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A Short History of Studebaker Packard – WWII to Present

As World War II neared its end, industry began to prepare for peace, Studebaker's transition began, Studebaker set a goal to be first.

Towards the end of 1945, production of civilian vehicles resumed with the '46 Skyway Champion, in reality the reworked '42. Studebaker produced a little over 10,000 '46s before shutting the lines down three months later to begin preparations for the '47 production run. By early 1946, the all new '47s were announced with the slogan "First by far with a postwar car".

The years immediately following WWII would be unmatched in the Studebaker company's history. For Studebaker would be unrivalled in the company's history. With profits rising and demand at an all time high, production capacity needed to be increased. In the postwar years raw materials, especially steel, were still hard to obtain and as a consequence, Studebaker purchased the Empire Steel Corporation of Mansfield, Ohio in 1947. That same year a new factory was acquired in Hamilton, Ontario and in 1948 one of the aviation plants used to make bomber engines during the war was converted to vehicle manufacturing. By 1950 America was at war in Korea and so was Studebaker.

The 1950 models featured the famous bullet nose. 1951 arrived with high expectations. The next year would be Studebaker's centennial and preparations were well underway but the big news for now was a new engine. In its 99th year Studebaker introduced their first overhead valve V-8. Initially offered in the '51 Commander, the new engine displaced 232 cubic inches and developed 120 horse power. The public loved the high performance engine and Commander sales were understandably brisk. Total production that year however, tapered. In fact sales figures for 1951, presented a paradox. For the first time in its history Studebaker grossed over \$500,000,000 but profits were down to \$12,500,000, half of the previous years net. This was due in part to wartime price controls but more importantly a substantial amount of the years sales revenue was derived from government contracts.

Studebaker introduced a sleek, new body style to celebrate its one hundred year anniversary with the 1952 V8 Commander Starliner. The people of Studebaker were gearing up for the next 100 years. But the trend started in 1951 would continue in 1952. On the surface everything appeared fine. Total sales for the company reached a record \$586,000,000 that year. But beneath the apparent prosperity automobile sales continued to slump and profits amounted to a mere \$14,300,000. Government contracts still accounted for high sales figures. Over the last century government contracts had always allowed the company to grow and indeed, many of these contracts came at crucial times for Studebaker. In the past though, Studebaker had always terminated government dealings and returned exclusively to vehicle production as soon as they could.

Studebaker had a long tradition of survival and had weathered many calamities over the years. Yet, as the euphoria of the centennial faded, the company was facing a situation more dangerous than it had ever encountered. The record sales of 1950 had dropped sharply by 1953-54. Studebaker's share of the market was down and meager profits had now turned to loss. Studebaker employees were the best paid in the industry and though the company had always enjoyed good relations with labor, Studebaker's more than fair treatment of its work force was now crippling the company.

And Studebaker was not the only car maker whose profits had dwindled; all of the independent manufacturers found themselves in similar circumstances. Where they had benefited in the post war years, they now faced a crisis. The only solution was merger. In 1953 Kaiser and Willys-Overland joined forces and concentrated on producing the Jeep. Then Hudson and Nash merged to form American Motors. Studebaker too was looking at a merger. The 1953 Studebaker models were some of its most style and sensational ever.

In 1954 Studebaker and Packard began talks on the possibility of merging but it quickly became clear that while Packard was in favor of a merger, they would not move forward until Studebaker brought its labor costs down. In 1954 the longest and most bitter labor negotiations at Studebaker Corporation began. Negotiating the new labor agreement paved the way to merge with Packard. The newly organized Studebaker-Packard Corporation was launched.

Studebakers were still more expensive than their Ford / GM counterparts, but lacked any features to account for that. As first quarter 1956 sales figures became available it was apparent the crisis had worsened. To add to the dilemma, the lucrative jet engine contract with the Defense Department was canceled.

In 1957, Studebaker introduced the Scotsman, a stripped down Champion sans accessories, and priced it below anything comparable on the market. It quickly became Studebaker's best seller. At the end of 1958 the new 'economy car' was introduced to public. The Lark, was affordably priced and attractive and sales were brisk. The rising popularity of the Hawk, combined with the new Lark, increased Studebaker's market share and put the company in the black once again. In view of this upturn, the corporation quickly refinanced its debt and set in motion a new strategy for survival. Not necessarily the survival of Studebaker cars but the corporation itself. It was apparent that Studebaker could no longer compete in the automobile business as it once had. The key to the survival of the corporation lay in diversification.

The Avanti was introduced in the spring of '62, and once again Studebaker was at the forefront of automobile design. The excitement generated by the Avanti in trade publications and car shows was offset when Studebaker encountered production problems and deliveries ran behind.

On December 20, 1963, the last Studebaker produced at South Bend, a red Lark Daytona, rolled off the line. A little over two years later, the Hamilton, Ontario, Canada plant also ceased production of Studebaker vehicles bringing a long tradition to an end. The continued manufacturing of cars in Canada had been a ploy by the Studebaker board to sidestep their obligation to dealers.