

REO Motor Company Records

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SUMMARY INFORMATION

Repository Michigan State University Archives and Historical Collections

Creator Reo Motor Car Company.

Title REO Motor Car Company records

ID 00036

Date [inclusive] 1904-1976

Extent 170.0 Cubic feet 170 cu ft , 283 volumes

HISTORICAL NOTE

Both the beginning and end of the REO company occurred amid controversy. The firm was incorporated on August 16, 1904 by R.E. Olds and other investors as the R.E. Olds Company. It quickly passed through several name changes and permutations. On May 30, 1975 the firm, then known as Diamond REO Trucks, Inc., filed for bankruptcy.

Ransom Eli Olds, founder of the Olds Motor Works (later the Oldsmobile Division of General Motors), was forced out of that firm in 1902. Two years later, Olds and other investors formed the R.E. Olds Co. to manufacture automobiles. Following a legal threat from the Olds Motor Works, the R.E. Olds Company's name was changed to the REO Car Company (which later became the REO Motor Car Company).

On October 8, 1910 the investors also formed the REO Motor Truck Company to manufacture trucks, eventually known as "speedwagons." This firm was combined with the REO Motor Car Company on September 29, 1916. During 1919 the firm sold more trucks than cars for the first time, and continued to do so until 1936. In that year car production was halted due to losses from declining sales which were caused by the Great Depression.

The firm was reorganized in 1938 as REO Motors, Inc. with the aid of a \$2 million loan from the Reconstruction Finance Corporation (RFC). Military contracts during World War II allowed the new firm to record modest gains. With the end of the war, these contracts ended and the gains became drastic losses. In 1946 lawnmower production was added in an effort to boost sales. Several years later Pal Aluminum Products (makers of swingsets and tricycles) were purchased for the same reason.

A \$5.7 million RFC five-year loan was taken out by the company on January 18, 1949, to cover losses as well as the principle of the first RFC loan. This second RFC loan was paid in 1951 with a \$9 million Victory-loan (V-loan). The V-loan and government contracts resulting from the Korean War enabled REO Motors to show its first sales level better than the 1944 network was not capable of selling the output without these contracts to the majority stockholders decided to sell the firm.

During May of 1954, C. Russell Feldmann of Henney Motor Co. obtained an assignment to REO Motor Co. for the purpose of combining it with another truck manufacturer, Diamond T. (Diamond T made excellent cabs while the REO Gold Cornet Engine was the best available at the time.) On the 29th of October Feldmann sold the assignment to Bohn Aluminum & Brass Corp. of Detroit, Michigan. At the end of 1954, to expedite this transfer, all the assets of REO Motors, Inc. (except cash and unsecured account receivable) were sold to REO Holding Company. REO Holding

Company (having the same shareholders as REO Motors Inc.) completed the transfer by mid-1955, and was in the process of liquidation when it was taken over by a group of minority shareholders, who renamed it the Nuclear Corporation of America. The cash assets and unsecured accounts receivable were transferred to REO of Delaware, a holding company two-thirds owned by Bohn Aluminum. REO of Delaware saw to the resolution of these financial assets and liabilities. Nuclear Corp. then brought an unsuccessful suit against REO of Delaware and Bohn Aluminum to halt dissolution.

During this period, Bohn Aluminum also gained control of Diamond T trucks and combined the assets of the two truck companies into one division. This combination was sold to White Motors in 1957 and became the Diamond REO Truck Division of White Motors.

CHRONOLOGY

1864 June 3. Ransom E. Olds was born.

1880 September. Olds family moved to Lansing.

1883 Olds went to work at P.F. Olds & Son.

1885 Olds purchased a half interest in P.F. Olds & Son from his brother Wallace.

1887 Olds built a three-wheeled, steam-powered horseless carriage. P.F. Olds & Son purchased a new site on the east side of River Street, built a new plant, and increased the capital stock to \$12,000.

1889 June 5. Olds married Metta U. Woodard.

1892 Olds completed his second steam-powered horseless carriage. It was sold to the Francis Times Co. of London for their Bombay, India branch.

P.F. Olds & Son developed and began to manufacture internal combustion engines.

1893 P.F. Olds & Son was incorporated and the capital stock increased to \$30,000.

1896 Olds with assistance of Frank G. Clark built his third horseless carriage, a gasoline-powered vehicle.

1897 August 21. Formation of the Olds Motor Vehicle Co.

November. Name of P.F. Olds & Son was changed to the Olds Gasoline Engine Works.

1898 Strike at the Olds Gasoline Engine Works. Olds purchased his brother Wallace's stock in the company and in March replaced him with Richard H. Scott.

October 3. Capital stock of the Olds Gasoline Engine Works was raised to \$150,000.

1899 May 8. Incorporation of the Olds Motor Works through the financing of Samuel L. Smith.

Plant established in Detroit.

1900 February 29. The Olds Motor Vehicle Company went out of existence.

Fall. "Curved Dash" developed at the Olds Motor Works.

1901 March 9. Fire destroyed the plant of the Olds Motor Works with the exception of the foundry.

May. Machinists strike at the Olds Motor Works.

August 12. Olds Motor Works accepted the offer of the Lansing Business Men's Association and decided to build a factory in Lansing in addition to rebuilding the

Detroit plant.

October 27 - November 5. Roy D. Chapin drove a curved dash from Detroit to New York for the opening of the Automobile Show.

November. Ray M. Owen and Roy Rainey became the New York agents for the curved dash.

1903 July 6 - September 7. Eugene Hammond and L.L. Whitman made a transcontinental trip from California to Detroit in a curved dash.

Olds Motor Works sold 4,000 cars.

1904 January. Olds was removed as general manager of the Olds Motor Works.

January - April. Olds and his family went on a vacation to California.

May. Horace T. Thomas went to work for Olds as superintendent of his peat factory.

August 16. Formation of the R.E. Olds Company. The name was changed on September 27, 1904 to the REO Car Company and on April 17, 1906 the REO Motor Car Company.

August 30. Draftsmen and machinists under Richard H. Scott and Horace T. Thomas began working on models for the new company.

September. Ray M. Owen and Roy Rainey became the exclusive agents for the REO cars.

October 15. The first experimental REO was completed.

September - November. Olds worked with Ford in the formation of an independent association of Automobile Manufacturers in opposition to the Association of Licensed Automobile Manufacturers. On February 5, 1905, the American Motor Car Manufacturers' Association was formed, but REO remained an independent.

1905 Summer. Olds in a REO competed in the Glidden Tour.

1906 July 17. Olds formed the National Coil Company.

October 2. Olds organized the Michigan Screw Company.

November 20. Olds established the Atlas Drop Forge Company.

1907 REO joined the American Motor Car Manufacturer's Association.

1908 Olds entered into negotiations for the merger of REO, Ford, Buick, and Maxwell-Briscoe. The proposal fell through, and REO remained Independent.

December 10. Olds organized the REO Automobile Company, Limited. The name was changed on January 23, 1909 to REO Motor Car Company of Canada, Limited.

1909 REO left the A.M.C.M.A. and joined the Association of Licensed Automobile Manufacturers.

September 15. Judge Hough ruled in favor of the A.L.A.M. in the Selden patent case.

1910 Spring. Rumors that REO was to be taken over by the United States Motor

Car Company.

June 10. Olds purchased the E. Bement Sons Company plant for the manufacture of trucks.

October 8. REO Truck Company was organized.

October 19. REO Motor Truck Company purchased the Owen Motor Car Company of Detroit.

1911 January 9. Judge Noyes ruled in favor of Ford in the Selden patent case.

1912 The Association of Licensed Automobile Manufacturers was dissolved. It was succeeded by the Automobile Board of Trade, ancestor of the Automobile Manufacturers' Association.

1915 Olds retired as general manager and was succeeded in that position by Richard H. Scott.

1916 March. Apprentice course was started at REO.

April 19. Olds organized the REO Farms Company for the development of Oldsmar, a community in Florida. The name of the firm was changed a short time later to the REOLDS Farms Company.

November 10. The REO Motor Truck Company was absorbed by the REO Motor Car Company.

1917 Olds financed and brought to Oldsmar the Kardell Tractor and Truck Company.

1923 January. Olds exchanged Oldsmar for the Bellerive Hotel in Kansas City.

December 20. Olds resigned as president of REO and was given the honorary position, chairman of the board.

December. REO purchased the Duplex Truck Company.

1924 Olds purchased controlling interest in the Bates and Edmonds Motor Company.

1927 January. REO announced the "Flying Cloud."

May 5. REO announced the "Wolverine."

1929 Olds reorganized the Bates and Edmonds Motor Company and renamed it the Hill Diesel Engine Co.

April 1. REO Motors Britain, Limited, was organized.

1930 February 12. William Robert Wilson replaced Scott as general manager and a voting trust agreement was established.

October 9. REO announced the "Royable."

1931 March 24. REO purchased the Dodge Brothers plant in Toronto and began to manufacture cars and trucks in Canada.

April. REO Sales Corporation was formed.

June 30. Voting trust was terminated.

1932 March 5. William Robert Wilson resigned as general manager and Richard H. Scott again became general manager.

December 7. The par value of REO's common stock was halved from \$10 per share to \$5.

1933 December 18. Richard H. Scott was deposed as general manager. Olds became chairman of the executive committee.

1934 January 4. Ray A. DeVlieg replaced Harry C. Teel.

February. Horace T. Thomas was replaced as chief engineer by Ray J. Fitness.

April. Proxy struggle between the Independent Stockholders' Committee and the New Management Committee.

April 16. Horace T. Thomas and Richard H. Scott withdrew from the proxy struggle.

April 17. Stockholders meeting in which the Olds faction retained control of the company.

December 17. Olds resigned as chairman of the executive committee.

Rumors circulated that REO would consolidate with Cord, Pierce-Arrow, Graham, and Hupp.

1935 July 15. REO agreed to permit Graham-Paige to use their dies.

1936 September 3. REO suspended the production of automobiles.

December 28. Olds announced his retirement from the REO Motor Car Company.

1938 December 16. REO was placed in receivership.

1940 January. REO obtained a \$2,000,000 loan from the Reconstruction Finance Corporation and resumed operations under a new name, REO Motors, Inc.

1942 Olds opened Olds Hall in Daytona Beach, Florida to retired ministers and missionaries.

1950 August 26. Olds died at his home.

1955 REO was purchased by the Bohn Aluminum & Brass Corporation of Detroit.

1957 July 5. REO was purchased from the Bohn Aluminum & Brass Corporation by the White Motor Company.

ORGANIZATION OF THE RECORDS

These records are organized into 18 series.

1. Series 1: Administration. 1904-1975, undated. 51 cubic feet, 109 volumes
2. Series 2: Personnel. 1905-1960. 22 cubic feet, 5 volumes
3. Series 3: Sales. 1933-1966. 38 cubic feet, 27 volumes
4. Series 4: Foreign Correspondence. 1923-1959. 7 cubic feet
5. Series 5: Relations With U.S. Government. 1939-1957. 8 cubic feet, 11 volumes
6. Series 6: Production. 1940-1952. 2 cubic feet, 103 volumes
7. Series 7: Legal Office. 1867-1958. 20 cubic feet, 18 volumes
8. Series 8: Technical Information. 1905-1958. 3 cubic feet
9. Series 9: Miscellaneous. 1936-1959. 3.5 cubic feet, 6 volumes
10. Series 10: Blueprints. 1909-1976. 6 cubic feet
11. Series 11: White Motor Co. Division Records. 1911-1974, 2 cubic feet, 14 volumes
12. Series 12: Films. circa 1928, circa 1950. 16 Reels
13. Series 13: Oversized Materials
14. Series 14: Photographs
15. Series 15: Glass Negatives

16.Series 16: Oversized Photographs

17.Series 17: Scrapbooks

18.Series 18: Postcards