
Modern Times

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A few weeks after Durant's death, Henry Ford died too, at his Dearborn estate, Fairlane, during a power failure on the stormy night of April 7, 1947. Ford died at the ripe age of eighty-two, fabulously wealthy, but with greatly eroded mental capacities. He was the most famous man in the world. Power within the gigantic Ford Motor Company had passed some eighteen months earlier to his grandson, Henry Ford II.

More was written about Henry Ford during his lifetime, and he was more often quoted, than any figure in American history. Theodore Roosevelt complained that Ford received more publicity than even the president of the United States. The *New York Times* reported that Ford's reputation had spread to peasants in remote villages in countries where only the elites had heard of Warren G. Harding or Calvin Coolidge. Will Rogers, probably the shrewdest folk psychologist in our history, said a number of times and in many witty ways that Henry Ford had influenced more lives than any living man.

The Russians were fascinated with *Fordizatzia* and viewed Henry Ford not as a capitalist but as a revolutionary economic innovator. A visitor to the U.S.S.R. in 1927 reported that the Russian people "ascribed a magical quality to the name of Ford" and that "more people have heard of him than Stalin. . . . Next to Lenin, Trotsky, and Kalinin, Ford is probably the most widely known personage in Russia."¹ The 25,000 Fordson tractors shipped to the U.S.S.R. between 1920 and 1927 promised the peasant a new agricultural era free from drudgery and want. Communes and babies born in communes were named Fordson. Ford mass-production methods, widely copied in the U.S.S.R., promised an industrial horn of plenty. Progress in adopting them was chronicled in *Pravda*, and in workers' processions Ford's name was emblazoned on

banners emblematic of a new industrial era. Translations of *My Life and Work* were widely read and used as texts in the universities. Russians “used the word ‘Fordize’ as a synonym for ‘Americanize,’” claims Reynold Wik.

Wik’s examination of German newspapers similarly “reveals an obsession with Henry Ford.”² *My Life and Work* became a best seller in Berlin in 1925, and the Germans referred to mass production as *Fordismus*. After the National Socialists seized power in March 1933, Ford had the status of a demigod. “You can tell Herr Ford that I am a great admirer of his,” Adolf Hitler told Prince Louis Ferdinand, grandson of Kaiser Wilhelm II and Nazi sympathizer, who was about to depart for an apprenticeship as a production trainee at the Ford River Rouge plant. “I shall do my best to put his theories into practice in Germany. . . . I have come to the conclusion that the motorcar, instead of being a class dividing element, can be the instrument for uniting the different classes, just as it has done in America, thanks to Mr. Ford’s genius.”³ Along with rearmament, the rapid development of an automobile culture in 1930s Germany became a major thrust of the Nazi economic recovery program.

Additionally, as the world’s most outspoken anti-Semite, Ford was considered a “great man” in the Nazi pantheon of heroes. Ford’s magazine, *The Dearborn Independent*, edited by William J. Cameron, began publishing anti-Semitic articles in 1920. Between 1920 and 1922 Ford reprinted them in four brochures and in a more comprehensive book entitled *The International Jew*, which was translated into most European languages and was widely circulated throughout the world. A picture of Ford was displayed in a place of honor at the National Socialist Party headquarters. By late 1933 the Nazis had published some twenty-nine German editions of *The International Jew*, with Ford’s name on the title page and a preface praising Ford for the “great service” his anti-Semitism had done the world. At the post-World War II Nuremberg war crimes trials, Balder von Schirach, leader of the Hitler youth movement, testified that he had learned his anti-Semitism at age seventeen from reading Ford’s book.

On July 30, 1938, his seventy-fifth birthday, Ford accepted the Grand Cross of the Supreme Order of the German Eagle with Hitler’s personal congratulations, “in recognition of [his] pioneering in making motorcars available to the masses.” David L. Lewis points out that this was “the highest honor the Reich could then bestow upon a foreigner. Ford was the first American and the fourth person (Mussolini was another) to receive the award.” Among other anti-Semitic public statements, in 1940 Ford told a reporter from the Associated Press that “international Jewish bankers” were responsible for the outbreak of World War II.⁴

The people of what Wik calls “grass-roots America” thought Henry Ford a greater emancipator of the common man than Abraham Lincoln. They made Ford our first, and probably our last, millionaire folk hero. He received several thousand letters a day, ranging from simple requests for help and advice to demands that he solve America’s remaining social and economic problems. The newspapers of his day called Ford “the Sage of Dearborn” and made him an oracle to the common man. But beyond that, Wik’s analysis of letters to Ford “from farmers and middle-class folks . . . living in the typical small towns of mid-America” reveals “a widespread and simple faith in Ford and the fixed belief that an understanding existed between the writers and this man of immense wealth.”⁵

Henry Ford’s Philosophy of Industry

The image of Henry Ford as a progressive industrial leader and champion of the common man that Americans clung to during the 1920s was hardly congruent with the philosophy of industry expounded by Ford himself in *My Life and Work* (1922), *Today and Tomorrow* (1922 and 1926), and *My Philosophy of Industry* (1929).⁶

Far from identifying with the Jeffersonian yeoman farmer glorified in populist rhetoric, Ford looked forward to the demise of the family farm. As a youth he had hated the drudgery of farm labor, and he longed to rid the world of unsanitary and inefficient horses and cows. The Model T was conceived as “a farmer’s car” less because Ford empathized with the small farmer than because any car designed in 1908 for a mass market had to meet the needs of a predominantly rural population. “The old kind of farm is dead,” he wrote in 1926. “We might as well recognize that fact and take it as a starting point for something better.” He looked forward in 1929 to the day when “large corporations . . . will supersede the individual farmer, or groups of farmers will combine to perform their work in a wholesale manner. This is the proper way to do it and the only way in which economic freedom can be won.”

Ford viewed the common man with a cynical, elitist paternalism, fundamentally at odds with the equalitarian populist philosophy he supposedly represented. “We have to recognize the unevenness in human mental equipment,” wrote Ford. “The vast majority of men want to stay put. They want to be led. They want to have everything done for them and have no responsibility.” He admitted that the very thought of repetitive labor was “terrifying to me. I could not do the same thing day in and day out, but to other minds, perhaps to the majority of minds, repetitive operations hold no terrors.” He believed that the average worker “wants

a job in which he does not have to put forth much physical exertion—above all he wants a job in which he does not have to think . . . for most purposes and for most people, it is necessary to establish something in the way of a routine and to make most motions purely repetitive—otherwise the individual will not get enough done to live off his exertions.” A journalist asked Ford in 1923, “What about industrial democracy?” “The average employee in the average industry is not ready for participation in management,” Ford answered. “An industry, at this stage of our development, must be more or less of a friendly autocracy.”

Nevins and Hill credit Ford with running his company “as a semi-public entity” through which workers and consumers shared the benefits of increased productivity at a time when profit maximization was the rule in American industry. But beyond the obvious point that the public had no voice in this “semi-public entity,” Ford’s business philosophy boiled down at best to the simple observation that mass production would yield greater profits only if consumer purchasing power was increased sufficiently to enable people to buy what the machine produced. He called this the “wage motive” and claimed that “we have discovered a new motive for industry and abolished the meaningless terms ‘capital,’ ‘labor,’ and ‘public.’ . . . It is this thought of enlarging buying power by paying high wages and selling at low prices which is behind the prosperity of this country.”

Ford emphatically denied that higher wages and lower prices ought to follow from the technological progress of a people as a simple matter of social justice. He held, for example, that “it is untrue to say that profits or the benefit of inventions which bring lower costs belong to the worker. . . . Profits belong primarily to the business, and the workers are only part of the business.” Lower prices did not come at the expense of profits but resulted from increased industrial efficiency that permitted profit margins to be enhanced. Ford’s policy was “to name a price so low as to force everybody in the place to the highest point of efficiency. The low price makes everybody dig for profits.” The continual reinvestment of high profits in improved machinery to increase output to make still more profits for reinvestment was indeed what made the “wage motive” a workable proposition for Ford.

So in Ford’s philosophy of industry, the key figure remained the entrepreneurial capitalist, whose supposed superior intelligence enabled him to organize production more and more efficiently through the continual reinvestment of his profits in improved machinery. It followed axiomatically for Ford that this industrial superman had the unquestionable prerogative to determine unilaterally what were fair profits, wages, and prices, free from any interference by the government, workers, or

consumers. If the superman erred, he would be punished by the classical economists' bogeymen, the invisible hand of the market and the unenforceable law of supply and demand. Ford's philosophy of industry thus was a pedestrian variation on the conventional business creed that put profits first and foremost, glorified the entrepreneurial capitalist, and accepted as axiomatic the outmoded production ethic of the classical economists' economy of scarcity.

Although the five-dollar, eight-hour day entailed recognition that mass consumption was a necessary corollary of mass production, Ford nevertheless remained committed to most of the beliefs and values of a production-oriented society and economy. He did come to see that mass production made the worker "more a buyer than a seller" and that "the 'thrift' and 'economy' ideas have been overworked." But Ford abhorred waste and held to the central tenet of a production-oriented economy and society—the work ethic. "Thinking men know that work is the salvation of the race, morally, physically, socially," claimed Ford. "Work does more than get us our living; it gets us our life."

Seeing the cure for poverty and want narrowly in terms of more efficient production, Ford held that "hiring two men to do the job of one is a crime against society" and that mass production, despite great increases in worker productivity, would continue always to create more jobs than it destroyed. To Ford, overproduction was a theoretical possibility that would mean "a world in which everybody has all that he wants." He feared that "this condition will be too long postponed," and he believed that in the automobile industry, "we do not have to bother about overproduction for some years to come, provided our prices are right." Meanwhile neither charity nor drones had any place in Ford's conception of the good society. "Fully to carry out the wage motive, society must be relieved of non-producers," he wrote. "Big business, well organized, cannot serve without repetitive work, and that sort of work instead of being a menace to society, permits the coming into production of the aged, the blind, and the halt. . . . And it makes new and better places for those whose mentality lifts them above repetitive work."

The self-styled champion of the small businessman against monopoly power in the Selden patent suit now proclaimed that "business must grow bigger and bigger, else we shall have insufficient supplies and high prices." In a new twist on the Doctrine of Stewardship, which had been the perennial rationalization of American men of great wealth since it was conceived by the Puritans, Ford merely urged the men in charge of these industrial giants to consult their enlightened self-interest and "regard themselves as trustees of power in behalf of all the people. . . . It is clearly up to them now, as trustees, to see what they can do further in the way of

making our system fool-proof, malice-proof, and greed-proof. It is a mere matter of social engineering.” But in asking for a capitalism stripped of its traditional assumption that selfishness and greed are the natural mainsprings of human economic behavior, Ford never went on to call for capitalists free from hypocrisy. Perhaps that would have been too much to expect from a “trustee of power in behalf of all the people” who also declared that “a great business is really too big to be human.”

The New Industrial Proletariat

With the transfer of skills at Ford from men to specialized machines, the process that Harry Braverman has identified as the “degradation of work”⁷ turned highly skilled jobs into semiskilled and/or unskilled jobs. This revolutionized the workplace.

Fordism meant that neither physical strength nor the long apprenticeship required for becoming a competent craftsman were any longer prerequisites for industrial employment. The creativity and experience on the job that had been valued in the craftsman were considered liabilities in the assembly-line worker. “As to machinists, old-time, all-around men, perish the thought!” declared Horace Arnold and Fay Faurote in 1915. “The Ford Motor Company has no use for experience, in the working ranks anyway. It desires and prefers machine tool operators who have nothing to unlearn, who have no theories of correct surface speeds for metal finishing, and will simply do what they are told to do, over and over again from bell-time to bell-time. The Ford help need not even be able bodied.”⁸

New opportunities for remunerative employment were opened to the uneducated peasant from southern or eastern Europe, the black migrant to the northern city, the physically handicapped, and the educable mentally retarded. For the machine did not discriminate and did not demand substantial training, physical strength, education, or even intelligence from its operator. “Our employment office does not bar a man for anything he has previously done,” boasted Ford. “He is equally acceptable whether he has been in Sing Sing or at Harvard and we do not even inquire from which place he has graduated. All that he needs is the desire to work.”⁹

The early Ford work force mirrored the ethnic character of Detroit, which at the turn of the century was essentially English and German. About half of Detroit’s population in 1900 were native-born whites, the other half overwhelmingly immigrants from northern and western Europe.

The ethnic composition of the Ford work force changed dramatically

with the coming of mass production. The first survey of the national origins of those workers, in November 1914, revealed that only 29 percent were American born and that two thirds were immigrants from southern and eastern Europe, with Poles (21 percent) and Russians (16 percent) being the largest ethnic groups. The Ford workers in this survey represented twenty-two national groups. Company announcements were printed in fourteen languages but invariably ended with the injunction, "Learn to Read English." Bilingual foremen were valued, and it became essential for straw bosses to learn how to say "hurry up" in several different languages. Native-born Caucasians were particularly underrepresented in unskilled and semiskilled jobs at Ford. As Nevins and Hill point out, "At the Ford plant the foundry workers, common laborers, drill press men, grinder operators, and other unskilled and semiskilled hands were likely to be Russians, Poles, Croats, Hungarians, or Italians; only the skilled employees were American, British, or German stock."¹⁰

By 1919 the Ford Motor Company also employed hundreds of ex-convicts and 9,563 "substandard men"—a group that included amputees, the blind, deaf-mutes, epileptics, and about 1,000 tubercular employees. By 1923 Ford employed about 5,000 blacks, more than any other large American company and roughly half the number employed in the entire automobile industry.

Conditions on the assembly line were grudgingly accepted only by workers accustomed to even more repressive systems of labor or whose opportunities for employment elsewhere at a living wage were almost nil. Arnold and Faurote recognized that "the monotony of repetitive production can be alleviated only by a satisfactory wage-rate, and is, perhaps, much more easily endured by immigrants, whose home wage stood somewhere about 60 cents for 10 hours' work, than by native-born Americans."¹¹ Indeed, one the major reasons why mass-production techniques came to be innovated in the United States is that, in contrast with Europe, automobile manufacturers here could count on the availability of a large labor pool of unskilled, recently arrived, and as yet politically impotent peasants from the most socially and economically backward countries of Europe, and of blacks escaping from the oppressive socioeconomic conditions of the rural American South.

The demands of the assembly line put a premium on youth. Nevins and Hill relate that "the bosses had a natural liking for young, vigorous, quick men not past thirty-five. Experienced hands past that age, if they did not possess some indispensable skill were thus often the first to be dismissed and the last to be re-engaged." In their 1929 study, Robert and Helen Lynd tied mass production to the emergence of a cult of youth in the 1920s. Noting the trend toward employing younger men in Muncie,

Indiana, factories, for example, the Lynds explained that “in modern machine production it is speed and endurance that are at a premium. A boy of nineteen may, after a few weeks of experience on a machine, turn out an amount of work greater than his father of forty-five.”¹²

“I have not been able to discover that repetitive labor injures a man in any way,” wrote Henry Ford. “Industry need not exact a human toll.” Mass production shifted many backbreaking tasks from the worker to the machine, and Highland Park exemplified the clean, safe, well-lighted, and well-ventilated factory essential to efficient mass production. Nevertheless, a human toll was exacted, if only because mass production meant “the reduction of the necessity for thought on the part of the worker and the reduction of his movements to a minimum.”¹³

In the 1936 movie *Modern Times* Charlie Chaplin satirized the new breed of semiskilled worker created at Highland Park. Machines were closely spaced for optimal efficiency, and material was delivered to the worker at a waist-high level so that “wasted motion” was not expended in walking, reaching, stooping, or bending. The worker not only had to subordinate himself to the pace of the machine but also had to be able to withstand the boredom inevitable in repeating the same motions hour after hour. A fifteen-minute lunch break, which included time to use the rest room and to wash one’s hands, was the only interruption of the fatiguing monotony of repetitive labor, the hypnotic trance that workers were lulled into by the rhythmic din of the machinery.

The precise coordination of the flow of assembly that mass production demanded meant a new ironclad discipline for industrial workers. “The organization is so highly specialized and one part is so dependent upon another that we could not for a moment consider allowing men to have their own way,” Ford explained. “Without the most rigid discipline we would have the utmost confusion. I think it should not be otherwise in industry.” Consequently, the easy camaraderie on the job that had been normal in American industry for unskilled as well as skilled workers was forbidden at Highland Park. Straw bosses and company “spotters”—another new element in the work force—enforced rules and regulations that forbade leaning against the machine, sitting, squatting, talking, whistling, or smoking on the job. Workers learned to communicate clandestinely without moving their lips in the “Ford whisper” and wore frozen expressions known as “Fordization of the face.” “There is not much personal contact,” understated Ford. “The men do their work and go home—a factory is not a drawing room.”¹⁴

The impact of Fordism on the worker was debilitating. The individual became an anonymous, interchangeable robot who had little chance on the job to demonstrate his personal qualifications for upward mobility into

the echelons of management. Thus, the American myth of unlimited individual social mobility, based on ability and the ideal of the self-made man, became a frustrating impossibility for the assembly-line worker. As the job became a treadmill to escape from rather than a calling in which to find fulfillment, leisure began to assume a new importance. The meaning of work, long sanctified in the Protestant Ethic, was reduced to monetary remuneration. The value of thrift and personal economy became questionable, too, as mass consumption became an inevitable corollary of mass production.

The Five-Dollar Day

The Ford Motor Company had from the beginning been an exemplary employer regarding monetary remuneration. Ford paid top wages, and early Ford labor practices in addition included bonuses, as well as educational, medical, and recreational programs. In 1905 every Ford worker received an incredibly generous Christmas bonus of \$1,000. From 1908 through 1911 annual bonuses were paid of 5 percent of wages after one year's service, 7½ percent after two years, and 10 percent after three years. In 1911 the one- and two-year service bonuses were ended, but an "efficiency bonus" was added for salaried and supervisory personnel.

Despite the relatively high wages and bonus incentives paid at Ford, worker dissatisfaction was evident in unacceptable rates of labor productivity and labor turnover at the new Highland Park plant—"a new breed of factory," writes Stephen Meyer III, "with an entirely different pace and intensity of work even for unskilled workers. Like the peasants of the old world, Ford immigrant workers voted and voiced their opinions with their feet and abandoned the Highland Park factory in droves."¹⁵

John R. Lee came to Ford with the 1911 acquisition of the John R. Keim Mills of Buffalo, New York, where he had been general manager. Lee became director of the Ford Employment Office. In the summer of 1913 he was asked to conduct an investigation to determine the causes of worker discontent and inefficiency at Highland Park. His report concluded that the chief causes were bad housing and home conditions, too long hours, too low wages, and arbitrary treatment of workers by foremen and superintendents, who at that time had authority over hiring, firing, and advancement.

As a result of Lee's investigation, in October 1913 the Ford Motor Company instituted a comprehensive new labor program. Wages were increased an average of 15 percent. An Employees' Savings and Loan Association was formed so that workers could have a safe place to save

and to borrow money at low rates when family emergencies occurred. Foremen were stripped of much of their authority in the management of the labor force as labor relations were centralized in a new Employment Department.

Probably the most significant of the Lee reforms was the rationalization of job skills and advancement within the Ford factory by a new skill-wage classification system that reorganized jobs into groups with similar levels of skill, and established a graded hierarchy of jobs from the least to the most skilled. This reduced the number of wage rates at Highland Park from sixty-nine to only eight, ranging from a high of 51 cents to a low of 23 cents an hour, for sixteen different levels of skill and competence. A worker received automatic increases as he reached specific standards of efficiency within a grade, and he was advanced to the next grade as his skill increased.

The significance of the Lee reforms was lost in the announcement of the five-dollar, eight-hour day by the Ford Motor Company on January 5, 1914. This plan roughly doubled for Ford's American workers the going rate of pay for industrial workers, and it shortened the work day by two hours as well. It had been foreshadowed on a far smaller scale at Ford-England's Trafford Park plant near Manchester. By paying his English employees the 1s. 3d. an hour, or £3 for a six-day, 48-hour week, in 1911, Ford had paid about twice the prevailing U.K. industrial wage, for a shorter work week.

The five-dollar minimum pay for a day's work was boldly conceived by Ford as a plan for sharing profits with his workers in advance of their being earned. "In accordance with Ford policy," writes Meyer, "wages were the 'earned' result of 'services and labor.' Profits were the conditional gift of the Ford Motor Company."¹⁶ Thus, only workers who met certain criteria established by Ford were entitled to a share of the profits. The normal wage rate of a laborer at Ford was \$2.34 per day, for example, while his profit rate under the plan was \$2.66. The profit rate was paid to him as an incentive for cooperating in increasing the efficiency of Ford production. Eligible workers were those who had been at Ford for six months or more and were either married men living with and taking good care of their families, single men over twenty-two years of age of proved thrifty habits, or men under twenty-two years of age and women who were the sole support of some next of kin. Almost 60 percent of the Ford workers qualified immediately, and within two years about 75 percent were included in the profit-sharing plan.

The Sociological Department was formed to check on the eligibility of Ford employees to participate in the Five-Dollar Day and to ensure that the profits shared with them were put to uses approved by Henry Ford.

It was first headed by John R. Lee. He was succeeded in late 1915 by the Reverend Dr. Samuel S. Marquis, Ford's Episcopalian pastor, who changed its name to the Educational Department.

An initial staff of over 200 investigators, soon pared down to a permanent staff of 50, visited workers' homes gathering information and giving advice on the intimate details of the family budget, diet, living arrangements, recreation, social outlook, and morality. Americanization of the immigrant was enforced through mandatory classes in English. The worker who refused to learn English, rejected the advice of the investigator, gambled, drank excessively, or was found guilty of "any malicious practice derogatory to good physical manhood or moral character" was disqualified from the profit-sharing plan and put on probation. If he failed to reform within six months, he was discharged, and his profits accumulated under the plan were used for charity. Shockingly presumptuous, repressive, and paternalistic by today's standards, the policies of the Sociological/Educational Department reflected both the long-standing assumption of American businessmen that the employer had a right to interfere in the private lives of his employees and the most advanced theories of the social workers of the Progressive Era.

The Five-Dollar Day defied the conventional wisdom of classical economics, which called for paying wages at a subsistence level. Henry Ford implicitly acknowledged the validity of radical criticisms of income distribution under entrepreneurial capitalism when he told the Reverend Dr. Marquis that five dollars a day was "about the least a man with a family can live on these days." But Marquis knew that the five-dollar, eight-hour day "actually returned more dollars to [Henry Ford] than he gave out. It was unquestionably a shrewd and profitable stroke. To the credit of Mr. Ford be it said that he personally never maintained that his profit and bonus schemes were a means for distributing charity."¹⁷

Ford's motives for introducing his radical profit-sharing plan undoubtedly were mixed. He recognized ahead of his fellow industrialists that the worker was also a consumer and that increasing workers' purchasing power would stimulate sales. He also wanted to stave off the organizing efforts of the radical International Workers of the World (IWW). His main concerns, however, were increasing labor productivity and stopping an incredibly costly rate of labor turnover at Highland Park. "When the [profit-sharing] plan went into effect, we had 14,000 employees and it had been necessary to hire at the rate of about 53,000 a year in order to keep a constant force of 14,000," recounted Ford in 1922. "In 1915 we had to hire only 6,508 men and the majority of these new men were taken on because of the growth of the business. With the old turnover of labor and the present force we should have to hire at the rate of

nearly 200,000 men a year—which would be pretty nearly an impossible proposition.” Ford asserted in 1922 that “the payment of high wages fortunately contributes to the low costs [of production] because the men become steadily more efficient on account of being relieved of outside worries. The payment of five dollars a day for an eight-hour day was one of the finest cost-cutting moves we ever made, and the six-dollar day [instituted at Ford in 1919] is cheaper than the five. How far this will go we do not know.”¹⁸

An estimated 15- to 20-percent increase in labor productivity at Highland Park in 1915 was attributed to the Five-Dollar Day. And with inauguration of the eight-hour day, Highland Park switched from running two shifts a day to three. The advertising and public-relations value alone was well more than the \$5.8 million that the profit-sharing plan cost the Ford Motor Company during its first year of implementation. Henry Ford was roundly denounced as a “traitor to his class” by his fellow entrepreneurial capitalists, especially by his less efficient competitors in the automobile industry. The public response, on the other hand, was decidedly positive. “Nine-tenths of the newspaper comment was favorable, much of it almost ecstatic,” write Nevins and Hill. “Industrialists, labor leaders, sociologists, ministers, politicians, all hailed the innovation in glowing terms.”¹⁹

The Mussolini of Detroit

Although the eight-hour day and forty-eight-hour week quickly became the norm in American automobile factories, Henry Ford’s doubling of the daily minimum pay stood for decades as an isolated example of self-interested benevolence. The strategy underlying the Ford profit-sharing plan did not become institutionalized in American industry until after World War II. Nor did the experiment in benevolent paternalism last longer than a few years at the Ford Motor Company. By 1918 the inflation of the World War I years had reduced the \$5.00 minimum daily pay to only \$2.80 in 1914 purchasing power, wiping out the workers’ gains. As we have seen, the war also meant greatly reduced profit margins for Ford, and the company only survived the postwar recession by adopting stringent economy measures. As the 1920s wore on, as the Model T became outmoded and Ford’s competitors became more efficient in production, the position of the Ford Motor Company in the automobile industry declined. Working conditions deteriorated with the speedup of the Ford assembly lines to meet the new competition. After the minimum daily pay of Ford workers was raised to \$6.00 in January 1919, giving

them \$3.36 in 1914 purchasing power, there were no further advances in Ford wages until World War II. By the early 1920s \$10.00 a day would have been necessary to match the \$5.00 minimum pay of 1914. In 1925—Ford's pre-World War II high point in sales both in the United States and worldwide—the weekly earnings of Ford workers were \$4.21 below the automobile industry average in the United States, although cutting the Ford work week to five days in 1926 reduced the gap to \$1.37 by 1928.

The Educational Department folded and its records were burned after Samuel Marquis resigned as its head early in 1921. He later explained: "The old group of executives, who at times set justice and humanity above profits and production, were gone. With them, so it seemed to me, had gone an era of cooperation and good will in the company. There came to the front men whose theory was that men are more profitable to an industry when driven than led, that fear is a greater incentive to work than loyalty."²⁰

Ford benevolent paternalism had actually ended earlier. Over the course of World War I, the company's labor policies had undergone, as Meyer puts it, "a transition from a variant of welfare capitalism, which captured the mood of the Progressive Era, to a version of the American Plan, which typified the more recalcitrant employer attitudes of the twenties." Under the Espionage Act of 1917 and the Sedition Act of 1918, at Ford "more authoritarian and more repressive labor policies moved to the foreground. . . . Under extremely broad judicial interpretations, both of these laws were used to prosecute German, Austrian, and Hungarian immigrant workers, members of the IWW and the Socialist Party, and finally, any worker who voiced discontent with the war or American society."²¹

The American Protective League (APL) was created as a "semiofficial auxiliary of the Justice Department," composed of some 250,000 volunteer "patriots" who were organized into a nationwide network of spies and informants in American industry. The Ford Educational Department coordinated the activities at Highland Park of about a hundred APL operatives, who were given access to the thousands of individual "records of investigation" maintained on employees under the Ford profit-sharing plan. Should an APL operative report suspicious statements or behavior by a Ford worker, his file would be pulled and a new record started containing an account of the incident. "This new record on the worker often passed into the hands of the Department of Justice, military intelligence officers, and local law enforcement officers," Meyer reports. Ford officials made high worker productivity a patriotic duty and considered any worker activity that retarded production to be, in Meyer's words, "a conscious and treasonable act of sabotage."²²

APL activities ostensibly ceased at Highland Park with the Armistice. However, under Alex Spark in the Superintendent's Office, the Ford APL organization was converted in 1919 into a network of labor spies and informants whose mission was to thwart the organizing efforts of the Automobile Workers Union (AWU). Although all automobile manufacturers in the 1920s employed labor spies and informants to ferret out union organizers, the Ford Motor Company gained particular notoriety.

Citing the Ford Motor Company as the world's outstanding example of an industrial dictatorship, the *New York Times* on January 8, 1928, called Henry Ford "an industrial fascist—the Mussolini of Detroit." *Probusiness Fortune* magazine commented in December 1933 that it was well known in the automobile industry that "Mr. Ford's organization does show extreme evidence of being ruled primarily by fear of the job." Even Edsel was mercilessly bullied by the elder Ford, who thought his son too soft and held up as a model worthy of emulation Harry Bennett, an ex-pugilist with underworld connections. Bennett enforced discipline in the Ford plants as head of a gang of labor spies and thugs called the Ford Service Department. He came to be Henry Ford's most trusted associate and comrade after the Model A replaced the Model T in 1928 and production was shifted to the River Rouge plant.

From Edsel Ford on down, the Ford executives came to fear and despise Bennett as his influence grew, and by the mid-1930s Ford workers wondered whether Hitler had derived the idea for his Gestapo from Bennett's Ford Service. "As a rule, Ford's managers, having more to lose, came to watch their jobs more nervously than the men at the Rouge who swept the floor," relates Keith Sward. "On the lower tiers of the Ford organization, Ford Service gave rise to any number of unmistakable neuroses. These 'shop complaints' went all the way from mild states of anxiety to advanced nervous symptoms that were fit material for a psychopathic ward. Thus conditioned, the personality of any Ford employee was subjected to a process of subtle and profound degradation." Writing during the depths of the Great Depression, Jonathan Leonard, an early Ford debunker, declared, "Detroit is a city of hate and fear. And the major focus of that hatred and fear is the astonishing plant on the River Rouge." Leonard found almost all automobile factories in Detroit "horrifying and repellent to the last degree. But the Ford factory has the reputation of being by far the worst." The reason was that "over the Ford plant hangs the menace of the 'Service Department,' the spies and stool pigeons who report every action, every remark, every expression.... No one who works for Ford is safe from the spies—from the superintendents down to the poor creature who must clean a certain number of toilets an hour."²³

Black Workers at Ford

With expansion into the Rouge plant and as labor relations deteriorated in the early 1920s, Ford hired more and more black workers. August Meier and Elliott Rudwick point out that Henry Ford was ambivalent in his attitude toward blacks: he believed that they were racially inferior and that the races should be segregated residentially and socially, but he also believed that blacks had constitutional rights to social justice and rights to decent housing, jobs, and economic security. He thought that the “superior” race was obligated “to give philanthropic service to subordinate races” and that “whenever blacks had received a fair chance their labor made them an asset to the community.”²⁴

Blacks first began moving en masse into northern cities, including Detroit, to take advantage of the employment opportunities created by the World War I labor shortage. Packard became the first significant employer of blacks in the automobile industry, with 1,000 on its payroll in May 1917. Working in close association with the Detroit Urban League, Dodge also was a substantial early employer of blacks. In contrast, as late as January 1916 the Ford Motor Company had only 50 black employees in a work force of 32,702.

As fears of labor unrest and labor organization mounted in 1919, Ford rapidly expanded his recruitment of blacks and within a year became Detroit’s leading employer of them. Ford’s black workers were concentrated at the Rouge, where by 1926 they numbered 10,000 and constituted about 10 percent of the work force. Despite cutbacks in employment during the Depression, the number and proportion of black workers at the Rouge remained fairly constant—9,325 in 1937, constituting about 12 percent of the Rouge work force. This contrasts with 2,800 blacks constituting a mere 3 percent of the entire General Motors Michigan work force as late as 1941. By the outbreak of World War II Ford employed about two thirds of the blacks working in Detroit’s automobile factories.

Recruitment was carried out through recommendations from Detroit’s most prominent black citizens—particularly from the Reverend Robert L. Bradby, pastor of the Second Baptist Church, and Father Everard W. Daniel, pastor of St. Matthew’s Protestant Episcopal Church. Authority over black hiring, firing, disputes, and other matters was exercised by Donald J. Marshall, a former policeman and one of Father Daniel’s parishioners, and Willis Ward, a black former football star at the University of Michigan. Marshall and Ward belonged to the Ford Service Department and reported directly to Harry Bennett and to Charles Sorensen. In effect, Ford had established a “Negro Department,”

with special procedures for black employees. And these procedures meant that black workers at Ford were under even more repressive scrutiny than white workers.

Although blacks employed in automobile factories earned relatively high wages in comparison with those employed in other industries, they tended to be concentrated in the most dangerous, dirty, and disagreeable jobs—chiefly in paint spraying and in foundry work. This was true at the Rouge, where fully 38 percent of the black workers were employed in the foundry and an additional 15.6 percent in the foundry machine shop, versus only 5.2 percent in motor manufacturing and assembly, 6 percent in chassis and parts manufacturing and assembly, and a minuscule 1 percent in the tool rooms. A white worker at the Rouge explained to an investigator, “Some jobs white folks will not do, so they have to take niggers in, particularly in duco work, spraying paint on car bodies. This soon kills a white man.” Zaragosa Vargas demonstrates that although the relatively small number of Mexicans employed at the Rouge also were concentrated in the most disagreeable jobs, they were significantly less concentrated in them than were the blacks.²⁵

Nevertheless, Meier and Rudwick find that “Henry Ford was unique in the wide range of opportunities that he offered Negro blue-collar workers.” Blacks could be found in all Ford production jobs working alongside whites. Ford had more black supervisory personnel than the rest of the industry combined. In a few instances black foremen were in charge of all-white crews. Blacks were admitted to apprenticeship schools only at Ford. And in 1924 James C. Price, an outstanding expert in abrasives and industrial diamonds, became the first black salaried employee at Ford. Meier and Rudwick cite the labor economist Herbert Northrup’s conclusion that in the pre–World War II period Ford’s black workers at the Rouge “came closer to job equality . . . than they did at any large enterprise . . . recorded in the literature.” Significantly, however, this was true only at the Rouge. Outside the Detroit metropolitan area Ford employed blacks in menial jobs only, primarily as custodians.²⁶

The racist aspects of Henry Ford’s unique treatment of his black workers were overlooked by Detroit’s black community at a time when rabid Negrophobia was more characteristic of white employers than self-interested, benevolent paternalism. Black workers at Ford felt themselves superior and wore their company badges to church on Sunday. Black leadership, including the Detroit Urban League, praised Ford as a friend of the race who could do no wrong, “The income of Ford’s black workers was the cornerstone for the prosperity of the black community’s business and professional people,” write Meier and Rudwick. “The latter, acutely aware of how much black Detroit’s economic well-being and their own

livelihood depended on the company, believed that what was best for Ford was best for the race.”²⁷

Consequently, Ford’s black workers remained amazingly loyal to him despite the repressive activities of the Ford Service Department, the degeneration of working conditions at the Rouge, and the existence of tokenism rather than true equality of opportunity in the Ford plants. They demonstrated this loyalty by remaining in the River Rouge plant as strikebreakers during the 1941 strike that resulted in the unionization of the Ford Motor Company and the inauguration of a new era in Ford labor policy and labor-management relations.

Fordist production of the Model T was the most important factor in the development of automobile cultures in the interwar period, most spectacularly in the United States but also in neighboring Canada and in Australia and New Zealand. By 1927 there was one car for every 5.3 inhabitants in the United States; the ratio for New Zealand was 1:10.5, for Canada 1:10.7, and for Australia 1:16. The extent of the gap between these countries and the rest of the world in cars per capita is striking. Argentina ranked fifth with a ratio of 1:43; France and Great Britain tied for sixth place with ratios of 1:44. Germany still had only one car for every 196 inhabitants. Americans at this point owned about 80 percent of the world's motor vehicles. The countries of Western Europe did not achieve the ratio of cars to population of 1920s America until the 1950s and 1960s.

Throughout the 1920s Canada ranked second worldwide in motor vehicle production. For the decade 1919–1929 Canada's total production was 1.649 million motor vehicles, versus 1.452 million for France and 1.344 million for the U.K. The Canadian industry had begun on August 17, 1904, when the Ford Motor Company of Canada was incorporated and began production at Walkerville, near Windsor, Ontario, just across the border from Detroit. Ford assembly plants were added at Montreal, Toronto, Winnipeg, and Vancouver. General Motors operations in Canada began in 1910 with the acquisition of 40 percent of the stock of the McLaughlin Motor Company, which manufactured Buicks under license. In 1918 GM obtained full control of the McLaughlin enterprise. Chrysler, too, had Canadian operations by the late 1920s.

Some 83 percent of the “Canadian” automobile industry was American controlled by 1929. This American-owned Canadian industry exported about 42 percent of its output, with more than two thirds of the