

*Wisconsin Society of
Automotive Historians*

Carhart Chronicle

FALL 2020



**FALL MEETING: SEPTEMBER 19TH AT HARTFORD,
PRESIDENT'S MESSAGE, AND THE MITCHELL**

**FALL MEETING: SATURDAY,
SEPTEMBER 19TH AT 2:00 PM**

The Fall WSAH meeting will be held at the Wisconsin Automotive Museum, 147 North Rural Street, in Hartford, Wisconsin on Saturday, September 19th at 2:00 p.m. The meeting is held in the museum meeting room.

You are welcome to arrive early to enjoy the museum itself. If you inform the staff member at the admissions window that you are there for the WSAH meeting, you will be admitted without charge.

**DURANT, NASH, AND THE
MITCHELL MOTOR CAR COMPANY**

While president of General Motors, Charles Wilson Nash made a mistake that, indirectly, led to acquiring



Mitchells at the Mitchell Museum

one of Wisconsin's forgotten automobile companies: the Mitchell Motor Car Company of Racine.

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WORDS FROM THE PRESIDENT

I'm truly looking forward to our Saturday, September 19th meeting at the Wisconsin Automotive Museum, more than ever this year. I see it as the beginning of "getting back to normal." You will see the meeting notice elsewhere in this issue of the Carhart Chronicle, but I wish to add a bit to emphasize some points. Those who have been there before know that most arrive early enough to look around the museum before our 2:00 p.m. meeting (the museum opens at 10:00 a.m.).

The Wisconsin Short Track group, which displays race cars in the museum, will have an event on the parking lot that day and that could be another area of interest for members. Some of us choose to gather after the meeting for food and socializing at a nearby establishment and we will set that up when we begin the meeting. Consider bringing a guest with you, ideally someone who might be interested in joining WSAH. If only a few current members each would recruit just one new member, especially younger ones, we can keep WSAH active and strong

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WORDS FROM THE PRESIDENT CONT.

Bring them to this or any meeting and have them explore our website, wisconsin-auto-historians.org as well as the SAH site, autohistory.org.

Don't forget that you can check out issues of Automobile Quarterly from our complete collection, which was donated by Ann Roubal and is held by me. Simply make your request and I will bring the issue(s) to our next meeting. The only requirement is that you return the AQs at the next meeting, in perfect condition of course. If you are not familiar with AQ, it is a high quality, color, hard bound publication featuring top automotive writers over a fifty-year period. You can find more information with an internet search.

A few words about dues. We have finally received 2020 dues from those members who were late in sending their check, for any number of reasons, or we have dropped from our roster those few who have chosen to not continue. And now, it starts all over again: The September meeting has been the usual time that dues for the following year are paid. For those who are unable to attend the meeting, we certainly allow more time but expect dues to be paid before year's end. Please be prompt and avoid our harassing reminders!

Now, quell your fears, crawl out of your bunkers, and join us at Hartford.

Ken Nimocks

DUES NOTICE

WSAH dues are \$15.00 annually. Please make your check payable to the WSAH and mail it to:

Gary Koehnke
WSAH Treasurer
931 Beta Street
Neenah, WI 54956-1357

MINUTES OF THE JULY 11TH MEETING

The WSAH Annual Summer Meeting, held every year in conjunction with the Iola Car Show, was instead held in conjunction with the one-day "Rally for Iola" following the cancelation of the Car Show due to the dreaded virus. Minimal attendance was anticipated, however we had ten total attending: Members Wally Heil and Gene Knutson, Directors Jim Morris and Jessica Zdanowicz, Treasurer Gary Koehnke, President Ken Nimocks, and guest Denise Clumpner, all in-person; Vice President Don Gullikson, Carhart Chronicle Editor Ralph Kalal, and SAH Vice President Bob Barr, all via video/phone conference.

Ken called the meeting to order at 2:00 p.m. Bob Barr had set up for a virtual meeting, including two practice runs in the weeks preceding the meeting, however a connection could not be made so Bob quickly improvised so those in-person could speak and hear through Ken's cell phone and the meeting could be recorded along with notes for the minutes. The results were not great, but good enough!

Gary presented his very complete Treasurer's report, which showed that our WSAH is in good financial shape and we should be able to easily handle our operating expenses and donations this year. We will, however, miss our usual income from the Iola Car Show. Gene made a motion to accept the report, seconded by Jessica. Gary also gave an update on membership. A few members have dropped and a few still have not paid dues. Gary will send a final notice postcard based on an example from Jim and those not responding or opting out will be dropped.

A review of the minutes from the autumn meeting at the Cross Plains Hill and Valley show prompted some discussion on both old and new business. George Tesar is commended for his efforts to set up a tour and meeting at the Wisconsin Historical Society, which became overly complicated and we eventually decided to drop the idea. Ken reported that several members have commented on the Carhart Chronicle and praised the contents as well as the appearance...well deserved kudos to Ralph.

Denise spoke about her role and emphasized that

JULY 11TH MEETING MINUTES CONT.

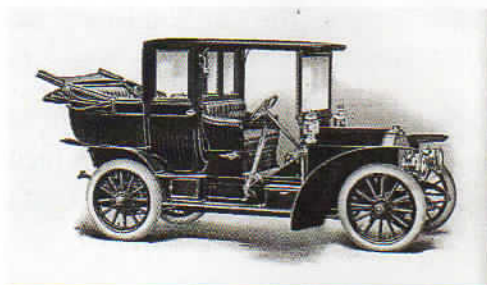
she is eager to learn from us and will not be one to insist that things will be done her way. We discussed the just-completed Rally, which was very successful – even beyond expectations, and members shared thoughts on making it an annual event.

Director Don Chandler had phoned Ken and said that the Hill and Valley event would very likely be canceled. Ken contacted Wisconsin Automotive Museum Executive Director Dawn Bondhus Mueller to see if we could meet there on September 19 and Dawn reserved the meeting area for us. Final meeting details will be published in the Carhart Chronicle. Suggestions for other meeting venues included The Automobile Gallery in Green Bay, and maybe something in western or northwestern Wisconsin.

Members nominated for Emeritus status approval were Matt Joseph, first President of WSAH, and David Tesch, former Carhart Chronicle Editor. Motion by Gary, second by Jim to approve Matt and motion by Bob, second by Jim to approve David. Both motions carried without dissent.

A few miscellaneous items were discussed before closing the meeting. There was agreement on the appropriate method to approve an expense quickly, if needed, without an in-person meeting by using email with Officers and Directors. A letter from the Wisconsin Historical Society detailed the expansion of the Local History Outreach program to four statewide offices and three Outreach Regions. Ken received an interesting letter from an inmate at the Mule Creek State Prison in California, inquiring about information on Matheson automobiles.

The meeting was then adjourned with a motion by Gene and second by Jim.



1908 Matheson - built in Pennsylvania

WSAH OFFICERS

KENNETH E. NIMOCKS, PRESIDENT
KNIMOCKS@NETNET.NET

DONALD H. GULLIKSON
BLAZER47@TDS.NET

DANIEL W. MANOLA, SECRETARY
SPONGE19501924@YAHOO.COM

GARY L. KOEHNKE, TREASURER
GARY7140@ATT.NET

JAMES F. MORRIS, DIRECTOR
JIM@JETFIRE.COM

DONALD E. CHANDLER, DIRECTOR
LRCHANDLER@TDS.NET

JESSICA A. ZDANOWICZ, DIRECTOR
JESCRUZN@ATT.NET

RALPH KALAL, CHRONICLE EDITOR
RALPHKALAL@GMAIL.COM

THE REV. DR. JOHN WESLEY CARHART



*I am Yours,
Respectfully,
J. W. Carhart*

THE CARHART CRONICLE IS NAMED IN HONOR OF THE REV. DR. JOHN WESLEY CARHART, CREATOR OF THE "SPARK" STEAM CARRIAGE, CONSIDERED THE FIRST TRUE AUTOMOBILE, AT RACINE, WISCONSIN, IN SEPTEMBER OF 1873.

DURANT, NASH, AND THE MITCHELL CONT.

Nash (pictured right) is famous for founding the eponymous Nash Motors Company, which would eventually become American Motors Corporation. Less well-known is Nash's link to William C. Durant, founder of both General Motors and Chevrolet. It was Durant who first brought Nash into the automobile business.



Nash had been hired by Durant in 1890 to stuff upholstery at the Durant-Dort Carriage Company. Within a year, Nash was promoted to plant superintendent. Durant (pictured left) acquired Buick Motor Co. in 1904, then spring-boarded from Buick to form General Motors in 1908, quickly also acquiring Oldsmobile, Oakland, and Cadillac. He brought Nash over as Buick's general manager.



Meantime, in Racine, Wisconsin, the Mitchell family was doing rather well manufacturing the Mitchell, an automobile priced as a Buick competitor, but arguably providing Cadillac quality.

The Mitchell Motor Car Company's roots were in the wagon business. Henry Mitchell established a wagon company in Kenosha in 1838, moving to Racine in 1854. His son-in-law, William Turner Lewis (pictured right) later joined the company



and by 1877, it was one of the largest wagon manufacturers in the United States, employing 7,000 men and producing 10,000 wagons annually. By 1898, Mitchell, Lewis & Company was producing 25,000 wagons per year, with capital assets valued at \$1.8 million. (Adjusted for inflation, equivalent to about \$5.7 billion today.)

But as the century waned, it became evident that the wagon was yesterday's technology. Lewis and Henry Mitchell's son, William Lewis Mitchell, had formed the Wisconsin Wheel Works in 1898 to manufacture bicycles. By 1902, they had introduced a motorcycle. Faster than the product of its competitor in Milwaukee, Harley-Davidson, it was the best-selling motorcycle in the United States.

Motorcycles were only a technological stepping-stone to the true future envisioned by Mitchell and Lewis: the automobile.

In 1903, they established the Mitchell Motor Car Company to produce automobiles. The first model was priced at \$600.00, but sales were stunted by component shortages at its suppliers. John W. Bate then joined the company, designing new engines for the Mitchell and streamlining production. Two new models were introduced in 1904: one 4 hp and one



1904 Mitchell advertisement

7 hp, both with two forward speeds and reverse. In 1905, a 9 hp model was added, at \$750. By 1908, every component of a Mitchell automobile was manufactured in-house, excepting only wheels, tires, and electrical components. Sales took off, promoted by Mitchell's slogan, "The Car You Ought to Have, at the Price You Ought to Pay."

Success was so great that by 1910, the Mitchell Motor Car Company had 2,810 employees in a facility of 30 acres, producing 5,614 automobiles. That year also saw the end of the wagon company, with both entities

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DURANT, NASH, AND THE MITCHELL CONT.

ed money from the profitable subsidiaries. Durant had recognized that the automobile industry was poised for exponential expansion and had brilliantly purchased the companies that would ultimately make General Motors the dominant manufacturer of automobiles in the United States. He had not yet had time to cull the herd or organize these companies into an efficient corporate structure.

Then the economy hiccuped. It was a brief downturn. But two factors were working against Durant.

The first was the attitude of established banks toward automobile manufacturers. These were the start-ups and technology companies of their day, with a grim record of attrition. In 1909, having lost the Selden patent case in the trial court, Henry Ford agreed to sell the Ford Motor Company to General Motors for \$8 million in cash. When Durant tried to negotiate a loan of \$2 million toward meeting that price, the banks turned him down cold. (Ford later won the case on appeal.) Banks were afraid of automobile companies, which were in a business that bankers didn't yet understand or trust.

Part of the problem, however, was Durant himself. Durant manipulated stock certificates as Rembrandt manipulated the brush. Durant paid \$33 million to pull together the various companies now forming General Motors, but he'd paid only a fifth of that in cash. The rest had been achieved by issuing and transferring stock. Bankers didn't understand the structure, or who owned what.

When the economy suddenly swooned in April of 1910, a mere month after General Motors had floated a \$1 million dollar stock offering to build a new Buick engine plant, banks cut off the line of credit upon which the company relied to pay suppliers and employees. Durant initially faced down that crisis with the help of loans from two Detroit banks and loans arranged by local dealers from local banks.

But the economic crisis continued. By September of 1910, General Motors was out of cash. This was not like 20th century GM financial crises. The company

as not failing. The problem was that it was succeeding – creating a voracious need for fresh capital, much like Tesla today.

The east coast banks of New York and Boston came up with the money – a \$15 million loan – but with conditions.

The primary condition was that William C. Durant was removed from power at General Motors, demoted to a figurehead vice-president. Charles W. Nash was made president of Buick. By 1912, the banks that now controlled General Motors under a trust agreement securing the loans had elevated Nash to president of General Motors.

1910 turned out to be a banner year for General Motors. Durant had been correct all along. But it would be Nash and the bankers who would control the destiny of the company Durant had created.

Or, so it seemed.



1912 Mitchell "Light Six" roadster

The Mitchell Motor Car Company was largely unaffected by the economy and continued to expand. In 1912, Mitchell sales reached 6,000 automobiles, in comparison to slightly more than 19,000 for Buick. The 1912 Mitchell "Light Six" roadster sold for \$1,750, about \$150 more than a Hudson roadster, while more refined in appearance than a Stutz "Bearcat." The car still was right-hand drive, with the accelerator located between clutch and brake pedals. The 364.3 cubic inch engine produced 48 hp. (A 1912 Ford Model T

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DURANT, NASH, AND THE MITCHELL CONT.



1912 Mitchell five passenger touring car

produced 20 hp and its price started at \$590.) Other 1912 Mitchell models ranged from a small car for the ladies to a custom limousine priced at \$7,000. For 1913, the company introduced electric lights and starters.

William Turner Lewis retired in 1913. William Lewis Mitchell had left the company earlier to pursue his own short-lived automotive manufacturing venture. In 1915, William Turner Lewis died.

Mitchell sales reached 10,000 in 1916, setting a company record.

Buick set a record in 1916, too. It more than doubled 1915 sales volume, producing 105,471 vehicles in 1916.

Perhaps it was because no family members wanted the responsibility of running the company. Perhaps the family was prescient. Whatever the reason, the heirs elected in 1916 to sell the Mitchell Motor Car

Company to investors from Chicago and New York. The heirs' timing was perfect. In the four years after 1912, when Mitchell sales were a third of Buick's volume, sales of Mitchell automobiles had almost doubled. But, even so, those sales were now less than one-tenth of Buick's soaring sales. By the end of 1916, the Mitchell Motor Car Company was no longer controlled by the founding families.

By the end of 1916, General Motors was no longer controlled by Charles W. Nash and the banks.

Forced out of control at General Motors, Durant had quickly formed three companies, eventually merged into one: Chevrolet. By dropping the lowest priced Buick model, General Motors had abandoned

the low price market, creating an opening for Durant.

With financing from local Flint, Michigan investors, he put the Chevrolet into production. Sales rose from 5,005 in 1914 to 70,701 in 1916.

Meantime, Charles W. Nash made the fateful mistake.

Sharing the views of the bankers who controlled General Motors and had made him its president, Nash focused on protecting the banks' \$15 million loan. He paid no dividends. Having cut all salaries in half as soon as the bankers had taken control, Nash gave no raises. In 1910, General Motors had been poised for dominance with models in every price range and held 21% of the new car market. By 1915, with Nash as its president, General Motors had only 8.5% of the new car market.

Durant now realized that he did not need to start over to create a new company to rival General Motors. He

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DURANT, NASH, AND THE MITCHELL CONT.

could just buy General Motors. Without dividends, General Motors stock was now unattractive to investors, particularly as the company's market share was evaporating.

Durant started buying General Motors stock. For some GM stockholders, he offered a trade – five shares of Chevrolet stock for one GM share. The response was overwhelming - so many GM shares were tendered that it was necessary to temporarily store them in bushel baskets until the certificates could be sorted.

The General Motors Board of Directors were met on September 23, 1915. They intended to authorize the last payment due on the bail-out loan, yet renew the agreement that left the banks in control and then elect new directors, directors of their choosing.

William C. Durant, however, now controlled 51% of the outstanding General Motors stock.

Accounts differ, but only in detail. When Durant arrived, Nash asked for a word with him. "Now, Mr. Durant, a majority of the board has agreed to renew the agreement. So, let's not have any trouble." Durant replied, "There won't be any trouble, Charlie. We won't renew the agreement, but there won't be any trouble. It just so happens that I own General Motors."

Nash left General Motors soon after. He bought the Thomas B. Jeffery Company of Kenosha in August of 1916, renaming it Nash Motor Company to produce his own Nash automobile.

The new owners of the Mitchell Motor Company, meanwhile, were proving the wisdom of the family's decision to sell out. Cadillac had introduced a V-8 engine in 1914. Mitchell had introduced their own V-8 in 1916. But the lubrication system was inadequate and the resulting bad publicity hurt sales of all Mitchell models. Then the United States entered World War One, and the company focused on military truck production at the expense of automobile manufacturing.

The 1920 Mitchell introduced a daring new style, with a radiator that was leaned back and a horizontally split V shaped windscreen. This was an early effort at streamlining, but the car was derided as the "drunken Mitchell" for its appearance. The design was dropped, but the damage was done. In 1923, only 100 Mitchells were produced, and the company ceased manufacture that year.



1920 Mitchell

Nash Motor Company bought the Mitchell plant and equipment in 1924. Nash production there ended in 1929. The factory building still stands. It was converted to loft apartments in 2004 and designated a National Historic Landmark in 2005.

Durant blamed the bankers, not Nash, for pushing him out at General Motors. When he regained control, still believing in Nash's ability, he offered Nash a salary of \$1 million a year to stay on as GM president. Nash declined, reportedly saying "No man is worth that much." He was probably wrong again.

By 1928, Nash had built his company into the fourth place in industry sales. He retired to Beverly Hills, California, in 1937 and died there in 1948 with an estate valued, in 2020 dollars, at about \$500 million.

Only about 100 Mitchell automobiles survive. The largest collection of Mitchells is owned by the great-great-grandson of William Turner Lewis, is located at Booneville, Missouri, and open to the public by appointment. Information is available at mitchellcarcollection.com.