

Gymnasium (Grammar School) № 248
Saint Petersburg

Group essay contest

**“Unity in Diversity: Russia and the English-Speaking
World. Time for Equal Opportunities”**

Research work (essay)

**“Ford Motor Company in the history of the USSR
and modern Russia”**

Contestants:



Burkhanova Daria
Бурханова Дарья



Dramova Polina
Драмова Полина



Pshenichny Egor
Пшеничный Егор

Supervisors: Kamitova A., Shliakhovskaya L.

Руководители группы: Камитова А.В., Шляховская Л.Н.

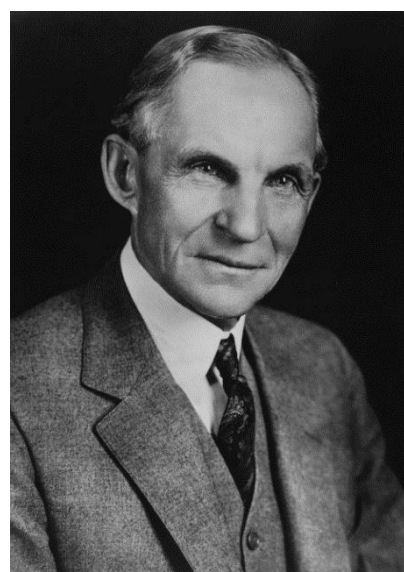
Theses

1. Henry Ford, the American industrialist of the 20th century, who revolutionized the auto production.
2. The Ford Motor Company as a company of mass cheap cars production. Its manufacturability and rationalism.
3. First appearance of Ford cars in the Russian Empire and successful using of the model “T” cars during the First World War.
4. Technical cooperation between the Ford Motor Company and the USSR which greatly influenced the process of Soviet industrialization.
5. A new factory of the Ford Motor Company in Russia and Ford Focus car as the Russian sales leader among foreign brands.

Ford Motor Company in the history of the USSR and modern Russia

Nowadays, the overwhelming majority of people know about one of the richest American industrialists of the 20th century who revolutionized the auto production industry. The name of this Great man is Henry Ford. Henry Ford received recognition thanks to his company called Ford Motor Company. He developed and improved the assembly line technique of mass production. A large number of books are devoted to him, his production and organizational methods.

The Ford Motor Company was founded by Henry Ford in 1903, and it was intended to release cheap mass-produced cars. This company was associated with manufacturability and rationalism. “Our purpose is to construct and market an automobile specially designed for everyday wear and tear—business, professional, and family use; <...> and—last but not least—its exceedingly reasonable price, which places it within the reach of many thousands who could not think of paying the comparatively fabulous prices asked for most machines.”¹ Indeed, their first



Henry Ford 1863-1947



Ford A

model “A” quickly became famous in Europe including Russia (the Russian Empire).

As far as we know, the first cars came to the Russian Empire a year after Henry Ford created his own company, though, an official branch of the Ford Motor Company was opened in St. Petersburg only in 1907. Cars of this company were used by people who were responsible for protecting Nicholas II. More than that, the Russian army bought

¹Henry Ford, My Life and Work, p.46

thousands of model “T” cars, which were successfully used during the First World War, and then during the Civil War. However, not only cars were produced by Ford’s company. It started selling tractors to the Soviet Union in the early 1920s.

In our view, Henry Ford’s company saw the prospect in cooperation with the new Soviet government thanks to the fact that the model range of the Ford Motor Company was perfect for covering the national economic needs of the USSR. This became the reason for signing a technical cooperation agreement with the Ford Motor Company to produce cars in the Soviet Union. It was set for 9 years since May 31 of 1929. According to this agreement, the American company had to fully develop a detailed plan of the construction and start-up a new factory in Nizhniy Novgorod. “This was the beginning of a new era for Russia,”² said Frank Bennett, an engineer in the Ford Motor Company, about this important event. Since June 1, 1929 under the technical cooperation agreement with



Ford T

Ford the USSR was obliged to purchase 72 thousand unassembled Ford cars and trucks in the amount of \$ 30 million for the next four years as a payment. Besides, the revision of drawings and production methods of Soviet engineers should be transmitted to the disposal of the Ford Motor Company. As it turned out, the agreement was beneficial to both signatories to the treaty. Thanks to the large order from the Soviet Union, Henry Ford's factories were guaranteed to a full load. The USSR also received assistance in the design and construction of a huge automobile factory and a license for the production of automotive equipment necessary for the army and the country's national economy. There

²Boris M. Shpotov, *American Firms in Europe, 1890-1980: Strategy, Identity, Perception and Performance*, 2008, p 435

were 36069 cars assembled from American details in the USSR. Moreover, the Ford Motor Company became the largest supplier of tractors to the USSR for some period of time and we can draw this conclusion because about 80% of the procurement came from Ford's company. In point of fact, the cooperation between Ford and the USSR greatly influenced the process of Soviet industrialization.



Henry Ford Jr.

From the end of the 40s to the beginning of the 50s there was a slack period in relations between the Ford Motor Company and the Soviet Union. Nevertheless, the development of these relations resumed after the American National Exhibition in Moscow in 1959, where Ford cars occupied an important place. After that, in the middle of 1960s, Henry Ford Jr., a grandson of the famous company founder, visited the USSR on business. He flew to Moscow for the purpose of obtaining a license to manufacture the Soviet ZIL-118 «Yunost» microbus or even production of the car together with the Soviet Union. This well-known car was a kind of a bus and a limousine hybrid. Henry Jr. was absolutely fascinated by this invention. Unfortunately, Ford's negotiations with the Soviet government were inconclusive.

In the 1990s the economic situation affected a huge number of companies and the Ford Motor Company was not an exception. As Ford continued to release new vehicles and upgrade its lineup, other automakers attempted to compete and it was a big gamble for the company to open the first factory for foreign cars production in Russia not far from St. Petersburg. Nevertheless, they managed to open the factory and Ford started producing Ford Focus cars, which were new for Russia. This model became the best possible car thanks to its price, modern design, good materials



Ford Focus1

and excellent build quality. According to one of the Ford company's websites, the Ford Motor Company became the Russian sales leader among foreign brands in 2006. However, after a few years of success of the company, the release of the Ford Focus III was a mistake. Unfortunately, the Russian car market began to fall abruptly since 2014 due to the poor economic situation, which led to a fall in the ruble and personal income. All this caused a reduction in demand for new foreign cars in Russia.

In 2019 the Ford Motor Company declared the departure of American brand cars and the closure of factories. “The exception was the commercial van called Transit, which continues to be assembled at the factory in Elabuga,”³ says the Russian business magazine "RBC".

To sum up, we must admit that the Great industrialist Henry Ford and his company had a huge impact on the development of the whole world industry. As for the Russian history, the Ford Motor Company existed in our country for almost a century. The technical cooperation agreement between the USSR and the Ford Motor Company affected the process of Soviet industrialization deeply. What is more, during the end of the 20th century to the 21st century a lot more people started driving cars compared to previous years when a personal car was a luxury. The mass production of cheap cars helped to improve the lives of thousands of people and it is truly an important contribution.

³YaroslavGronsky, The Ford we lost: how the brand lives after leaving Russia// [Electronic resource].
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Appendixes

