

From: Teaching American History:
The Progressive Era (Copy 2)

MOTOR WORLD

Vol. XXXVIII

New York, U. S. A., Thursday, January 8, 1914

No. 3

FORD AGAIN STAGGERS THE WORLD; FIXES \$5 AS MINIMUM DAILY WAGE

Reduces Working Hours and Creates Work for Thousands of Additional Men—Profit-Sharing on Prodigious Scale—\$10,000,000 to Be Distributed This Year—Details of the Plan.

Accustomed to doing big things in a big way and without preliminary flourish of trumpets, Henry Ford and the Ford Motor Co., which, to all practical purposes, consists of Ford and James Couzens, by the institution of a profit-sharing plan have so far exceeded not only their own previous accomplishments but all other former achievements of the sort, as to astound the whole world and cause it to rub eyes for fear that eyes may be deceiving.

Of course, profit-sharing plans are not new; they are of many and diverse characters, most of them being of the sort that entails distribution of a small or comparatively modest proportion of the profits at the end of the business year, when they have been totaled. In the Ford case, however, the profits will be estimated at the beginning of the year and they will be distributed semi-monthly, not to any one particular class of wage earner but to every one of them.

Setting \$10,000,000 as the estimated profits for the year 1914, the Ford distribution means that every male wage earner—not the salaried man—over 22 years of age in the Ford employ, and wherever located, will receive not less than \$5 per day. It includes all, no matter how humble may be their positions.

Foremen, superintendents and other employees on salaries will continue to share in the usual distribution made at the end of every year, depending upon their records during the preceding 12 months. The amount of this distribution is decided by the officers and may or may not be increased.

At present the minimum wage in effect at the Ford establishment is \$2.34. Men who are receiving \$5 per day, or over, will share correspondingly in the increase. For instance, the \$5 man will hereafter receive \$7.66 per day, or an increase of \$2.66.

(Continued on page 63.)

BALL BEARING MAKERS PLAN A POPULARIZATION CAMPAIGN.

Of the many small meetings held this week, during the New York show, few, if any, may prove of greater ultimate import than the conference of the American ball bearing makers and importers, who "got together" with a view of undertaking a campaign for the popularization of ball bearings as against the roller type. The conference, which was held in the McAlpin Hotel, was attended by representatives of most of the best known concerns in the industry, and, although nothing definite transpired, the idea in mind was to raise a publicity fund, for the furthering of the end in view.

DE DION-BOUTON DROPS "FOURS" IN FAVOR OF "EIGHTS."

While Americans are arrayed for or against four- or six-cylinder cars, or are astride the fence, the De Dion-Bouton Selling Branch, of New York, of which Emanuel Lascaris is the head, has "plumped" strong for eight cylinders. In other words, Lascaris will no longer import four-cylinder De Dion-Bouton cars, except on special order; instead, he will carry in stock only the eight-cylinder V-shaped model, which is made in models up to 100 horsepower.

KLAXON HORN PATENTS SUSTAINED; NEWTONE LOSES HARD-FOUGHT SUIT

Lovell-McConnell's Patents Declared Valid and Court Even Extends Them to Cover Hand-Operated Horns—Decision Sweeping, Almost Recognizing Patent on Klaxon's Noise.

After having had the hard fought case under consideration for seven months, Judge Chatfield, in the United States District Court for the Eastern District of New York, late Tuesday afternoon last, 6th inst., decided that the Newtone horn is an infringement of the Klaxon patents. In fact, he not only upheld all the claims of the Klaxon patents but, although it was generally understood that they applied most specifically to motor actuated horns, particularly of the right angle type, Judge Chatfield gave a new and unexpected turn to the situation by declaring that they also cover the hand horns actuated by a crank instead of an electric motor and which acquired such sudden popularity during recent months.

In even more specific language he remarks that he finds no reason why the patents do not apply not only to the Newtone "or commercially useful and valuable forms of this kind of signaling apparatus," going so far as to indicate that, although noise of itself is not patentable, he would have sustained a "method claim" for the noise had it been included in the patents.

The parties to the litigation were, of course, the Lovell-McConnell Mfg. Co., of Newark, N. J., and the Automobile Supply Mfg. Co., of Brooklyn, N. Y., the patents involved being Nos. 923,048, 923,049 and 923,122, issued May 25, 1909, to Miller Reese Hutchison, by whom they were assigned to the Lovell-McConnell people.

During recent years, no patent litigation has been more bitterly contested. The feeling existing has been so strong that Judge Chatfield remarks it in his decision.

FORD STAGGERS THE WORLD; FIXES \$5 AS DAILY WAGE

(Continued from page 5.)

All but 10 per cent. of the employees will share in the profits. Of the 10 per cent. who are under 22 years old—not mentioning the women—all of those who are supporting families, widowed mothers, or younger brothers and sisters, will be treated like the older men, while those who are not supporting dependants will also be entitled to a share of the reward, but each must first prove himself worthy of it. In other words, he must demonstrate that he is "sober, safe (?), steady, industrious and must satisfy the superintendent and staff that his money will not be wasted in riotous living."

Not being regarded as the "same economic factors as the men," to quote the language of Mr. Couzens, and because they "cannot be considered fixtures in business," the 200 or 300 women who are employed in the Ford electrical department and in the office will not share in the profits to the same extent as the male workers. All of them, however, will be given substantial increases in their wages.

Enormous Mobs Looking for Jobs.

Even these staggering facts and figures do not tell the whole story for, in addition to obtaining more money, the men will render less labor. Instead of the present two nine-hour shifts, the working day will be reduced to eight hours and three shifts instead of two employed, thereby giving work to approximately 4,000 additional men.

When this news was published in Detroit, the Ford factory was at once besieged by men seeking work. On Tuesday morning, the vicinity of the Ford plant was blocked with a horde of humanity—there may have been 10,000 or there may have been 15,000 in the great throng. At any rate, it was so great that the police were unable to cope with their numbers, and it was only when the fire hose was brought out and a deluge of water threatened that the crowd gave way and made ingress and egress possible. Every day since similar crowds have been in evidence, many men from out of town and many employees of other automobile factories joining the throng seeking the higher reward.

Apart from the huge distribution of profits, the plan also provides that no workman shall be discharged except for unfaithfulness or inefficiency, power to summarily discharge men having been withdrawn from foremen.

All this news, which startled the world, was made public to the Detroit newspaper men by Messrs. Ford and Couzens while

seated in their office on Monday forenoon last when, in response to questions, they speedily laid at rest all notion that the distribution of profits will or may carry with it an increase in the price of Ford cars. Instead, it was specifically stated that the Ford people hope to continue their policy of price reduction. The money merely will be diverted from the stockholders to the workmen. The stockholders, incidentally, are as follows: Henry Ford owns 58 per cent. of the stock, or 11,700 shares; James Couzens owns 2,180 shares; John F. Dodge, 1,000; Horace E. Dodge, 1,000; Horace H. Rackham, 1,000; David Gray, 2,100, and John W. Anderson, 1,000. Twenty shares are held by R. V. Couzens.

Action Result of Much Planning.

The fact that less than two months ago the Ford company regraded its employees and revised the wage scale, thereby increasing its payroll approximately 13 per cent., had served to disarm even the remotest suspicion that Ford had anything of a larger nature in mind.

The profit-sharing plan, which goes into effect on Monday next, is uncommonly complete and far-reaching; it not only places a rich premium on loyalty and efficiency but the manner in which the morals of the younger men are to be guarded is not the least of its great number of praiseworthy features.

In making public the plan on Monday, Mr. Couzens gave an additional inkling of the trends of thought which formulated them. He stated that a four-hour work day had been considered, in order to permit even more men to be employed, but that idea was dismissed because it entailed grave possibility that it would result in the disorganization of the Ford working force.

Social justice which begins at home was the foundation of the great plan. In amplifying the idea, Messrs. Ford and Couzens, between them, said:

"We want those who have helped us to produce this great institution and are helping to maintain it, to share our prosperity. We want them to have present profits and future prospects. Thrift and good service and sobriety all will be encouraged and recognized.

Every Chance Given Every Man.

"If we are obliged to lay men off for want of sufficient work at any season we propose to so plan our year's work that the lay-off shall be in the harvest time—July, August and September—not in the winter. We hope in such case to induce our men to respond to the calls of the farmers for harvest hands and not to lie idle and dissipate their savings. We shall make it our business to get in touch with the farmers and to

induce our employees to answer calls for harvest help.

"No man will be discharged if we can help it, except for unfaithfulness or inefficiency. No foreman in the Ford company has the power to discharge a man. He may send him out of his department if he does not make good. The man is then sent to our 'clearing house' covering all the departments, and is repeatedly tried in other work until we find the job he is suited for, provided he is honestly trying to render good service.

"We are quite sure that we will still pay handsome dividends to our stockholders and will set aside reasonable amounts for additions and improvements and assembling plants in other parts of the country. And after that it is our hope to be able to do still better by our employees. We want them to be in reality partners in our enterprise.

"We do not agree with those employers who declare, as did a recent writer in a magazine in excusing himself for not practicing what he preached, that 'the movement toward the bettering of society must be universal.' We think that one concern can make a start and create an example for other employers. That is our chief object.

Women Not Classed With the Men.

"The public need have no fear that this action of ours will result in any increase in prices of our products. On the contrary, we hope to keep up our past record of reducing prices each year.

"We may have to make changes in our plan. If hard times should befall us we may have to reduce or modify our distribution of profits. But the outlook now is such as to justify this distribution this year.

"We believe in making 20,000 men prosperous and contented rather than follow the plan of making a few slave drivers in our establishment multi-millionaires."

"Why will not the women employees share in the profit distribution?" was asked.

"They are not the same economic factors as the men are," responded Couzens. "They do not control the standard of living. The average woman employee cannot be regarded as a fixture in a business as a man can be. A woman will leave at almost any time, for almost any reason, and when she stays long enough to be a dependable worker she is apt to get married and have someone else support her. It is the men we aim to benefit. However, in connection with the profit sharing, the women employees will not lose, for there will be substantial raises of wages for them."

"The sociological side of profit sharing is one of great importance and one to which we have given some consideration already, but will give a great deal more from now on," added Mr. Couzens. "We have a so-