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BATTLE OF MOTOR GIANTS PREDICTED AS SPRING ISSUE

Detroit Awaits Arrival of Rumored Gear Shift Flivver

By Whitcomb Williams
 Detroit, Mich., Mar. 26.—Automobile manufacturers generally as well as the buying public, were taken by surprise a few days ago, when one of the big manufacturers announced substantial price cuts on seven of its cars, the reductions ranging from \$10 to \$200.

This reduction, according to the belief of well informed leaders in the automobile industry, is the beginning of a downward trend in prices, and the statement that no less than four other companies are preparing schedules of lower prices to become effective before March is far advanced, is gaining wide circulation in automobile circles.

Merger rumors, which were launched during the early weeks of the present year, gained considerable credence with the recent announcement by Norval A. Hawkins, an authority of renown in automotive circles, that if they expect to continue in business, several of the smaller independent concerns should consolidate.

This is taken as having but one meaning—that one of the greatest battles in the history of the industry is about to develop, with the full strength of the General Motors corporation and the Ford interests aligned against each other. It can readily be seen what such a fight would do to several of the weaker, independent companies should the battle develop into a price slashing contest between the makers of present models, or any new ones which possibly may be introduced. With independent concerns pooling their interests they

would have a fair chance of successfully competing by price reducing, but not if the battle should resolve itself into a cut throat warfare.

Hawkins is authority for the announcement that mergers are now actually being arranged by bankers and manufacturers, but he would not predict the date of any of the anticipated consolidations. The few manufacturers who would volunteer a statement on the subject expressed the belief that mergers were being considered by some of the independent concerns, but made it as plain as possible that the companies they themselves represented were "not in any contemplated merger."

The Ford rumor this week was tossed into the circle, and is being given more consideration than usual, especially by manufacturers in the \$800 to \$1,000 class. The latest report is that Ford is about to make an offensive move by bringing out a four cylinder gear shift motor car.

All the necessary production machinery, so the story goes, has been built abroad and shipped to the Ford plants with complete secrecy. Continuing, the rumor carries with it the statement that the company is rushing work, through an advertising agency, on advertising text and cuts so that the preliminary announcement can be made on April 3. What price tag the car will carry is not stated, but those most interested are watching and waiting. Any belief that Ford is contemplating the marketing of a six cylinder car has been thrown into the discard, and the report that Hudson was to be absorbed by Ford was this week officially denied by R. B. Jackson, president of the Hudson company. His statement followed closely upon the heels of a similar one by Edsel Ford which announced that there is not now nor ever has been any foundation for the rumor he had acquired or is seeking control of Hudson.

Employment in the various automobile factories and accessories shops in Detroit slipped down a

bit this week following a steady upward climb since the first of the year. The decrease was comparatively small, however, it being only 237. This leaves the total number now employed 219,338, compared with 267,486 for the corresponding period of last year.

Production in the various plants is showing a steady increase, the result of incoming orders from dealers. The Chevrolet is at its 4,000 cars per day capacity—the largest output in the history of the company. The February schedule calls for 85,000 units.

The present output at the Ford plants is approximately 4,500 units a day for three days a week, which has been the average schedule since the first of last December. Last week all departments worked only two days—a further indication that something at the big plants is about to break.

Studebaker production schedule calls for 11,500 in February, and a considerably greater number for March. This is better than 40 per cent increase over January production. Orders for the Erskine, the company's light, low priced unit, are being received in greater numbers than was anticipated, necessitating considerable waiting on the part of purchasers.

Daily production at the Reo plant in Lansing is 100 cars; at the Auburn plant, 100; Hupp, 225, and the Hudson-Essex plant is working day and night shifts on capacity production. The Nash factory at Kenosha, Wis., is steadily increasing its daily production, and keeping a pace far in advance of its own former production record.

As a whole, automobile manufacturers are satisfied that they have much work ahead for the next few months, although the year did not get off with the crack of the gun. They see a great season ahead, with a loud and continuous call for vehicles of the light weight, lower price type. The demand for such cars is already exceeding expectations of last fall.