

THE AMAZING VOLKSWAGEN

**What Started as Hitler's Fraudulent People's Car,
In a Plant Bombed Out by the War, Now Leads All
Auto Production Outside the U.S. at 180,000 Yearly**

By **KLAUS KALLMORGEN**



Yankee production methods are turning out 835 cars daily at the vast rebuilt Volkswagen plant in Germany. Here's one day's output rolling off the assembly line

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THE pre-war Volkswagen was launched with much waving of Nazi banners as Hitler proudly announced the German "People's Car" with promises that never came true. About 300,000 citizens invested 25 million pounds in this dream, and Hitler built only 210 cars before turning the plant over to his war machine.

Today's car is a vastly improved version which outsells all other cars in five European countries, and which is fast capturing new export markets for Germany. Heinz Nordhoff, 55-year-old boss, says with satisfaction: "A few years ago British and French manufacturers were saying we didn't have a chance. Today Morris in Britain and Renault in France are producing about 400 cars a day. We're making 835."

Only six years ago

the Volkswagen works was just another fragment of war wreckage. The vast plant in Wolfsburg, 100 miles west of Berlin, had been largely destroyed by Allied bombing. Six thousand employees were spending most of their time clearing rubble. In 1945 they produced only 713 vehicles. Authorities in the British zone offered what was

(continued)

Heinz Nordhoff is boss of the Volkswagen works. Not a Nazi, he trained in U.S.



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left of the factories to anyone who would take it away. Not even the Russians were interested, and their zone was only 10 miles away.

Nordhoff had trained with the German subsidiary of General Motors, the Adam Opel A.G. and became chief of its lorry production plant, biggest in Europe, during the war. Because he had held this position, he was forbidden to do any job other than manual labor in the American zone where he lived. The British urged him to take over reorganization of the Volkswagen and he reluctantly agreed.

Nordhoff began by sleeping in one of the empty offices. He adopted a "get tough" policy with the workers and told them that the 400 man-hours which they were taking to produce one car must be cut to 100 (it has been done). At the same time, he organized the building of new homes (4,000 have been completed) and gave his men an extra meal per day.

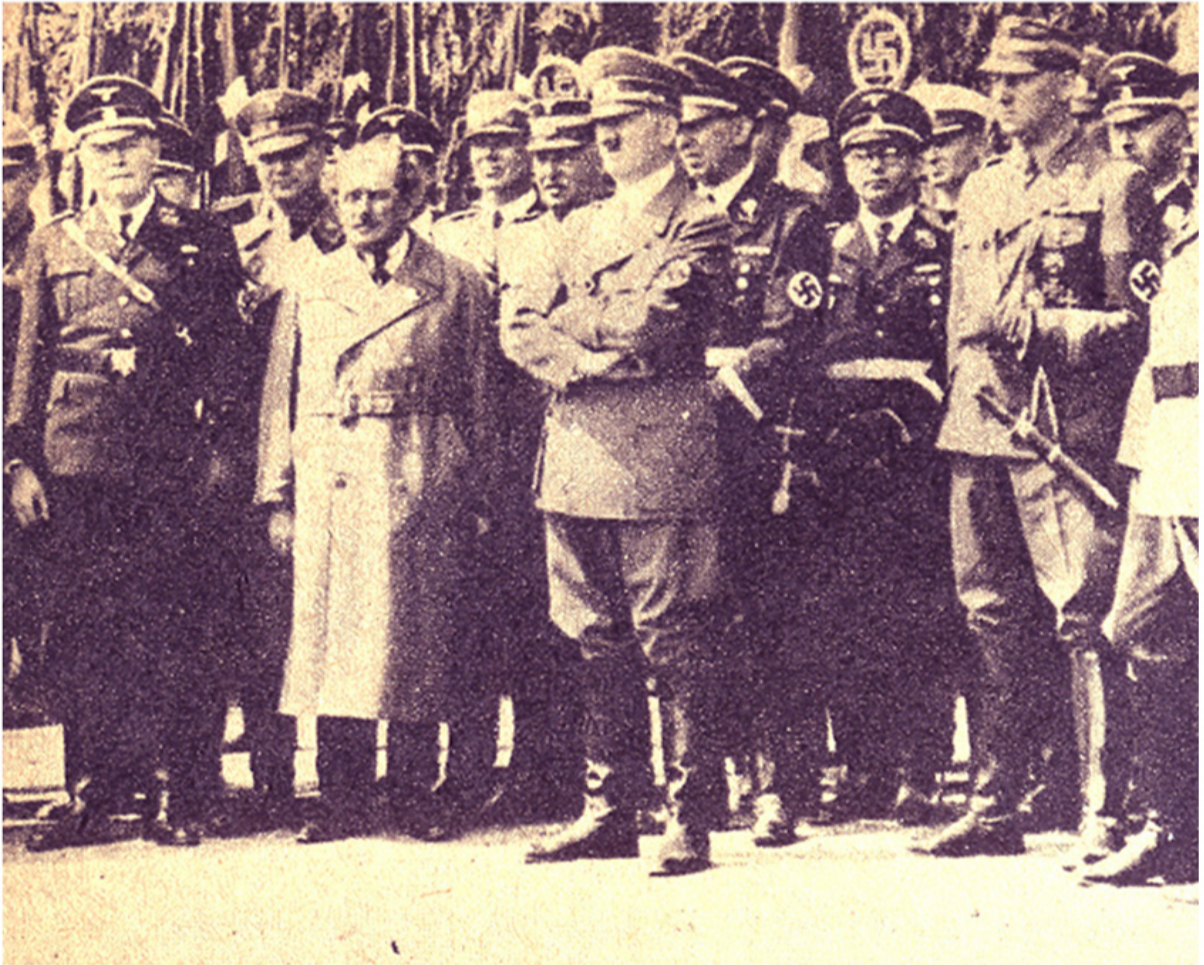
The car itself was branded by its appearance of stark austerity. The power was low, and the engine had a life of only 10,000 miles. Nordhoff brought in new experts who

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redesigned every vital component, working on the original pre-war designs of Porsche. (who made his reputation at the other extreme from the mass-produced Volkswagen, building handmade sports cars).

The new car was quieter and more powerful, and had hydraulic brakes and shock absorbers. Soon, models with luxury touches were introduced.

There was still a sellers' market, and Nordhoff brought the pressure of consumer demand into psychological play in the works. Every finished car was delivered immedi-



Hitler stands next to Prof. Porsche who designed Volkswagen, later built sports cars.

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ately, but there were always big stocks of materials standing ready for use, a constant urge to the workers to produce faster. Production in 1949 was more than double that of 1948; the 1950 figure doubled 1949's again.

As more cars were sold abroad, foreign countries introduced new restrictions on imports. Nordhoff countered by setting up assembly plants in Ireland, South Africa, Belgium, Brazil, Australia, and New Zealand. With a third production line coming into operation at Wolfsburg, his immediate target is over 1,000 cars a day.



The works were heavily bombed during the last war and were 60 per cent destroyed.

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Heinz Nordhoff was the second son of a banker, who moved his family from Hildesheim to Berlin when his bank failed. Heinz trained as an industrial engineer, and served as a private in the first World War. He gained his most important experience working for Opel, when he had the opportunity to visit America and learn American sales and production methods on the spot. Today he still does much travelling, and last year in Africa bagged two lions.

One of his problems is the question of ownership of the Volkswagen company, which is under the custody of the German Government. Some of the optimists who put *(Continued on page 20)* their money into Hitler's Volkswagen have gone to law to get their money back; a court ruling that they have a legitimate claim is now the subject of an appeal by the company to the Supreme Court.

Nordhoff, never a member of the Nazi Party himself, feels that people who invested in the Nazi Reich should not profit from it. He thinks as little of Germany's political past as he thought of the original model Volkswagen.

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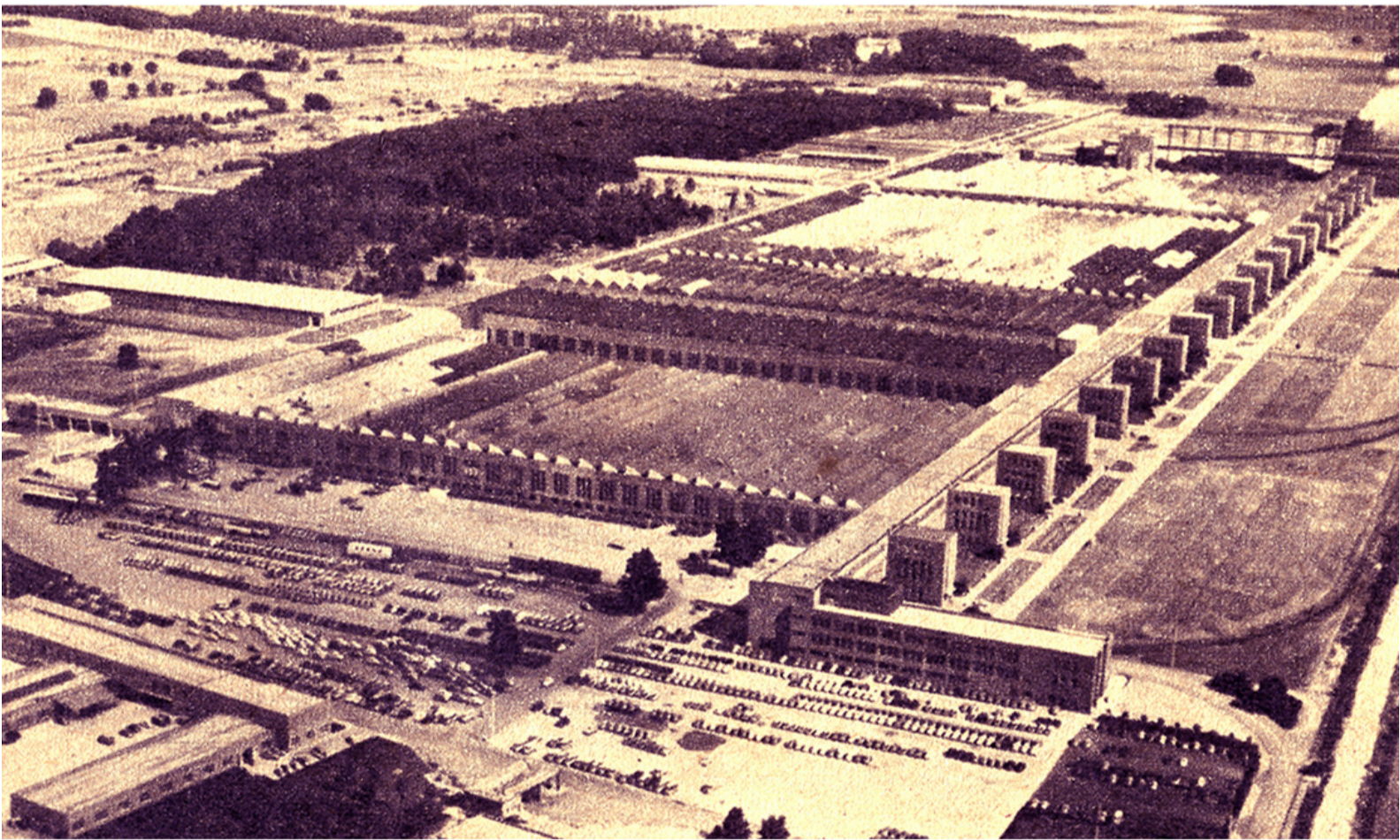
Bringing a new spirit into relations between management and labor, he is author of a profit-sharing plan which is being adopted by others. He is strongly in favor of Germany's "co-determination" system, whereby labor representatives sit on boards of companies in certain industries.

Over 200,000 of the half million Volkswagens which have been produced since 1945 have been exported to over 100 countries. This represents vigorous competition for the world's biggest car exporting country, Britain. And Britain can see the results of Germany's phenomenal recovery in a dozen other export fields.

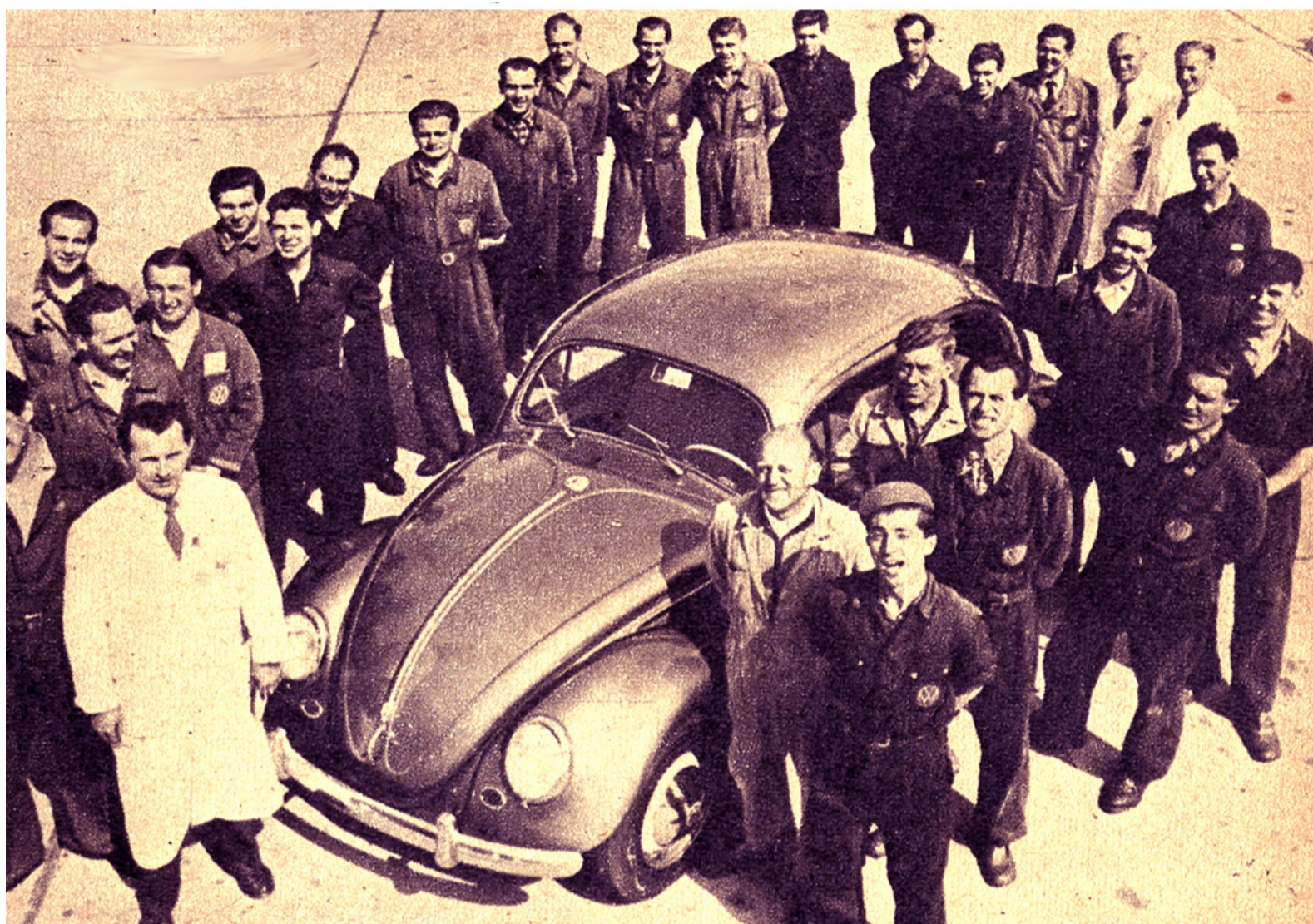
One of the reasons for Germany's success may well be the tax concessions which the Government, until recently, granted to exporting companies. Now that this system has ceased to operate, the struggle is on even terms. There are many lessons for Britain in Germany's industry, with its capacity for hard work at all levels, its ingenuity in design, and in its policy of hard selling. But Britain can still point to Germany's low living standard,

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and to the fact that the German economy does not yet have to bear the heavy load of defense production. The German living standard is 15% below Britain's, while wages are more than proportionally lower. As a result, Germany is not consuming enough goods and so not encouraging mutual trade, which is the main strength of the Western countries. (Only 412 of Volkswagen's 20,000 employees drive the cars which they produce!) In its new prosperity, Germany will have to meet these responsibilities.



Aerial view of Volkswagen works where 20,000 men and women are now employed.

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Proudly lined up are the 27 men who have a share in building each Volkswagen.



Just one day's output from the revived auto plant, leading all European makes.

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