

Defence Ministry of the Russian Federation  
Krasnodar Air Force Institute for Pilots

Essay

**Ford Motor Company in the History of the USSR  
and Modern Russia**

*Written by:* **Oleg Gus'kov**  
**Alexander Kuz'min**  
**Danila Mel'nik**  
*Supervisor:* **Tatyana V. Ryabova**



Krasnodar  
2021

## **Thesis Statements**

**Topic:** Ford Motor Company in the history of the USSR and modern Russia

**Claim:** Ford never saw a border that wasn't worth crossing for business

### **Points:**

1. The role of a car in the world has greatly changed.
2. More than any other single individual, Henry Ford was responsible for transforming the automobile from an invention of unknown utility into an innovation that profoundly shaped the 20th century and continues to affect our lives today.
3. Main steps of the Ford company in Russia include the first ever Ford representative office, the construction of a plant in Nizhny Novgorod, the return of the brand after the collapse of the USSR, the first production of foreign cars in the country and other important milestones of the great brand in Russia.
4. A person like Ford contributed to the development of commercial ties between the Soviet Union and the United States, creating the basis for further cooperation, dialogue and diplomatic relations between the two countries.

A car in the modern world has ceased to be a luxury item, a symbol of a certain status in society. In some families, every adult has his or her own car. People spend a lot of their life time driving or being carried in the cars. Life on wheels has become common. But it was not always so. The mass production of inexpensive and comfortable cars is associated primarily with the American businessman Henry Ford. How did he earn the right to be considered an automobile tycoon, and how did his innovative ideas in production and economy conquer the country of the Soviets at the beginning of the last century? What are the prospects for his company's cars in modern Russia? We will try to answer these questions.

At first, some words about Henry Ford and his ideas. Henry Ford was not born in a reach family; he did not even get any education other than a religious school. His first invention was a gasoline-powered grain thresher to make father's work easier. Later his first car appears, to which few people showed interest. To get people interested, he raced and defeated the champion of America! Needless to say, the number of those wishing to buy an outstanding car has started to grow steadily. His persistence, ingenuity and optimism helped him not only in that situation. Later he said: "When everything seems to be going against you, remember that the airplane takes off against the wind, not with it".

In 1903, he established the Ford Motor Company, and five years later the company rolled out the first Model T which main features may be characterized as simplicity, performance and reliability. Henry Ford's wildly successful Model T was a technical and commercial triumph. In order to meet overwhelming demand for the revolutionary vehicle, Ford introduced revolutionary new mass-production methods, including large production plants, the use of standardized, interchangeable parts and, in 1913, the world's first moving assembly line for cars.

From the humble hand-built *Quadricycle* to the Ford *Model A*, *Model T*, the *Mustang*, the *Transit*, The *Ford GT40*, The *Fiesta*, The *Escort*, the *Ranger Electric Vehicle* ... These are Ford's main achievements in automobile production.

Considering the specifics of our military aviation institute, we would like separately to say about the military developments of the Ford Company.

Ford is a company with a strong history of making contributions in times of need. The first vehicle out of the Rouge plant in 1918 was not a Model T, rather it was a submarine chaser known as an Eagle boat. Ford was producing these boats for the efforts of the Navy during World War I. Tanks, jeeps, anti-tank installations and planes were rolling off Ford assembly lines during World War II. Ford's Willow Run plant was built to mass produce the B-24 Liberator bomber; it was the first time the assembly line process was used to produce airplanes. By 1944 the plant was producing almost a plane an hour on the mile-long production line. On the civilian front, Ford was providing resources for successful Victory Gardens as an answer to widespread food rationing.

Today, Ford is answering the call for action by joining forces with others to quickly expand the production of urgently needed medical equipment for patients fighting coronavirus. The idea of using production principles that are already in place and adapting them for a new product to help in a time of need is something that Ford Motor Company has been doing since the beginning.

Thus more than any other single individual, Henry Ford was responsible for transforming the automobile from an invention of unknown utility into an innovation that profoundly shaped the 20th century and continues to affect our lives today.

Ford never saw a border that wasn't worth crossing for business, and in May 1929, he agreed to start the production of cars in Nizhny Novgorod in the Union of Soviet Socialist Republics. The U.S. government hadn't recognized the USSR as a nation yet. Ford thought the best way to prove communism wrong was to show them how well his capitalism worked. Instead, Ford's move did

much to save the Soviet Union when it was threatened several decades later by Nazi Germany.

The production of cars began in 1932. The plant Ford built was named GAZ, the Russian acronym for "Gorky Automobile Factory," which turned out versions of the Ford Model A and Model AA truck. GAZ soon expanded to several other cities, and before World War II, the Soviet Union had a sizable automotive industry. As History.com notes, author Douglas Brinkley credits those factories with giving the Soviets vehicles necessary to repel the Germans during World War II, with no other authority than Joseph Stalin himself naming Henry Ford "one of the world's greatest industrialists ... may God preserve him."

Partnering with Ford would seem to go against the Soviet ideal, but the industrialist offered manufacturing expertise, technology, and training that Moscow could use to develop other industries. For Ford, the \$30 million deal offered the opportunity to enter an untapped market.

The Ford brand disappeared from the country for a long time in the post-war period and returned loudly after the collapse of the USSR. The history of the formation of the Russian automotive market is inseparable from the Ford brand – it was it that actually brought the culture of foreign cars production to the country.

Since 1988, private individuals have been allowed to import foreign cars in the USSR, and since September 1991 the foreign trade company "Autoexport" has been engaged in importing. Ford cars reappeared on the secondary market.

The official return of the brand to Russia took place in March 1996, when a sales office and the first dealership were opened in Moscow.

In July 2002, the first production of foreign cars in Russia was launched in Vsevolozhsk, and the localized Ford Focus became the absolute leader of the foreign car market for many years.

In 2006, Ford became the absolute market leader among foreign brands in Russia in terms of sales of passenger cars in 2006.

The Ford brand presented to Russian amateur motorists new models of good quality and reasonable prices which were produced in Yelabuga and Naberezhnye Chelny. At least 30 percent of Russian-built Ford vehicles, including Ford Fiesta, Ford Focus, and Ford EcoSport models, will be equipped with locally built engines. Ford does not currently make any engines in Russia.

As a result, Ford sold millions of cars in the USA and all over the world and became a world-famous business leader. The company later lost its market dominance but had a lasting impact on other technological development, on labor issues and on infrastructure. The assembly line became the century's characteristic production mode, eventually applied to everything from phonographs to hamburgers.

Undoubtedly, a person like Ford contributed to the development of commercial ties between the Soviet Union and the United States, creating the basis for further cooperation, dialogue and diplomatic relations between the two countries. Besides, technological cooperation demonstrated that the two peoples had more common than different and that technology could help bring them both goods and a good life.

We want to finish our work with an inspiring aphorism from our today's hero. When the press asked Ford what such a wealthy and successful person could dream of, he replied: "I would like to improve the world by living in it!"

## References

1. The rise and fall of Ford in Russia [Электронный ресурс] – Режим доступа: <https://www.rbth.com/history/330523-why-ford-car-company-left-russia>
2. Autonews [Электронный ресурс] – Режим доступа: <https://www.autonews.ru/news/5c9b3e229a79471fe26b58fb>
3. The History of Ford Motor Company [Электронный ресурс] – Режим доступа: <https://www.thefactsite.com/ford-motor-company-history/>
4. Ford Motor Company signs agreement with Soviet Union [Электронный ресурс] – Режим доступа: <https://www.history.com/this-day-in-history/ford-signs-agreement-with-soviet-union/>
5. Today in labor history: Ford goes to revolutionary Russia [Электронный ресурс] – Режим доступа: <https://www.peoplesworld.org/article/today-in-labor-history-ford-goes-to-revolutionary-russia/>