

*Wisconsin Society of  
Automotive Historians*

**Carhart Chronicle**

SPRING 2021



**THE DEALER IN AUTOMOTIVE HISTORY;  
THE PRESIDENT'S MESSAGE; AND  
MEETING IN GREEN BAY!!**

**MEETING APRIL 24<sup>TH</sup> AT 1 P.M.  
IN GREEN BAY'S AUTOMOBILE GALLERY**



The Automobile Gallery is located in downtown Green Bay at 400 S. Adams Street, the site formerly occupied by Denil Cadillac. Even the building is history – though strikingly renovated, as originally constructed in 1959 it became the model for Cadillac dealerships throughout the United States. For more, see the President's comments adjacent.

**THE AUTOMOBILE DEALER'S  
ROLE IN AUTOMOTIVE HISTORY**

Without automobile dealers, there would be no automotive history. Yet, the role of the dealer is neglected in histories of the industry, seldom mentioned and never highlighted. It is time to set the record straight – because dealers are what made it all work. It was the dealer that took the risk, sold the customer, and transformed – one sale at a time – a nation.

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**WORDS FROM THE PRESIDENT**

As always, I'm looking forward to our upcoming meeting on Saturday April 24th, especially since this one will be at one of my favorite places anywhere: The Automobile Gallery in Green Bay. The basic information is shown in the meeting notice elsewhere in this issue, but I will add some details here.

The Gallery, at 400 South Adams Street, opens at 9 a.m. and closes at 3 p.m. and features a rotating diverse display of fifty or more high quality vehicles. It is considered a gallery, rather than a museum, where "The Automobile is the Art." (See the website, [theautomobilegallery.org](http://theautomobilegallery.org) for more.)

WSAH members will be admitted at no charge, along with an interested guest, so tell the person at the counter that you are with the Automotive Historians. I will be asking for approval on a donation from our treasury to more than cover the admission cost. Depending on the number attending, our meeting will be held either upstairs in the executive conference room overlooking the main car display or on the upper deck in the event space. For preparation a little

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## WORDS FROM THE PRESIDENT CONT.

ahead of time, we should provide an approximate number of those planning to attend. Please let me know if you intend to be there. I will try to remember to send out an email reminder closer to the meeting date.

There will be a volunteer to show visitors around and answer questions. This is what I do as a volunteer, usually two afternoons each month, and I plan to be there by 10 a.m. so I can also take members and guests around. If you are a member who has not yet met me or other members, please introduce yourself as soon as you can.

After the meeting, for those who would like to get food and drink, we can walk a block to Fox Harbor, a casual bar and eatery.

Just two more notes for now: First, I continue to get very positive feedback on our Carhart Chronicle publication, however I have learned that a few members are under the impression that I am the author of the main articles. While I would love to take credit for the excellent articles, as well as the overall appearance of each issue, it is not my work...please let our Editor/Publisher Ralph Kalal know how much you enjoy the Carhart Chronicle. (Maybe I can talk Ralph into including his byline on his articles.)

I was tempted to make a smart remark regarding "our highly overpaid editor." Instead I will seriously say, I hope everyone knows that all the expertise, time, effort, and to some extent out of pocket expenses of Ralph, his predecessor David Tesch, and other officers is strictly done without pay and usually with little praise. People don't often know how much time and effort goes into some positions because their work is "behind the scenes" so I want to add my praise specifically to VP Don Gullikson, Treasurer Gary Koehnke, Secretary Dan Manola, Webmaster Jessica Z, and Director Jim Morris. I feel that because of them and several of our dependable members who volunteer to help at Iola, we have a very efficient organization. I sincerely thank you all.

Finally, Gary and I thank you all for once again keeping up on paying your WSAH annual dues. Neither of us like to remind members to pay up but it is so very

necessary for us to be able to have a great publication and make appropriate donations, as we should for being a non-profit organization.

I hope to see you on April 24th!

Ken Nimocks

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## MEETING AGENDA

Call to order by 1 p.m.

Introductions

Treasurer's report/donation approval

Secretary's report/old business

Website update suggestions/new business

Iola Car Show update

Summer meeting at Iola July 9th

Future meeting sites

Adjournment by 3 p.m.



## AUTOMOBILE DEALERS IN HISTORY CONT.

Today, decades after IBM introduced the first “personal computer” in 1981, there are still many that are uncomfortable using one. Consider, then, the challenge facing a local businessman in the early 1900’s, one who had seen the future and taken on a franchise to sell automobiles. That dealer’s problem was not persuading the customer that his brand was better, had more features, or was more stylish than the competing brand of the dealer across the street. The challenge was to persuade the customer to buy something entirely alien to his past experiences, something so completely new that he may not have seen one before, a machine that could do what he’d never imagined could be done – and that he had absolutely no idea how to operate.

Automobile dealers were equal to the challenge.

In 1900, sixty percent of Americans lived in rural areas.

That fact created a huge marketing and finance problem for the emerging automobile industry.

Though it is commonly understood that the concept of the franchised automobile dealer was a solution to the automobile industry’s chronic shortage of working capital, there is more to the role of the dealership in the development of the industry than merely supplying cash.

At the very beginning of the industry, automobile manufacturers sold their own products directly to the ultimate purchaser. That business model functioned smoothly when automobiles were rare and expensive, sold to an elite and wealthy clientele – a clientele that was not price sensitive and was located in prosperous cities. Winton exemplifies the brands that kept sales in-house. It focused more on service than upon sales, creating company-owned branches with a salaried staff that both sold and serviced the brand.

As the industry expanded, the in-house sales model became unworkable.

It is difficult to imagine in retrospect how rapidly automobile ownership was expanding in the early

twentieth century. In 1905, there were 77,400 automobiles registered in the United States. In 1910, total automobile registrations were 458,377 – an increase of almost 500% in five years. And that was just the beginning. In 1911, registrations totalled 618,727. By 1912, it was 901,727. In the ten years between 1905 and 1915, vehicle registrations in the United States increased 3,000% - to 2,332,426. Growth in automobile ownership did not begin to level off until the late 1920’s, when in 1927 total automobile registrations in the United States reached 20,193,333.

In the earliest years of the twentieth century, manufacture of automobiles was a speculative enterprise. The few that succeeded often did so only temporarily, and failure was the norm. Banks disdained car companies, forcing them to rely on what funds they could attract from investors. That not only put automotive entrepreneurs at the mercy of their investors, it also meant manufacturers were perpetually short of operating capital, often unable to weather even minor disruptions of cash flow because banks would not loan them money.

An industry that needed every dime it could lay its collective hands on could ill afford to tie up what little capital it did possess in maintaining inventories of unsold vehicles. Selling direct to the customer only added to that burden, layering staff and facilities onto inventory costs. Inventory costs were already a problem, as keeping production levels constant made the most efficient use of their plant and equipment, thereby keeping costs of production per vehicle low. But automobile sales varied with the seasons. Either manufacturers had to cut production, which they were loath to do, or they would have to accumulate inventory during slow periods, to which they were equally averse.

And nothing that the industry could do would directly reach their biggest group of potential buyers – rural Americans – at a cost that manufacturers could afford to incur.

It was this collection of causes that birthed the franchised automobile dealer.

Franchised automobile dealers were usually local

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## AUTOMOBILE DEALERS IN HISTORY cont.

businessmen, already well established in their communities. They operated bicycle shops, sold wagons, were blacksmiths. They were known by their community and possessed established banking relationships. Those established businesses gave them a clientele of prospects. They had money and they had incentive. They made money only if they sold cars. In that regard, their interests and that of the manufacturer aligned.

Signing a franchise agreement with an automobile manufacturer was, in many other ways, signing a one-sided agreement. The manufacturer dictated the terms. The dealer accepted the terms. The dealer also put up the money, an investment that was entirely at risk because the typical franchise agreement was only for a year's duration, could be non-renewed by the manufacturer at will, or even terminated during its term if the manufacturer determined the dealer wasn't meeting its terms.

THE SATURDAY EVENING POST

**The Ford Four Cylinder, Twenty Horse Power, Five Passenger Touring Car \$850.00 Fob. Detroit.**

**Ford Motor Company**  
216 Pioneer Ave.  
Detroit

Ford Model T – “Fob Detroit.”

Those terms committed the dealer to buying a specific number of automobiles at prices set by the manufacturer, for which the dealer would pay a cash

deposit when ordering and pay in full at the factory loading dock – “fob,” the abbreviation for “free on board,” meaning that title transferred to the dealer once the automobile had been loaded into the box car. From there, all risks were borne by the dealer.

In exchange for signing that agreement, the dealer received the future – especially if it was a Ford franchise.

But there was more to it than money.

When the majority of the United States lived on farms or in rural areas, the rural population was a huge and untapped market. The Model T Ford was designed specifically to meet the needs of rural customers. The man with the local Ford franchise knew those customers, knew how to persuade them they wanted – needed – an automobile, knew how to make his reputation and Ford’s reputation dovetail into selling one customer, then that customer’s neighbor, and their neighbors.

Today, if you’ve spent any time in the LaCrosse area, you’ve probably driven past one of the Dahl Automotive Group dealerships – they’re one of the largest dealership entities in Northwestern Wisconsin and Eastern Minnesota.

Fade out to 1906.



Dahl Store in Westby, 1910

Andrew Dahl had already prospered in Westby, Vernon County, Wisconsin. He’d started small, growing the business into a thriving general merchandise store. He sent his sons to the University of Wisconsin, from which both graduated, eventually

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## AUTOMOBILE DEALERS IN HISTORY CONT.

returning to Westby to join the family business. That allowed Andrew Dahl to leave the business in his sons' hands while he pursued politics as a La Follette Republican. He was elected Wisconsin state treasurer in 1906 and re-elected in 1908 and again in 1910.



Dahl store in Westby, circa 1911

The sons – Harry and Chester – were among those who had seen the future. They applied for a Ford franchise and their application was accepted. Today's Dahl Automotive Group got its start in Westby, Wisconsin in 1911, selling the Ford Model T. As recounted in *Deal With Dahl*, a history of the Dahl dealerships published by the LaCrosse Historical Society in 2010, the sons didn't consult their father – becoming a Ford dealer was their decision. Andrew Dahl first learned about the franchise when he returned to Westby from Madison and saw a Model T parked in front of the Dahl store. When he asked about it, he was told, "We're selling that now."

The Dahls were not alone in selling cars in Vernon County – there were already dealers selling Oakland, Buick, and Imperial (an automobile produced in Michigan from 1908 to 1916). Those were, however, more expensive brands. Those brands left open the largest segment of the market – the market for an automobile that farmers could afford.

The Dahls advertised the Model T Touring Car for \$690.00, the Roadster for \$590.00 and the Runabout also at \$590.00. They sold 12 the first year, 100 the next. That was not only success in selling the product, it was also success in meeting the Ford Motor Company's expectations. Ford didn't wait for dealers

to order. They shipped what they expected the dealer to sell – which, of course, the dealer was paying for, "f.o.b. Detroit." On one occasion, they shipped twenty Model T's to Dahl. Those automobiles arrived by railroad boxcar. Those pictures you've seen of Model T's rolling off the assembly line, one after the other? Those Model T's weren't going to Wisconsin. Model T's shipped to rural areas came knocked down in crates to save shipping costs. Rural Ford dealers were responsible for final assembly.

To convince farm owners that they needed a Model T, Henry and Chester Dahl drove from one farm to another. Early on, Harry Dahl recognized that the freedom provided by an automobile was also accompanied by what it said about the purchaser's financial success. As he drove around Vernon County demonstrating the Model T, he kept a ruled paper tablet from the Dahl store with him. When a farmer bought a Model T, he was asked to write his name on the tablet and provide a \$10.00 or \$15.00 deposit. As Kenny Dahl recounts in *Deal with Dahl*, [a]s each farmer put his name on the pad it became a little easier to sell to the next one, because farmers liked to keep up with their neighbors to prove they were as progressive. The longer the list of names on the pad, the better it was for sales."

Farmers, however, also loved to dicker. In recent years, there have been various automobile companies or dealers who purport to adopt a "no dicker sticker" fixed price – but the concept is nothing new, and no more valid today than when the Dahls were selling Model Ts. Making the sale then, as now, meant negotiation. The Ford factory set the price of the car and the dealer was not allowed to charge any other price. So, to make the sale, the dealer had to offer some other incentive – a set of tire chains or a speedometer, for example, at no additional charge. Selling a Model T in those days also meant taking payments – often waiting until crops were harvested to get paid – and taking a buggy or wagon in trade, even if there was really no market for them.

Harry and Chester Dahl preferred selling automobiles to selling general merchandise, so they sold the store in Westby. Their father, Andrew, had remained active

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## AUTOMOBILE DEALERS IN HISTORY CONT.

in politics, only to lose the primary election for Governor. So, in 1914, he emulated his sons – and did them one better: he became the Ford dealer in Kenosha. In 1915, Harry and Chester acquired the Ford franchise in LaCrosse, buying it from Peter Hofweber, who had been a personal friend of Henry Ford.



Dahl LaCrosse dealership, built in 1916

In 1916, the Dahls built a new dealership building at Sixth and King in LaCrosse, from which they sold Model Ts in the thousands. They still had the Vernon County dealership, now located in Viroqua, and Harry acquired the Ford franchise for Oshkosh in 1919, and that in Hillsboro in 1920. By 1922, Dahl family members would also own dealerships in Marinette, Plymouth, and Racine.

As nationwide automobile sales grew through the 1920's, it became inevitable that the automobile industry would eventually reach market saturation: the point where almost everyone that wanted an automobile already had one.

Those thousands of Model T's would ultimately become, of course, thousands of trade-ins. Automotive technology was advancing as rapidly as sales in the first quarter of the twentieth century. Dealers were no longer selling customers their first car. They were selling them their next car. To do that, there needed to be a market for used cars – and it was the franchised dealer that played the largest role in creating that market.

The creation of a used car market dovetailed with the

expansion of consumer loans for automobile purchases, both new and used. Installment sales of automobiles began as a sales strategy designed to allow more expensive brands to compete with the Model T. The idea worked. By 1927, not coincidentally the last year of Model T production, approximately 75% of new cars were purchased on credit.

Once again, it was the dealer who created the foundation that grew the market for new automobiles. General Motors, no longer the cash-strapped upstart, had formed General Motors Acceptance Corporation in 1919 – but only to finance dealer inventories. GMAC began financing consumer purchases in 1924, but only for those with the best credit. Ford resisted, but eventually did set up its own consumer lender – and was equally as stingy in approvals as GMAC.

It was dealers who filled the credit gap for those with more meager credit resources, in some instances leveraging their own financial resources to form their own finance companies. Dealers already had close ties to lenders, who were providing the financing for the dealer's own inventory. That the dealer should provide financing for the purchase directly through the dealership was the logical next step. Some dealers went even further and formed their own finance companies to make it possible for more potential customers to become automobile owners. The Dahl family, for example, formed the Fox River Finance Company in Oshkosh and the Dahl Discount Company in LaCrosse.

Dealer financing of a new car was, however, nothing new, even in the 1920's. The Dahls and, undoubtedly other rural dealers, had been doing it long before banks got involved. Farmers, at a time when a man's word was expected to be his bond, were paid when they sold their crops. That's when they paid their bills, including paying for their Model T. So, dealers accepted payments that reflected the seasonal incomes of their customers.

Today, there are several automobile dealers in Wisconsin that point proudly to their history and heritage. But none do so with more style and flair than the Dahl family. They have their own museum,

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## AUTOMOBILE DEALERS IN HISTORY CONT.

located in LaCrosse – the Dahl Automotive Museum, open Wednesday through Saturday, 10 a.m. to 4 p.m., located at 711 3rd Street South. The museum encompasses an event center and exhibits ranging from – yes, of course – an array of Model Ts over the many years of production right up to a Ford GT.



Most automobile dealerships have a waiting room. Dahl customers get free admission to the museum while their vehicle is being serviced. For the rest of us, it's \$5.00 adult, \$3.00 children, and \$4.00 for seniors.

### APRIL 24<sup>TH</sup> IN AUTOMOTIVE HISTORY

They did it in a Packard.

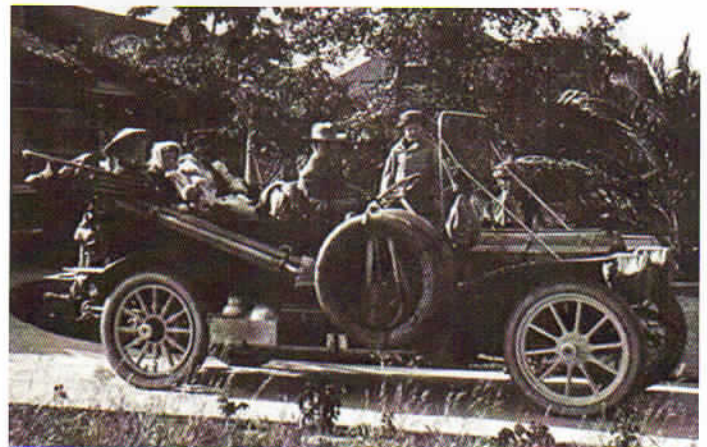
Cross the United States, that is.

It was on April 24, 1908, that Mr. and Mrs. Jacob Murdock of Johnston, Pennsylvania, left their vacation home in Pasadena, California, returning by car to end their trip in New York City.

When they arrived, they had become the first people to cross the United States by normal passenger car.

Mr. Murdock is described as a prominent lumber dealer – and presumably was very successful, as he could afford both a California vacation home and a Packard – and must have been a remarkable man. It is reported that he was inspired by the Paris to Peking automobile race of 1907 to forgo the usual train trip to Pennsylvania and, instead, travel by automobile. The Paris to Peking race had covered 9,317 miles and had been won by Prince Luigi Marcantonio Francesco

Rodolfo Scipione Borghese, an Italian nobleman driving (actually, it is said his chauffeur did most of the driving) a 7 liter Itala. His elapsed time was exactly two months.



Mr. and Mrs. Murdock and family in 1908 Packard

If Mr. Murdock was remarkable, his wife must have been even more so. Unlike the prince, Mr. Murdock brought his family with him, including his wife and

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## APRIL 24<sup>TH</sup> IN AUTOMOTIVE HISTORY CONT.

three children, Lillian, age 15, Alice, age 14, and Milton, age 10. He also brought with him a gentleman identified in a contemporary report appearing in the *Ligonier Echo* newspaper as Phillip DuMay, "from the Packard company's Detroit plant, who accompanied the party on the whole journey."

Though the idea of a family trip across the United States by automobile in 1908 – when there were no roads, no gas stations – seems a reach for an amateur, it appears that the Murdock family was well prepared. The *Ligonier Echo* describes the family as adventurous travelers who previously made a 6,000 mile journey throughout Europe, though not by car.



Murdock family *en route*

The vehicle of choice for their California to New York journey was a 1908 Packard of 30 hp with a touring car body. It was equipped with somewhat oversize tires, but was otherwise factory standard. Preparations for the trip included arranging for gasoline to be available at various locations *en route*, an arrangement that kept the vehicle fueled for the entire trip.

In keeping with the vacation nature of the trip, the Murdocks did not hurry. Part of the reason for driving home had been to view scenery that they anticipated would be spectacular. Also, they took Sundays off.

At the end of the trip in New York, Mr. Murdock reported the only servicing the Packard required to be in perfect condition was washing off the mud.

If you think the presence of Mr. DuMay during the journey betrays a manufacturer distinctly interested in the outcome of the trip – you'd be correct. Packard celebrated the Murdocks and their Packard by publishing a book, *A Family Tour From Ocean to Ocean*. The book concludes with Mr. Murdock's thoughts of the future:

"As we drove up Broadway it was hard for us to realize that the job was over. When at last we unloaded at the Packard store on the corner of Broadway and Sixty-first street -- while the time of 32 days, 5 hours, 25 minutes for the 3693.8 miles we had come, was being spread to the rest of the world by the newspaper men -- it was equally difficult for us to comprehend that simply as a family party, which on a mere caprice, had undertaken a transcontinental tour, we also had driven into the limelight as the first party of the kind to make such a journey and, in addition, were record breakers."

"Now, when I look back at each one of the thousands of hard-earned miles through which I clutched at that steering wheel from Los Angeles to New York, I wonder how long it will be before a real national pike extends from coast to coast and allows of easy touring, whereby other motorists may enjoy the beauty of our great western country without being forced to endure the hardships of following broken and disappearing trails."

The Dwight D. Eisenhower National System of Interstate and Defense Highways was declared complete in 1992.



## THE REV. DR. JOHN WESLEY CARHART

THE CARHART CHRONICLE 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.