years, fifty two of those years can be directly attributed to the tariffs and quotas imposed by Fianna Fail in 1932. For the workers who had lived through or heard about the changes of the 1930s and 1940s, they would have been justified in expecting Ford to find a niche product or component to keep the Marina plant going. Yet Ford provided no alternative employment: despite the inducements of the IDA they showed no enthusiasm for retaining a manufacturing presence in Ireland. Two years later T.D. Frank Fahey claimed: 'They have got away scot-free to date from providing employment to replace that which was lost following their withdrawal from assembly'.<sup>307</sup>

For the city and people of Cork the loss of their two major industries, Ford and Dunlop was a devastating a blow, the resultant loss of jobs and wages had an enormous impact on the lives and living standards of all. Yet while Ford had rejected the possibility of establishing a components factory in Ireland, nationally other companies were being

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<sup>306</sup> Ford, *Today and tomorrow*, p. 257.

<sup>307</sup> Dáil debates, 29 Oct. 1986, vol. 369, col. 729.

attracted by the IDA so that just over two years later the Minister for Industry and Commerce Noonan could report that:

These efforts have resulted in the development and continued growth of a modern, high quality, automotive components industry which now employs more than the car assembly industry employed at its peak. At present there are over 100 companies exporting components worth some IR£260 million a year and employing over 7,500 people. The development of this industry has come about as a result of the Government's efforts to establish a strong automotive industry and has been achieved despite the international recession and pressure on the larger European auto companies to buy locally.<sup>308</sup>

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308 Dáil debates, 2 Dec. 1986, vol. 370, col. 888.

## CHAPTER TEN

### Conclusion

On 15 June 1983, Henry Ford II asked his long-time colleague and friend, Walter Hayes, to plan his funeral. Ford had retired from his position as chairman of the Ford Motor Company in 1980 and like any good manager, wanted to put his business and private affairs in order.<sup>1</sup> In late 1983, even as Ford was making his arrangements, the fate of the Marina plant was being considered by senior Ford executives. Their deliberations culminated in the announcement, on 17 January 1984, of the company's decision to close the Cork plant. The plant's presence in Cork had spanned the same period as the life of Henry Ford II, grandson of its founder. Ford was born in September 1917, just months after building work had commenced on the Marina site and he died in late September 1987 outlasting the plant, which had finally closed its doors on 13 July 1984, by about three years. Drafted in to manage the American Ford Motor Company during World War II, Henry Ford II had introduced modern management techniques and structures which were instrumental in saving the American company from collapse. Compared to the international challenges which he faced, the Cork plant, in the post-war era, was a relatively straightforward business, a virtual haven of stability and calm as it fulfilled its role of assembling vehicles to meet the needs of the local Irish market.

While chapter nine of this thesis has dealt with the period from 1932, in the main body of the work I have concentrated on the earlier period, the era dominated by Ford's colourful, larger than life grandfather, Henry Ford I. I set out to examine how the older Ford, the farsighted engineer and philanthropist who transformed American society with

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<sup>1</sup> Walter Hayes, *Henry: A life of Henry Ford II* (New York, 1990), p. 215.

his mass-produced motor car, had introduced the motor industry to his ancestral homeland in Ireland. I examined the operations of the industrial enterprise which resulted from Ford's visit to Ireland in 1912, and which provided substantial employment at the Marina for close on seven decades.

In researching the company I ascertained that Henry Ford & Son, during their occupancy of the Marina factory, went through two distinct phases each with markedly different production and management approaches. In contrast with the relative continuity of the half century of operations up to 1984, the earlier period, from 1917 to 1932, was characterised by challenges and changes, both external and internal, when production switched from tractors to cars and back again, causing disruption, upheaval and layoffs; externally the political and economic changes wrought by the War of Independence, followed by the Civil War and the transition to nationalist control, all combined to create a remarkable set of events.

The decision to build the Marina plant came out of Ford's visit to Ireland during the summer of 1912. Travelling unnoticed with his family he encountered something of the plight of the Irish urban and rural poor and was stirred to seek a means to alleviate that poverty. As an industrialist, his impulse was to build a factory and provide regular employment and wages so that workers could work to advance their position and achieve prosperity. Ford was drawn initially to Cork harbour, conscious of the possibility of locating industry there. He delegated Percival Perry to carry out a thorough survey and to report back with an analysis of potential sites in Ireland. Perry corroborated Ford's own views that Cork was the best site, but his investigations highlighted the inefficiency and cost penalties associated with locating a car factory in Cork, due to the small local market

and its remote location. Ford's urge to build a factory was postponed for some three years, put off by the additional shipping costs, the decision was left in abeyance until the development of Ford's tractors introduced a product which would be exported to a wider marketplace justifying the plant's location in the relatively remote Cork region.

In 1915 Henry Ford had applied his efforts to the design and development of an agricultural tractor. Shortly after, with World War I in progress, Britain's need for tractors to support its food production programme led to Ford supplying tractors from Dearborn and to the decision to build the tractor factory in Cork. Since the market for tractors was likely to be much smaller than that for motor cars, and since no single market was likely to support a large factory, location was less critical. Cork-made tractors would have to be shipped in many directions from Ford's purpose-built factory to supply orders from governments and farmers throughout Europe.

While the decision to locate tractor production in Cork seemed more rational than locating car production there, nonetheless, economic logic demanded that the tractors be produced where the demand was greatest, and as the British market was the main outlet, absorbing over sixty per cent of the Marina's output between 1919 and 1923, so the Cork location added unnecessary transport costs.<sup>2</sup> In its decision to locate the plant in Cork the company ignored this reality. Since Cork offered no significant advantage over sites such as Southampton this decision meant that the Cork plant had an in-built economic cost disadvantage which undermined its long-term viability and left it vulnerable to the market pressures and economic downturns of the early 1920s and 1930s.

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<sup>2</sup> Nyhan, 'History of the Cork plant', p. 115.

Ford's decision had no firm business foundation, but was based on his emotional desire to bring industry to Ireland, to meet Ireland's need, as he saw it. As he said himself there was 'some personal sentiment in it'.<sup>3</sup> His well-intentioned action flew in the face of both business logic and his own philosophy. Substantial transport costs which could have been avoided by locating in mainland Britain represented not just wasteful inefficiency, but were an unnecessary burden for the business to carry. The decision also ran counter to normal business practice in that he identified the factory site first and found a suitable product line later. While Ford scorned the idea of philanthropy, William Greenleaf, in his work on the philanthropies of Ford up to 1936, commented that for a period of time after 1914 Ford's 'industrial program had strong overtones of altruism'.<sup>4</sup> His decision to locate in Ireland was plainly a philanthropic gesture which went against the normal decision making process. The desire to assist workers in the land of his ancestors seemed to dominate his thinking in this period. For example, discussing the shipment of coal to Ireland in 1920 Sorensen said: 'it would do a great deal towards helping the Irish situation which Mr Ford always seems so keen on'.<sup>5</sup>

Ford's reputation as a philanthropist had grown out of the introduction of the five dollar day in January 1914.<sup>6</sup> The original self-made man, he became one of the most prominent men in America and his pronouncements continually made newspaper headlines. By 1916 when rumours that he was about to build a factory in Ireland began to appear, his fame was already widespread and his apparent generosity and support of the ordinary man, both as an employee and as a customer, was renowned worldwide. In

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<sup>3</sup> Ford, *Today and tomorrow*, p. 257.

<sup>4</sup> Greenleaf, *From these beginnings*, p.176.

<sup>5</sup> C. E. Sorensen to Ernest G. Liebold, 6 December 1920 (B.F.R.C. Acc. 38, Box 43 ).

<sup>6</sup> Greenleaf, *From these beginnings*, p. 7.

Ireland he was eulogized by the newspapers and writers of the day as a returned immigrant, but while the Irish media might claim him as an Irishman, I have seen no record of his own view of his Irishness, nor does anything appear in the archive documents. He was not very outspoken on the subject and made no nationalistic claims or statements. Whatever his views, despite a number of opportunities and invitations he made only one visit to Ireland. His factory was his monument and his benevolence in bringing much-needed jobs to Cork city would have brought hope to its grateful inhabitants, but a combination of recession, tariffs and high costs left the business exposed to economic changes which subsequently gave rise to layoffs, insecurity of employment and no doubt disenchantment for its employees.

In an era before the development of structured arrangements for attracting foreign investment, the British government under Lloyd George was generally supportive of the project, despite the antagonism of the British motor industry. The CIDA, and in particular its members J. L. Fawsitt and George Crosbie, acted like forerunners of the IDA and was extremely proactive in promoting the Cork project, without the benefit of state support.<sup>7</sup> By late 1916, when Ford decided to locate in Cork, the company was already expanding overseas to meet the growing international demand for its products. Their system of car distribution through branch assembly plants had been developed very early in the United States, and even before the World War there was one located near every important city.<sup>8</sup> The Canadian plant which opened in 1905 was the first international assembly plant and it was upgraded into a manufacturing plant three years later. In Manchester assembly began in 1911 and by the time Cork came into production five other plants had begun

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<sup>7</sup> The IDA came into being in 1949 under the Department of Industry and Commerce; see J. Lee, *Ireland 1912-1985*, pp 309/310.

<sup>8</sup> NH, vol. I, pp 651/52.

motor assembly.<sup>9</sup> The problems encountered internationally were more diverse than those encountered in the home environment. Ford was aware of tariff issues as they related to Canada and Britain, where the plants had been located to avoid incurring tariff costs, but Ford clearly never anticipated, nor perhaps understood the situation with the Irish Free State government as far as the tariffs were concerned. Tariffs were only one of a number of problems which arose in Cork. Production output, quality, politics, logistics and even church attendance all created difficulties for the company in the first few years.

Ford's complex and dominant personality was always a factor in his relations with his business and employees. While he displayed extraordinary engineering genius he also showed lack of foresight in many of his decisions. For example, his acumen in developing the affordable Model T was counterbalanced by his stubborn and short-sighted reluctance to refine and update it to keep abreast of competition. He was intuitive rather than logical and often offered opinions in fields where he knew little or nothing.<sup>10</sup> His success made him impervious to advice or suggestion, and he reacted angrily when managers offered ideas of their own. While he could show surprising philanthropy, he could also be a ferocious bully. His dismissal of senior managers was carried out in a ruthless and often bizarre manner. As a business man he was chaotic, often interfering in operations, unpredictably changing direction, dismissing administrators and administrative methods and refusing to delegate authority.<sup>11</sup>

Ford's initial display of generosity and idealism appeared to wane somewhat in the years after the Peace Ship episode in 1915, so that by 1922 he was openly disparaging

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<sup>9</sup> See Appendix 7.

<sup>10</sup> NH, vol. 1, p. 576.

<sup>11</sup> Drucker, *The practice of management*, p.149.

the ‘sentimental idealism’ of social reformers.<sup>12</sup> Fortunately for the people of Cork the decision to locate there came before Ford’s attitude changed. His change of heart had occurred in the business crisis of late 1920, so that by January 1921 many seasoned and idealistic executives had resigned or been removed from the company payroll.<sup>13</sup> In Ireland, social developments such as Grace’s scheme to build housing in Cork were also abandoned. With the departure of the men with social vision, Ford exchanged idealism for efficiency. He surrounded himself with men such as Charles Sorensen, the hard-nosed production man who had risen to the top in this period and who had little interest in either philanthropy or human development; and Ernest Liebold, his secretary, who controlled access to Ford, largely isolating him from independent influences.<sup>14</sup> Both men survived the many changes and purges up to the 1940s by following Ford’s instruction to the letter and both played key roles in managing and directing the Cork firm.

Ford was unappreciative of his Irish management also. The group sent to Ireland in the early years to build and commission the new plant faced many challenges both within the plant, trying to locate materials, training workers while achieving production output and quality, but also running risks of being shot or kidnapped by the various protagonists in the hostilities of the period. Their efforts went largely unacknowledged. Moreover, the senior managers, Perry, Grace and Clarke all ended up being fired by the company while others, too, were poorly treated despite their dedicated efforts.

The factory in Cork had started production in July 1919, but by the end of 1922 tractor demand had collapsed and Cork’s high cost base meant it was cheaper to import

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12 Greenleaf, *From these beginnings*, p. 23.

13 Brinkley, *Wheels for the world*, p. 279.

14 *Ibid.*, p. 278.

tractors to Europe from the United States. This led to the cessation of tractor production and the return of all tractor equipment to the United States. The plant now concentrated on manufacturing Model T parts for export and assembling Model Ts for the small Irish market. When, on 1 April 1923, the British government introduced a 22.22 per cent duty on Model T parts exported to Manchester from Cork, the additional costs damaged Cork's role as an exporter. In turn the Irish government had introduced reciprocal tariffs on imported cars and car parts. Despite Henry Ford's initial enthusiasm for the Cork project, his altruism proved short-lived. Perhaps irritated initially by Cork Corporation's demand, in 1922, that he implement the terms of his lease and increase his workforce to 2,000, he now became disenchanted by what he perceived as the Irish Free State government's refusal to eliminate tariffs. Word came to the Cork management in mid-1923, that the plant would cease manufacturing as soon as buildings could be erected on a suitable site in England.<sup>15</sup> Edward Grace was given the task of locating such a site and in July 1923 he proposed the Dagenham location to Detroit. The subsequent purchase of the Dagenham land threatened the end of the Marina plant, but it remained in production as a stopgap, providing parts support to Manchester until the new Dagenham works began production. Delays in construction of the new factory meant that no action was taken against Cork until 1932. While this extended reprieve benefited the Cork operation, within months of the first vehicle emerging from Dagenham in October 1931, Ford's original aspiration of bringing industry to Ireland faced extinction as the company prepared to implement its decision to convert the massive Marina works into a vehicle

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<sup>15</sup> WH, p.134.

distribution centre. Finally, Henry Ford appeared to have lost interest in his Irish experiment.

Cumann na nGaedheal, who governed the Irish Free State from independence to 1932, took a very cautious approach to economic policy. Non-interventionist, their attitude, according to Lee, was to 'do as little as possible'.<sup>16</sup> Agriculture was deemed the most important industry and, while they did consider protection, only moderate duties were introduced lest they interfere with the agricultural sector by raising costs or provoking retaliation against Irish agricultural exports.<sup>17</sup> In their dealings with Henry Ford & Son in the 1923/28 period they proved hesitant in approach and failed to follow through with any initiative. Even the tariffs introduced in April 1923 was a response to the British action. Grace, prior to his trip to Detroit in May 1923, made Cosgrave aware both of the cost of the tariffs on Ford's exports and the likelihood of a reaction by Detroit. The government's response, in October 1923, was an offer to negotiate the removal of the tariffs in return for an assurance that Ford would maintain a substantial manufacturing presence; this was declined by Ford. Ford's refusal, followed by the announcement of the Dagenham project in July 1924, should have alerted Cumann na nGaedheal to the threat hanging over the Cork plant. While the temporary removal of the McKenna duties in August 1924 may have led them to believe that the problem had been solved, a change of government in Britain in July 1925 and the re-imposition of the tariffs prompted the Irish government to resurrect the previous conditional offer to negotiate the removal of the tariffs. Again Ford refused. Even though the government remained conscious of the tariff

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<sup>16</sup> Lee, *Ireland 1912-85*, p.92.

<sup>17</sup> *Ibid.*, pp 112/113.

issue, and for example, later made concessions on motor licences, these were insufficient to compensate Ford for the high cost of duties.

The government were preoccupied with other issues and failed to formulate or follow a coherent strategy to address Ford's tariff problems. The government could not accept the loss of revenue which would result from the removal of tariffs on motor imports, which would be necessary if the British government were to reciprocate and eliminate the duty which so exercised Henry Ford. For his part, Ford was unwilling to give the Irish government any commitment or guarantees as to the company's future plans. No doubt he was unwilling to be hampered by an agreement similar to the lease deal, particularly since the decision had already been made to consolidate manufacturing operations in Dagenham.

Because of Ford's personal interest, the Cork plant had advantages over other operations. It was the only factory outside the United States producing tractors and one of only a small number engaged in full manufacturing operations, specifically foundry work. From the beginning, Ford had supported the Marina financially, initially with investment in the site and plant and later, despite the cost of low sales and high tariffs, he had continued to invest substantial capital. Despite his obstinacy and intransigence, he was open and generous with his time and ideas when Irishmen called. Irish managers were greeted warmly, and in his dealings with Fawsitt and MacWhite he was always accessible and amenable.<sup>18</sup> The goodwill that he showed in his dealings with the Irish could have been exploited by the Cumann na nGaedheal government to the benefit of the Irish economy. William Cosgrave's failure to meet with Henry Ford during his trip to the

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<sup>18</sup> Interview with E. L. Clarke, 22 November 1982, *I remember Henry Ford*, RTE Libraries and Archives.

United States in 1928 was a missed opportunity. If Cosgrave or a senior representative had travelled to Dearborn he probably would have got a better response from Ford and would perhaps have been able to agree mutually beneficial arrangements.

Though Ford's earlier idealism had declined and his behaviour had become increasingly unpredictable and he was, according to Greenleaf, 'suspicious of advice and increasingly relied on his flashes of intuition', yet he continued to be well disposed towards Ireland and remained generous, if approached by the right person.<sup>19</sup> For example, when the Irish government representative, John Dulanty, met Ford in early 1928, he appears to have revived Ford's philanthropic instinct and prompted him to transfer the idle American tractor production equipment to Cork. Ford restarted production in 1929, producing Fordson tractors for world-wide distribution, turning the Marina into a substantially larger operation than before. Thus, Dulanty demonstrated clearly that despite Ford's apparent impatience with the Irish Free State government and their tariffs, he could still be encouraged to help the land of his forefathers. Ford's impulsive decision to restart tractor production, like the original decision to build the factory was not based on coherent business logic, was implemented hastily, and was poorly planned. In the excitement of the reinstallation of tractor production these problems were not highlighted, instead the new development seemed to secure the Marina's future against the massive new factory under construction in Dagenham. As the majority of the tractor production was destined for export, this time the Irish government conceded that all necessary parts could be imported duty free into the Free State.

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<sup>19</sup> Greenleaf, *From these beginnings*, pp 24/5.

This renewed attempt at tractor production quickly turned into another expensive and short-lived misadventure for the company. The initial expectation was that the enlarged Marina plant, supplying Ford tractors worldwide, would provide a bonanza of jobs and business in Cork. This hope proved ill-founded as the depression of 1929 and the subsequent spread of tariffs again curtailed sales, forcing the company to consolidate its operation in Dagenham and dispense with the Marina factory in 1932. Henry Ford's elaborate tractor plant proved oversized, overambitious and impracticable and as Percival Perry suggested, it overextended the capabilities of all of those involved. Ford's dramatic restoration of tractor production to Cork, together with the impact of this move on local employment, no doubt gained him praise and adulation for his efforts, but his misplaced generosity provided no long-term benefit to the people of Cork. Employment at the Marina, which numbered about seven thousand workers in early 1930 had largely disappeared by June. Ford incurred further excessive losses which even his generosity and goodwill towards Ireland could not endure. With hindsight, if Ford had behaved more practically, perhaps if he had felt less generous towards Cork, he might have provided a modest assembly plant on the lines of those operating in United States and Europe. Such a plant could have evolved and grown steadily in conjunction with the local market and could also have acted as a support plant to Manchester, but it seems that all through this period the Irish market was too small for such an operation. To succeed, the plant had to export and even exports needed to be located near their major market. The Marina plant was also unlucky, devastated on two occasions by international recessions leading to layoffs, instability, uncertainty and upset for the large numbers of employees involved.

The Cork tractor machinery, shipped out in July 1932 and relocated in Dagenham, was soon back in production so that the first of Ford's new improved tractors rolled off the line on 19 February 1933.<sup>20</sup> While sales were small initially, soon the business began to flourish. Tractor production grew steadily such that in 1937, 18,698 tractors were produced and by 1948 production exceeded fifty thousand units.<sup>21</sup> Tractor production continued in Dagenham until 1964 when it moved to a custom-built plant in Basildon. So, while moving tractor production to Dagenham permitted the Cork plant to develop as an assembly plant, nonetheless it represented a significant loss of potential business to Cork. If Ford had persevered with the original 1928 plan and been prepared to cope with the losses in Cork for another year or so the city could have had a substantial plant, employing thousands of workers, but Dagenham needed the production volume and Ford had run out of patience with his Cork project.

Ford's ambition had been to present Cork with a large-scale plant, but the notion of a works employing ten thousand or more employees was probably out of scale in a city with a population of 80,000 people and might have been a disaster for Cork.<sup>22</sup> Jacobson questioned the desirability of a single plant, a subsidiary of a multi-national corporation, employing such a large proportion of the industrial workforce and described the risks which it represented as 'at best disproportionate and at worst dangerous'.<sup>23</sup> Jacobson's concern was valid as, despite Henry Ford's benevolent intentions, in the space of fifteen years the Ford company had already acted as a typical multi-national corporation, using their resources and technology to move production machinery across the Atlantic and the

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20 WH, p. 238.

21 WH, p. 439.

22 According to the 1926 census, population of Cork county borough was 78,490 persons.

23 Jacobson, 'Motor industry in Ireland', p. 253.

Irish Sea, with scant regard for the workers of Cork. For so many of Cork's working population to have been engaged in an industry subject to such dramatic downturns in demand and to be employed by such a mobile company, would have lead to disruptive fluctuations in employment which would have created chaos with the labour market and social fabric of Cork city. So the failure of Ford's magnanimous gesture was a mixed blessing, but out of it emerged a smaller, more secure and appropriate operation. For Ford, the assembly plant which began operations in 1932 was small, but in Irish terms employed a significant number of employees and was more appropriate to the city.

The change from Cumann na nGaedheal to Fianna Fáil government in 1932 could not have been more stark, as the former's timid policy was replaced by Fianna Fáil's aggressively protectionist duties and quotas. While de Valera's protectionism reduced agricultural exports, it accelerated industrialisation and employment, raising industrial output by forty per cent between 1931 and 1936.<sup>24</sup> As Percival Perry had prepared to close manufacturing operations at the Marina in May 1932, he seemed to have no plan to set up an assembly plant, instead Ford's choice was to convert the plant into a distribution centre. Though the Irish market for motor cars had grown, in Ford terms, it was still too small to warrant an assembly operation to meet local needs, instead Ford intended to import fully built up cars, providing few jobs in Cork, a reversal of the his former ambition. Before the decision could be implemented, fortunately for the workers and the city of Cork, the tariffs forced Henry Ford & Son to immediately switch to assembling motor cars, frustrating Perry's escape plan. Ironically, even if Ford had departed from

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<sup>24</sup> Cullen, *The economic history of Ireland since 1660*, p.178.

Ireland, the government quotas would have forced them to return and set up an assembly if, like other motor suppliers, they wanted to do business in the Irish Free State.

With the change to assembly, Henry Ford & Son entered the phase which lasted for half a century, when rising production and steady development led to relatively stable employment and when, with the exception of the war period, the Marina assembly plant grew and flourished, providing secure employment for two generations of Cork workers. Once production restarted at the Marina after World War II the company quickly regained its status as the dominant Irish car assembler and supplier. New models appeared regularly, assembly lines were modernised and Ford continued to be a desirable company to work for. Under the leadership of Henry Ford II, the Ford Motor Company was restructured and developed into a modern business enterprise, no longer at the whim of one man, but instead, subject to coherent management strategies and the demands of the market place. Following Ireland's entry into the EEC, the motor assembly industry which had been forced into existence in the 1930's disappeared with the phased removal of tariffs. Without tariffs, even the financial inducements offered by the Irish Government were insufficient to convince Ford to remain in Cork. Additionally, by the 1980s the Marina plant was losing money. Despite Henry Ford II's assurances, made in 1977, that Ford would remain in Cork, tariffs proved the key to Ford's presence. Sentiment had long been replaced by business requirements and profits. The continued haemorrhage of cash would not be sustained. The removal of protection exposed the harsh reality that the Marina plant, located on the periphery of Europe without any substantial local market, was too far from the major markets and from the centres of mass production. The announcement of the closure of the Marina plant on 13 July 1984 was greeted with anger

and sadness by the inhabitants of Cork. It was a huge loss to the large Ford workforce and to the city. The company's departure came at a time of recession, when other companies, such as Dunlop, were also closing and seemed to sound a death knell for Cork's future industrial development.

With the despondency of the 1980s it would have been easy for the citizens of Cork to be angry at the Ford Motor Company for abandoning Cork, yet the city had been fortunate in being endowed by one of the earliest multi-national corporations, supported by one of the great industrialists of the era, even if in a somewhat haphazard fashion. Henry Ford's stated objective of 'starting Ireland along a road to industry' was probably never fulfilled as he had originally envisaged it; on the contrary, the factory in Cork ended up being used as a stopgap by the Ford company, but despite this, the company's achievements were not insubstantial, providing employment for three generations of workers and introducing prosperity to that workforce superior to anything available before.

## **APPENDICES**

## APPENDIX 1.

**Ford's production of cars and trucks in the United States compared to production in the United Kingdom, 1903-1929.**

Year	U.S. plants	United Kingdom	
		Model T output	Total output
1903	1,708	0	0
1904	1,695	0	0
1905	1,599	0	0
1906	8,729	0	0
1907	14,887	0	0
1908	10,202	0	0
1909	17,771	0	0
1910	32,054	0	0
1911	69,762	*1,485	*0
1912	170,068	2,942	3,187
1913	195,954	6,138	7,310
1914	299,797	8,242	8,352
1915	489,202	8,905	12,291
1916	718,395	9,037	16,204
1917	645,309	4,268	12,767
1918	479,166	2,527	9,293
1919	867,826	8,086	12,175
1920	444,581	**25,666	46,362
1921	928,750	11,603	31,955
1922	1,237,721	11,091	27,303
1923	1,923,360	11,507	30,596
1924	1,797,331	8,919	27,497
1925	1,783,625	5,086	22,271
1926	1,457,978	4,510	21,859
1927	359,068	1,817	12,558
1928	719,885	0	6,685
1929	1,717,617	0	25,756

Sources: U.S. plant output and U.K. totals are from Wilkins and Hill, *American business abroad*, p. 436; Model T production is from Steven Tolliday, 'The rise of Ford in Britain: From sales agency to market leader, 1904-1980' in vol. 2, Bonin, Lung and Tolliday (eds.), *Ford, 1903-2003: The European history*, p. 121.

\* Discrepancy between the two sources.

\*\*1920 production year contains 15 months-September 1919 to December 1920.

## APPENDIX 2.

**Ford's production of tractors in the United States compared to production in Ireland and United Kingdom, 1917 -1945.**

Year	United States		Ireland		United Kingdom		Grand Total.
	Output	Total	Output	Total	Output	Total	
1917	254	254					254
1918	34,167	34,421					34,421
1919	56,987	91,408	303	303			91,711
1920	67,329	158,737	3,626	3,929			162,666
1921	35,338	194,075	*1,443	5,372			199,447
1922	66,752	260,827	2,233	7,605			268,432
1923	101,898	362,725					370,330
1924	83,010	445,735					453,340
1925	104,168	549,903					557,508
1926	88,101	638,004					645,609
1927	93,972	731,976					739,581
1928	8,001	739,977					747,582
1929			9,686	17,291			757,268
1930			15,196	32,487			772,464
1931			3,501	35,988			775,965
1932			3,088	39,076			779,053
1933					2,778	2,778	781,831
1934					3,582	6,360	785,413
1935					9,141	15,501	794,554
1936					12,675	28,176	807,229
1937					18,698	46,875	825,927
1938					10,647	57,521	836,574
1939	10,233	750,210			15,712	73,233	862,519
1940	35,742	785,952			20,276	93,509	918,537
1941	42,910	828,862			22,210	115,719	983,657
1942	16,487	845,349			27,650	143,369	1,027,794
1943	21,163	866,512			26,300	169,669	1,075,257
1944	43,444	909,956			23,845	193,514	1,142,546
1945	28,729	938,685			17,770	211,284	1,189,045

Source: Wilkins and Hill, *American business abroad*, p. 438/439.

\*Wilkins and Hill text reads 1433, presumably a typographical error and corrected here to 1443.

### APPENDIX 3

**Skilled worker's hourly rates at Ford plant, Cork, December 1919.**

Trade	Minimum rate	Maximum rate
Toolmaker and tool fitter.	2s. 10d.	3s. 5d.
Blacksmith.	2s. 6d.	3s. 5d.
Draughtsman.	2s. 5d.	3s. 5d.
Tool turner and tool grinder.	2s. 10d.	3s. 2d.
Ambulance attendant.	2s. 7d.	3s. 0d.
Millwright.	2s. 4d.	3s. 0d.
Joiner, pattern maker, body builder, plumber and engineer fitter.	2s. 3d.	3s. 0d.
Sheet metal worker.	2s. 2d.	3s. 0d.
Sawyer, wood machinist, saw sharpener, coach painter, coach trimmer, painter, polisher, bricklayer, electrician, electroplater, pipe fitter and fitter.	2s. 1d.	3s. 0d.

Source: Minutes of director's meeting, 29 Nov. 1919 (BFRC, Acc. 328, Box 1).

### APPENDIX 4.

**Semi-skilled worker's hourly rates at Ford plant, Cork, December 1919.**

Positions	Minimum	Maximum
Assembler, electric riveter, car tester, crane driver, driller, fender maker, press operator, radiator maker, packing case maker and clerk.	2s. 1d.	2s. 9d.
Flatter, striker, blacksmith, turret-lathe operator and storeman.	2s. 2d.	2s. 9d.
Enameler.	2s. 3d.	2s. 9d.

Source: Minutes of directors' meeting, 29 Nov. 1919 (BFRC, Acc. 328, Box 1).

## APPENDIX 5

**Women and unskilled worker's hourly rates at Ford plant, Cork, December 1919.**

Positions	Minimum rate	Maximum rate
<b>Trolley</b>	<b>2s 3d.</b>	<b>2s. 6d.</b>
<b>Maintenance labourers, cleaners, sweepers, stock pickers, stores receiving labour, packers, car washers, janitors, and watchmen.</b>	<b>2s.1d.</b>	<b>2s. 6d.</b>
<b>Women cleaners</b>	<b>1s. 5d.</b>	<b>2s. 6d.</b>
<b>Girls</b>	<b>1s. 1d.</b>	<b>2s. 6d.</b>
<b>Boys</b>	<b>0s. 9d.</b>	<b>1s. 3d.</b>

Source: Minutes of directors' meeting, 29 Nov. 1919 (BFRC, Acc. 328, Box 1).

## APPENDIX 6

**Henry Ford & Son, selected financial results, 1920-1937.**

Year	Profit/Loss	Source
<b>1920</b>	<b>-£107,487</b>	<b>BFRC, Acc. 285, Box 11.</b>
<b>1929</b>	<b>£108,325</b>	<b>BFRC, Acc. 38, Box 3.</b>
<b>1930</b>	<b>-£68,016</b>	<b>BFRC, Acc.38, Box 7.</b>
<b>1931</b>	<b>-£129,316</b>	<b>BFRC, Acc. 38, Box 10.</b>
<b>1932</b>	<b>-£67,379</b>	<b>BFRC, Acc. 38, Box 16.</b>
<b>1933</b>	<b>£51,631</b>	<b>BFRC, Acc. 38, Box 23.</b>
<b>1934</b>	<b>£66,129</b>	<b>BFRC, Acc.712, Box 18-1</b>
<b>1935</b>	<b>£126,680</b>	<b>BFRC, Acc. 38, Box 34.</b>
<b>1936</b>	<b>£86,025</b>	<b>BFRC, Acc. 38, Box 38.</b>
<b>1937</b>	<b>£110,152</b>	<b>BFRC, Acc.38, Box 35.</b>

Source: Report of various annual general meetings.

## APPENDIX 7

### Start dates of Ford assembly plants outside the United States, 1905-1936.

<b>Year assembly started</b>	<b>Country</b>
<b>1905</b>	<b>Canada.</b>
<b>1911</b>	<b>England (Manchester).</b>
<b>1913</b>	<b>France (Bordeaux).</b>
<b>1916</b>	<b>Argentina.</b>
<b>1919</b>	<b>Ireland, Denmark.</b>
<b>1920</b>	<b>Uruguay, Brazil, Spain.</b>
<b>1922</b>	<b>Belgium, Italy.</b>
<b>1924</b>	<b>Chile, South Africa.</b>
<b>1925</b>	<b>Australia, Japan, Mexico</b>
<b>1926</b>	<b>Germany (Berlin), France (Asnieres), India, Malaya.</b>
<b>1929</b>	<b>Turkey.</b>
<b>1931</b>	<b>Germany (Cologne).</b>
<b>1932</b>	<b>Holland.</b>
<b>1936</b>	<b>New Zealand, Romania.</b>

Source: Wilkins and Hill, *American business abroad*, p. 434/5.

## APPENDIX 8

**Employment figures at Ford Marina plant, Cork, including quality inspectors and 'green labour', 1929-1930.**

<b>Date</b>	<b>Workers</b>	<b>'Green Labour'</b>	<b>Quality Inspectors</b>	<b>Total</b>
<b>January 1929</b>	<b>1,314</b>	<b>Not available</b>	<b>13</b>	<b>1,327</b>
<b>February</b>	<b>2,217</b>	<b>n/a</b>	<b>23</b>	<b>2,240</b>
<b>March</b>	<b>2,701</b>	<b>n/a</b>	<b>36</b>	<b>2,737</b>
<b>April</b>	<b>3,316</b>	<b>n/a</b>	<b>58</b>	<b>3,374</b>
<b>May</b>	<b>3,454</b>	<b>n/a</b>	<b>62</b>	<b>3,516</b>
<b>June</b>	<b>3,528</b>	<b>n/a</b>	<b>89</b>	<b>3,617</b>
<b>July</b>	<b>3,723</b>	<b>n/a</b>	<b>103</b>	<b>3,826</b>
<b>August</b>	<b>2,993</b>	<b>1,095</b>	<b>109</b>	<b>4,197</b>
<b>September</b>	<b>3,159</b>	<b>1,099</b>	<b>114</b>	<b>4,372</b>
<b>October</b>	<b>3,427</b>	<b>1,148</b>	<b>137</b>	<b>4,712</b>
<b>November</b>	<b>3,432</b>	<b>1,259</b>	<b>148</b>	<b>4,839</b>
<b>December</b>	<b>3,714</b>	<b>1,490</b>	<b>158</b>	<b>5,362</b>
<b>January 1930</b>	<b>4,215</b>	<b>1,727</b>	<b>195</b>	<b>6,137</b>
<b>February</b>	<b>4,493</b>	<b>2,017</b>	<b>202</b>	<b>6,712</b>
<b>March</b>	<b>-</b>	<b>2,131</b>	<b>-</b>	<b>-</b>

**Source: Unsigned memo, 'Cork factory-number of inspectors in relation to labour employed', 31 Mar. 1930; 'Green labour' numbers, A. R. Smith to P. Perry, 25 Mar. 1930; both at BFRC, Acc. 572, Box 17.**

## APPENDIX 9

### Leasing arrangements for Marina estate, September 1930.

Company name	Period of Lease	Notes
Texas Co (Ireland )Ltd.	21 years	Land.
National Flour Mills.	99 years.	Land.
National Grain Silos Ltd.	200 years	Land.
Metal Products Ltd.	21 years.	Buildings.
Irish Shell Ltd.	-	Agreement on oil storage.*
Dunlop Rubber Co. (Irl) Ltd.	21 years	Buildings at £2,000 p.a.
Russian Oil Products.	21 years.	Land.
Eustace & Co.	Monthly.	Land.
E.H. Harte.	Monthly.	Land.
P. Hyde.	Annual.	£24 per annum. for grazing land.

Source: Manager's quarterly report, September 1930, BFRC Acc.712, Box 18-1.

\*Terms 2s. 6d. per ton for oil received, stored and delivered into wagons plus ½ d. per ton per week for oil stored.

## APPENDIX 10

### Irish made materials used by Henry Ford & Son.

Product	Supplier	Address
Automobile bulbs.	Solus Teoranta.	Bray, Co Wicklow.
Batteries.	Exide Batteries (Ireland) Ltd.	Dublin.
Chassis springs.	John Brockhouse & Co. (Ireland) Ltd.	Wexford.
Elastic tape.	L. Jordan Ltd.	Ennis, Co. Clare.
Enamels and paints.	Harrington & Goodlass Wall.	Cork.
Sewing thread.	Irish Sewing Cotton Co. Ltd.	Westport, Co. Mayo.
Spark plugs.	Automotive Industries Ltd. The Leinster Engineering Co. Ltd.	Drogheda. Dublin.
Tyres.	The Irish Dunlop Co. Ltd.	Cork.
Upholstery cloth.	O'Brien Bros Ltd.	Cork.

Source: Henry Ford & Son advertisement, *Irish Times*, 3 January 1938.

## APPENDIX 11

**Motor cars (excluding commercial vehicles) imported into Ireland, by quantity and source, 1927-1937.**

<b>Year</b>	<b>U.K. and Northern Ireland</b>	<b>USA</b>	<b>France</b>	<b>Italy</b>	<b>Other</b>	<b>Total</b>	<b>Value</b>
1927	2,998	76	262	423	32	3,791	£621,236
1928	4,642	314	226	43	38	5,263	877,467
1929	7,045	121	329	96	36	7,627	1,174,142
1930	7,160	148	146	101	5	7,560	1,056,852
1931	6,493	113	644	80	3	7,333	974,364
1932	2,808	29	59	5	2	2,903	388,525
1933	2,418	40	37	13	0	2,508	379,153
1934	2,068	61	34	8	5	2,176	347,855
1935	375	26	5	1	19	426	81,919
1936	189	12	0	0	26	227	50,354
1937	167	13	0	0	14	194	44,525

Source: *Trade and Shipping Statistics (1927-1937)*, Stationery Office publications (I 75), NLI.

**APPENDIX 12**

**Car parts exported from Ireland, according to value, 1924-1938**

Year	Axles. To U.K. and Northern Ireland	Other motor car parts		Total
		To U.K. and Northern Ireland	Other places	
1924	0	£554,685	£14,009	£568,694
1925	£54,970	383,057	3,089	441,116
1926	51,594	305,859	1,660	359,113
1927	29,454	247,051	265	276,770
1928	809	123,263	56,608	180,680
1929	1	49,120	340	49,461
1930	37	119,095	632	119,764
1931	0	215,723	5,380	221,103
1932	2	100,038	920	100,960
1933	0	1783	68	1851
1934	0	978	26	1004
1935	0	3006	0	3006
1936	0	2124	189	2313
1937	0	6545	29	6574
1938	0	8,054	17	8,071

Source: *Trade and shipping statistics (1924-1938)*, Stationery Office publications (I 75), NLI.

**APPENDIX 13**

**Tractor parts exported from Ireland, according to value and destination, 1929-1934.**

<b>Country</b>	<b>1929</b>	<b>1930</b>	<b>1931</b>	<b>1932</b>	<b>1933</b>	<b>1934</b>	<b>Total</b>
<b>USA</b>	<b>£392,136</b>	<b>£284,567</b>	<b>£72,324</b>	<b>£39,141</b>	<b>£5,982</b>	<b>£3,151</b>	<b>£797,301</b>
<b>USSR</b>	<b>200,353</b>	<b>363,951</b>	<b>1,224</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>565,528</b>
<b>U.K. and N. Ireland.</b>	<b>87,143</b>	<b>41,117</b>	<b>26,697</b>	<b>50,347</b>	<b>19,850</b>	<b>3,467</b>	<b>228,621</b>
<b>Italy</b>	<b>26,256</b>	<b>35,929</b>	<b>6,664</b>	<b>16,943</b>	<b>1,303</b>	<b>906</b>	<b>88,001</b>
<b>Germany</b>	<b>32,633</b>	<b>27,242</b>	<b>12,690</b>	<b>5,575</b>	<b>866</b>	<b>376</b>	<b>79,382</b>
<b>France</b>	<b>14,690</b>	<b>15,165</b>	<b>16,289</b>	<b>1,937</b>	<b>340</b>	<b>72</b>	<b>48,493</b>
<b>Canada</b>	<b>24,505</b>	<b>8,524</b>	<b>3,863</b>	<b>995</b>	<b>103</b>	<b>16</b>	<b>38,006</b>
<b>Turkey</b>	<b>8,146</b>	<b>24,820</b>	<b>1,957</b>	<b>427</b>	<b>429</b>	<b>254</b>	<b>36,033</b>
<b>Denmark</b>	<b>13,295</b>	<b>12,160</b>	<b>6,796</b>	<b>2,066</b>	<b>242</b>	<b>165</b>	<b>34,724</b>
<b>Sweden</b>	<b>8,341</b>	<b>9,550</b>	<b>7,762</b>	<b>2,904</b>	<b>687</b>	<b>296</b>	<b>29,540</b>
<b>Australia</b>	<b>8,520</b>	<b>11,416</b>	<b>2,214</b>	<b>2,067</b>	<b>1,411</b>	<b>14</b>	<b>25,642</b>
<b>Spain</b>	<b>5,086</b>	<b>12,940</b>	<b>2,360</b>	<b>1,254</b>	<b>111</b>	<b>88</b>	<b>21,839</b>
<b>Belgium</b>	<b>6,337</b>	<b>6,875</b>	<b>3,574</b>	<b>944</b>	<b>427</b>	<b>25</b>	<b>18,182</b>
<b>Finland</b>	<b>5,415</b>	<b>4,402</b>	<b>2,254</b>	<b>882</b>	<b>268</b>	<b>82</b>	<b>13,303</b>
<b>Netherlands</b>	<b>3,167</b>	<b>5,417</b>	<b>2,797</b>	<b>1,347</b>	<b>139</b>	<b>140</b>	<b>13,007</b>
<b>New Zealand</b>	<b>3,690</b>	<b>6,010</b>	<b>561</b>	<b>139</b>	<b>39</b>	<b>0</b>	<b>10,439</b>
<b>Others</b>	<b>48,413</b>	<b>33,667</b>	<b>3,888</b>	<b>1,114</b>	<b>285</b>	<b>188</b>	<b>87,555</b>
<b>Total value:</b>	<b>£888,126</b>	<b>£903,742</b>	<b>£173,914</b>	<b>£128,082</b>	<b>£33,482</b>	<b>£9,240</b>	<b>£2,135,596</b>

Source: *Trade and shipping statistics (1929-1934)*, Stationery Office publications (I 75), NLI.

**APPENDIX 14**

**Tractors exported from Ireland, according to quantity and destination, 1929-1932.**

<b>Country</b>	<b>1929</b>	<b>1930</b>	<b>1931</b>	<b>1932</b>	<b>Total</b>
<b>USA</b>	<b>1,409</b>	<b>6,809</b>	<b>1,800</b>	<b>0</b>	<b>10,018</b>
<b>GB (inc NI)</b>	<b>820</b>	<b>1,243</b>	<b>333</b>	<b>1,585</b>	<b>3,981</b>
<b>Australia</b>	<b>1,288</b>	<b>1,008</b>	<b>25</b>	<b>0</b>	<b>2,321</b>
<b>Italy</b>	<b>1,187</b>	<b>665</b>	<b>260</b>	<b>0</b>	<b>2,112</b>
<b>Germany</b>	<b>704</b>	<b>1,079</b>	<b>75</b>	<b>0</b>	<b>1,858</b>
<b>France</b>	<b>501</b>	<b>655</b>	<b>327</b>	<b>306</b>	<b>1,789</b>
<b>Denmark</b>	<b>169</b>	<b>457</b>	<b>143</b>	<b>133</b>	<b>902</b>
<b>Argentina</b>	<b>0</b>	<b>891</b>	<b>0</b>	<b>0</b>	<b>891</b>
<b>Sweden</b>	<b>98</b>	<b>435</b>	<b>93</b>	<b>192</b>	<b>818</b>
<b>Canada</b>	<b>1</b>	<b>758</b>	<b>0</b>	<b>0</b>	<b>759</b>
<b>Spain</b>	<b>272</b>	<b>325</b>	<b>25</b>	<b>56</b>	<b>678</b>
<b>Belgium</b>	<b>221</b>	<b>158</b>	<b>65</b>	<b>106</b>	<b>550</b>
<b>New Zealand</b>	<b>407</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>472</b>
<b>Finland</b>	<b>137</b>	<b>130</b>	<b>85</b>	<b>38</b>	<b>390</b>
<b>Netherlands</b>	<b>207</b>	<b>43</b>	<b>86</b>	<b>43</b>	<b>379</b>
<b>Turkey</b>	<b>13</b>	<b>257</b>	<b>31</b>	<b>0</b>	<b>301</b>
<b>North Africa</b>	<b>90</b>	<b>49</b>	<b>8</b>	<b>0</b>	<b>147</b>
<b>Rumania</b>	<b>37</b>	<b>100</b>	<b>1</b>	<b>0</b>	<b>138</b>
<b>USSR</b>	<b>50</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>51</b>
<b>Other countries</b>	<b>899</b>	<b>757</b>	<b>28</b>	<b>33</b>	<b>1717</b>
<b>Industrial tractors</b>	<b>87</b>	<b>329</b>	<b>225</b>	<b>293</b>	<b>934</b>
<b>Total</b>	<b>8,597</b>	<b>16,214</b>	<b>3,610</b>	<b>2,785</b>	<b>31,206</b>
<b>Value</b>	<b>£919,151</b>	<b>£1,682,897</b>	<b>£342,930</b>	<b>£291,524</b>	<b>£3,236,502</b>

Source: *Trade and shipping statistics (1929-1932)*, Stationery Office publications (I 75), NLI.

## APPENDIX 15

### Prices of Ford motor cars in the United States, 1903-1916.

Year	Model type	Price range: dollars
1903-1904	A	\$850-950
1904-1905	B	2000
	C	900-1000
	F	1000
1905-1906	B	2000
	F	1000
1906-1907	N	600
	R	750
	S	700-750
1907-1908	K	2800
Oct. 1908	T	825-1000
Oct. 1909	R	750
	S	700-750
	T	900-1200
Oct. 1910	T	680-1100
Oct. 1911	T	590-900
Aug. 1912	T	525-800
Aug. 1913	T	500-750
Aug. 1914	T	440-690
Aug. 1915	T	390-740
Aug. 1916	T	345-645

Source: Nevins and Hill, *Ford: the times, the man, the company*, p. 646/7

## APPENDIX 16

**Extract from the employment agreement between Ford Motor Company and Percival Perry, 1909.**

**'To employ the manager to manage the business of its London branch but under the direction and control of the company ...'**

**Salary \$125 semi-monthly, paid on the 15<sup>th</sup> day and last day of the month, plus a bonus related to sales based on the following scale:**

**Up to \$100,000 sales, nil; sales from \$100,000 to \$125,000, 1%; from \$125,000 to \$150,000, 1.5%; from \$150,000 to \$175,000, 2% and sales over \$175,000, 2.5%.**

**'The manager agrees to devote his entire time and attention to the interests of the company to the exclusion of all other business, and that he will not enter the employ of any person, firm, co-partnership or corporation engaged in the handling, selling, renting or repairing automobiles until after 30 September 1910 and that he will not himself engage in the business of selling or dealing in automobiles or renting or repairing same until after 30 September 1910...'**

**Source : BFRC, Acc. 140, Box 1, 1 October 1909.**

## APPENDIX 17

**Ford Motor Company plants in the United States.**

**Mack Avenue plant: The original Ford Motor Company car plant operated from 1903 to early 1905.**

**Piquette Avenue plant: Motor car production was transferred there from the Mack plant in 1904/1905. The first Ford Model T cars were produced there.**

**Highland Park plant: Located in Detroit, the plant opened on 1 January 1910. It was built to produce the Model T and the assembly line was developed there, it operated until the late 1920s when it was superseded by the Rouge.**

**Dearborn Tractor plant: Henry Ford purchased this site on Elm Street in February 1913 and located his farm tractor development there soon after. Tractor production commenced in mid-1917 and continued until the transfer to the Rouge began in September 1920.**

**River Rouge Plant (known as The Rouge): A vast integrated industrial complex built to replace the Highland Park Plant. Located at the confluence of the Rouge and Detroit rivers, the site was purchased in 1915; construction began in 1917, and when it was completed in 1928 it had become the largest factory in the world. Tractor production began there in February 1921.**

**Sources: Mack and Piquette plants, see Nevins and Hill, vol. 1, pp 265/6; Dearborn plant, Ford R. Bryan, *Beyond the Model T*, p. 15 and the Rouge plant, see chapter 8, Nevins and Hill, vol. 2.**

## APPENDIX 18

**Ford's share of private and commercial vehicle sales in Ireland for selected years.**

<b>Year</b>	<b>Total private and commercial vehicles registered</b>	<b>Ford private and commercial vehicles registered</b>	<b>%</b>
<b>1933</b>	<b>3,940</b>	<b>2,098</b>	<b>53.2</b>
<b>1934</b>	<b>6,016</b>	<b>2,924</b>	<b>48.6</b>
<b>1935</b>	<b>7,756</b>	<b>5,406</b>	<b>69.7</b>
<b>1936</b>	<b>10,240</b>	<b>6,632</b>	<b>64.8</b>
<b>1937</b>	<b>12,209</b>	<b>7,480</b>	<b>61.3</b>
<b>1938</b>	<b>10,298</b>	<b>5,470</b>	<b>53.1</b>
<b>1958</b>	<b>23,960</b>	<b>8,648</b>	<b>36.1</b>
<b>1959</b>	<b>27,828</b>	<b>9,408</b>	<b>33.8</b>
<b>1960</b>	<b>33,069</b>	<b>11,962</b>	<b>36.2</b>
<b>1961</b>	<b>34,709</b>	<b>12,362</b>	<b>35.6</b>

**Sources:** For the period 1933-1938, total vehicle registrations were taken from *Statistical Abstracts*, Stationery Office publications (I 74), NLI. Ford registrations are from sales manager's quarterly reports, BFRC Acc.712, Box 18-1. All of the registrations in the period 1958-1962 come from the Commission on Industrial Organisation, *Report on the motor vehicle assembly industry*, p. 97.

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