January 2025 • Vol. 8 ~ Issue 1

GREAT ARROW news

www.Pierce-ArrowMuseum.org



1934 Studebaker Land Cruiser – Silver Arrow styling!

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THE STUDEBAKER YEARS

Annual Reports Tell The Story

By David Coco

Although profitable through the aughts, teens, and into the 1920s, by 1928 the Pierce-Arrow Motor Car Corporation was in financial trouble.

It was then that a merger with the Jordan Motor Car Company of Cleveland, Ohio, was considered by management to be…..uh, wait, that merger didn't happen, although it was discussed at one point by Pierce executives. Talks between M.E. Forbes (an Executive Committee member of PAMCC) of Buffalo and Edward S. Jordan of Cleveland were confirmed by said individuals in May of 1928, and reported in numerous newspapers around the country.

What *did* happen, as officially announced in mid-June of 1928, was a merger with the Studebaker Corporation of South Bend, Indiana. The merger created the fourth largest automobile manufacturing company at the time, with the three largest being General Motors, the Ford Motor Car Company, and Chrysler-Dodge.

Although the two companies which merged retained their identities and respective manufacturing plants, there were other things shared which benefited both parties involved. Access to engineering knowledge, fabrication facilities, and dealer network were among the many advantages of a merger.

continued on page 3

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$1500 or more

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Pierce-Arrow Society

PIERCE-ARROW FOUNDATION

Operating the Pierce-Arrow Museum on the Campus of the Gilmore Car Museum

Chairman's Report – February 2025

2024 was an outstanding year for the Pierce-Arrow Museum. The year started off with a major refresh of the Museum, mostly done by volunteer Museum members, that was completed for our 20th Anniversary celebration. In August, we held the 20th Anniversary Celebration, a combined Gathering at Gilmore and Pierce-Arrow Society Annual Meet with several days of touring, a banquet, the Pierce-Arrow Society car show, and a first time ever, mixed makes, Orphan Car Show. Both shows were held on the lawn in front of the Pierce-Arrow Museum. It was a fun way to celebrate 20 years of the Pierce- Arrow Museum

As a special display, the 1919 "Fatty Arbuckle" Pierce Arrow Model 66 was loaned to us by the Stahl Collection. It will remain until spring, so if you haven't had the chance to see it, there is still time. It will be replaced by a production Silver Arrow from the Richard H. Driehaus Automobile Collection from Chicago.

Speaking of the Orphan Car Show, we will be holding the 2025 version of the Orphan Car Show on Saturday, August 23rd, on the Gilmore grounds. The show is open to stock, "orphan" car makes up to 1975. This will be followed on Sunday, August 24th, by Car Driving Games. You can find more information and event flyers at: www.pierce-arrowmuseum.org/news-events/. Mark your calendars. If you don't have a 2025 Pierce-Arrow Calendar to mark, they are on sale at: www.pierce-arrow.org/store/2025-Pierce-Arrow-Wall-Calendar-p689545545

I would like to thank all of you have joined the museum, and especially those that have made additional donations to the museum. The museum depends upon memberships and donations to operate. Additionally, we are raising funds to add an addition to the museum. Please remember to renew your membership for 2025 and consider an additional donation to add to our building fund.

If you have any questions or comments, please feel free to contact me at davewhite@sbcglobal.net.

Thank you for your support,

Dave

Dave White
Chairman
Pierce-Arrow Foundation

Pierce-Arrow had been made financially sound by selling trucks to Allied forces during the Great War of 1914-1918. The 1920s started out well for the company, with a large cash surplus, but gradually deteriorated as that decade progressed. The Pierce-Arrow Motor Car Company had a net operating loss of $783,200.57 in 1927, on sales of 6786 automobiles. This was followed by a net operating loss of $1,293,025.55 in 1928, on sales of 6491 automobiles.

Part of the sales problem was, as management was well aware, that PAMCC was trying to sell six cylinder luxury cars in an eight cylinder luxury car market. In January of 1929, after the merger, Pierce brought out an eight cylinder line of cars. Sales of Pierce-Arrow automobiles immediately improved, and the merger with Studebaker thus started on a high note, though this trend would not continue in the 1930s.

The story is well told by examining the yearly Annual Reports of the PAMCC.

1928 ANNUAL REPORT - "MANIFESTLY NECESSARY" CHANGES

Stockholders of the Pierce-Arrow Motor Car Company received The Twelfth Annual Report for the year ended December 31, 1928. This report is dated March 11th, 1929, so the transition to eight cylinder models was well in progress. Comments by A.R. Erskine, Chairman of the Board of Directors, were quite optimistic about the merger with Studebaker and the future of the Company:

Carrying out a plan which had been recommended by your Directors, the Stockholders approved on August 22 [1928] the financial and capital reorganization of your Company and The Studebaker Corporation acquired control of the new Corporation. In undertaking this engagement Studebaker realized that radical changes in the product and methods of the Company would be necessary to re-establish Pierce-Arrow on a sound and profitable basis and therefore a new official staff, engineers and trained assistants were placed in charge of Administration, Engineering, Manufacturing and Selling. As the Company was in an eight cylinder market with six cylinder cars, it was manifestly necessary to liquidate all inventories and commitments of the latter at the earliest possible date and cost.

A complete new line of Pierce-Arrow Straight Eight cars were designed, tested, and put in production in January [1929]. As of March 1st, 1929, 943 cars have been produced and 753 sold, against sales of 554 cars in January and February 1928. Production in March will exceed 1500 cars. Orders on hand March 1st were 2219 cars and the pressing demand indicates that the Company cannot catch up with orders in the near future." Further, and in conclusion: "The new cars are a decided success and the outlook is for the record breaking sales to continue and for profits to be bigger than ever before in Pierce-Arrow history.

1929 ANNUAL REPORT - "REARRANGED... REBUILT....REFINED"

The Annual Report for year ending December 31, 1929, was also optimistic and encouraging. Net sales went from $19.4 million in 1928 to almost $28 million in 1929. Net profits were over 2.5 million, compared to a loss of almost $1.3 million in 1928.

Comments in the report, dated February 20, 1930, by A.R. Erskine, now President of the Company in addition to being Chairman of the Board of Directors:

- *The Buffalo plants were rearranged, the personnel was rebuilt, the product was refined.*
- *9840 passenger cars sold, against 5492 in 1928. The old line of commercial cars and trucks was liquidated and the development of a new line [SPA Trucks] was begun.*
- *Pierce-Arrow distributors expended over $3,000,000 in buildings and equipment to handle the growing business. [The] number distributors went from 217 to 525 [majority added were Studebaker dealers] and foreign connections were established on a broad scale.*

In addition, the Company had it's own finance business, the Pierce-Arrow Finance Corporation. The decision was made to *"retire from the finance business*," and the investment in this Corporation was sold *"at a profit"* to the Commercial Investment Trust Corporation. Also, on June 19th of 1929, Pierce-Arrow Class "A" stockholders were offered 2-1/2 shares of Studebaker Common Stock for each Class "A" share of Pierce stock. When all was said and done, by December 12th, 1929, Studebaker held enough stock that it was entitled to 89.62% of all Pierce-Arrow earnings.

1930 ANNUAL REPORT - "PRICE CUTTING ... DEMORALIZED THE MARKET"

1930 was a gloomy year for the automobile industry in the United Stats. The Great Depression had settled in, and industry was hit hard. Pierce-Arrow Motor Car Company had net sales in 1930 of a shade over $19 million, against 1929 sales of almost $28 million. Net profit suffered, at $1.3 million, half of the profit realized in 1929.

From the February 16, 1931, report:

Pierce-Arrow business decreased 19% against 33% for the field [of luxury cars]. The secondary business slump which struck the automobile industry in early summer caught it overstocked with cars and the consequent price cutting which ensued demoralized the market, from a profit making standpoint, for four or five months. The industry suffered the worst fourth quarter in many years. Looking to the future, remedial steps have recently been taken by the industry to avoid the introduction of new models in the summer time and concentrate them, as much as possible, in the months of November and December. If this united effort works out successfully, one of the worst abuses of the industry will have been largely eradicated.

The report attempts to be positive, stating that the new line of Pierce-Arrow passenger cars are *"undoubtedly the best cars that have ever borne the Pierce-Arrow trade name,"* and *"A new line of six-cylinder heavy duty Pierce-Arrow trucks…have already received a most favorable reception from the public."* However, the worst was yet to come.

1932 REPORT ON ACCOUNTS – "DECLINE AND CURTAILMENT"

The Pierce-Arrow Motor Car Company would build some fabulous automobiles in the ensuing years, but the trend of lost business which started in 1930 would continue through that decade. In subsequent documents, for example, a "Report on Accounts" dated June 30, 1932, states *"Operations for the six months ended June 30, 1932, resulted in a net loss of $1,072,333.92."*

The Report states further that *"[t]he losses of 1932 were occasioned, of course, by sharp curtailment of consumer buying of motor cars and the consequent contraction in the volume of available business. Registration figures published by Polk covering new passenger cars purchased by consumers in the United States show a decline of 44% for all makes."* Pierce-Arrow alone showed a decrease of 42%.

Further, *"The limited demand of the second quarter forced the Corporation to restricted operations of the Buffalo plants and thereby greatly increased the manufactured costs of the cars produced. For example, only 25 cars were produced in June [1932]. Readjustments of the organization and curtailments of fixed and other expenses of the Company have been continued vigorously since January 1st [1932]. For example, the annual salary rolls …have been reduced 60% since January 1, 1930, which was the peak."*

The dark cloud of the Great Depression now hovered over the Pierce-Arrow Motor Car Company, and things were never the same for the once prosperous company.

MERGER CORPORATIONS

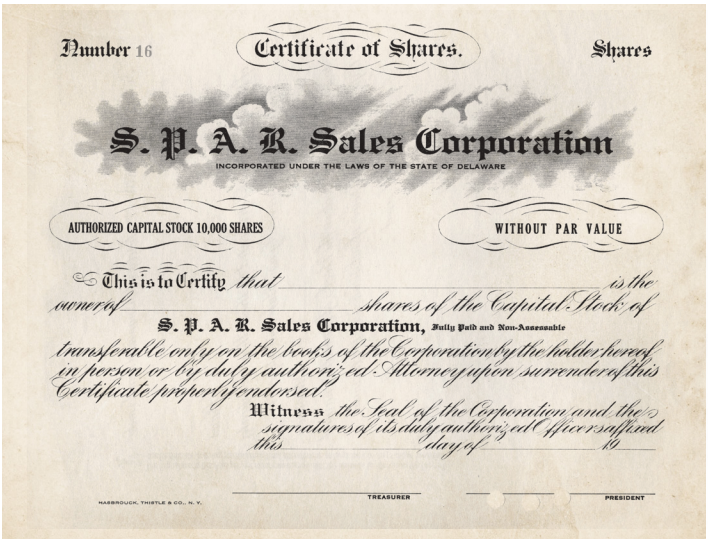
When Studebaker acquired Pierce-Arrow, some other business entities came into being.

SPA TRUCK COMPANY

In 1929, along with the purchase of Pierce-Arrow, Studebaker created a separate corporation to handle truck sales. This was the SPA Truck Company division. Studebaker plants would produce the light, S-series trucks, of which 7538 were built between 1930 and 1934. Pierce, with long experience in the heavy truck market, would continue to produce the heavy-duty Pierce-Arrow trucks. The origins of the SPA name should be evident, combining the parent company initials. Studebaker attempted a merger with the White Motor Company, a major manufacturer of medium and heavy-duty trucks, but the merger was blocked by some of White's shareholders. Studebaker would go into receivership in 1933, and the SPA venture was over. White did take over Pierce-Arrow's truck division, however.

STUDEBAKER PIERCE-ARROW ROCKNE SALES CORPORATION

Another time that the SPA initials were used was the creation of a Delaware incorporated company called S.P.A.R. Sales Corporation. The Rockne, manufactured in 1932 and 1933, was named after the famous coach Knute Rockne, as naming car marques after famous people was a trend at the time (Rickenbacker, Roosevelt, and so forth).


Number 16 Certificate of Shares. Shares

S. P. A. R. Sales Corporation

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

AUTHORIZED CAPITAL STOCK 10,000 SHARES — WITHOUT PAR VALUE

This is to Certify that _____ is the owner of _____ shares of the Capital Stock of S. P. A. R. Sales Corporation, fully paid and Non-Assessable transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness the Seal of the Corporation and the signatures of its duly authorized officers affixed this _____ day of _____ 19__

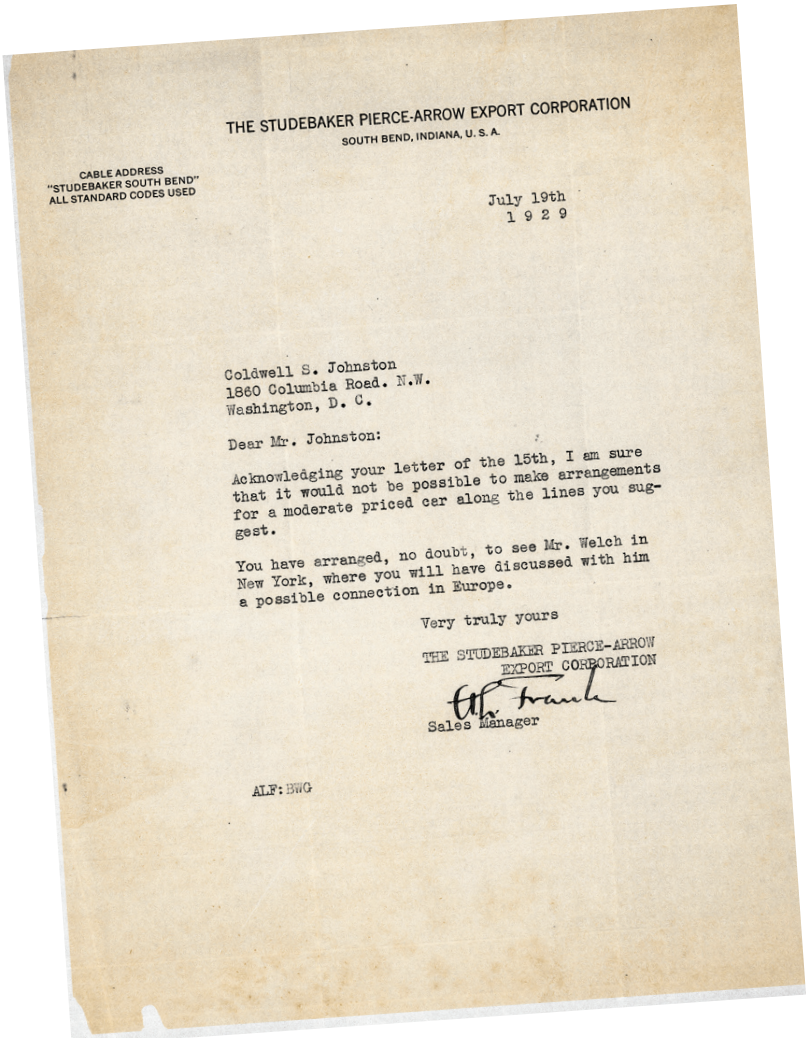
HASBROUCK, THISTLE & CO., N. Y. — TREASURER — PRESIDENT

Unissued S.P.A.R. stock certificate

THE STUDEBAKER PIERCE-ARROW EXPORT CORPORATION

Although not always the first thought about car production in the 1920s and 1930s, there was a large foreign market for American built automobiles. On April 11, 1929, A.R. Erskine announced the formation of the Studebaker-Pierce-Arrow Export Corporation. *"The new Corporation will conduct affairs and direct the sales of Studebaker and Erskine passenger and commercial cars and Pierce-Arrow automobiles in the overseas markets."* It would seem that the foreign markets were strong, even though the Great Depression was a worldwide issue. On May 4th, 1933, Arvid L. Frank, vice-president and general manager of the Export Corporation noted that *"April [1933] exports of Studebaker, Rockne, and Pierce-Arrow passenger cars were the largest for any month since March, 1930, and truck exports were the largest since September, 1931."* Soon thereafter, Studebaker declared bankruptcy and went into receivership, eliminated the SPA Export Corporation, and divested itself of the PAMCC.

The Studebaker Automobile Company acquired control of the Pierce-Arrow Motor Car Company in August of 1928. The acquisition of Class A and Class B stocks, along with gold notes, was $9,573,998.



THE STUDEBAKER PIERCE-ARROW EXPORT CORPORATION
SOUTH BEND, INDIANA, U. S. A.

CABLE ADDRESS
"STUDEBAKER SOUTH BEND"
ALL STANDARD CODES USED

July 19th
1929

Coldwell S. Johnston
1860 Columbia Road. N.W.
Washington, D. C.

Dear Mr. Johnston:

Acknowledging your letter of the 15th, I am sure that it would not be possible to make arrangements for a moderate priced car along the lines you suggest.

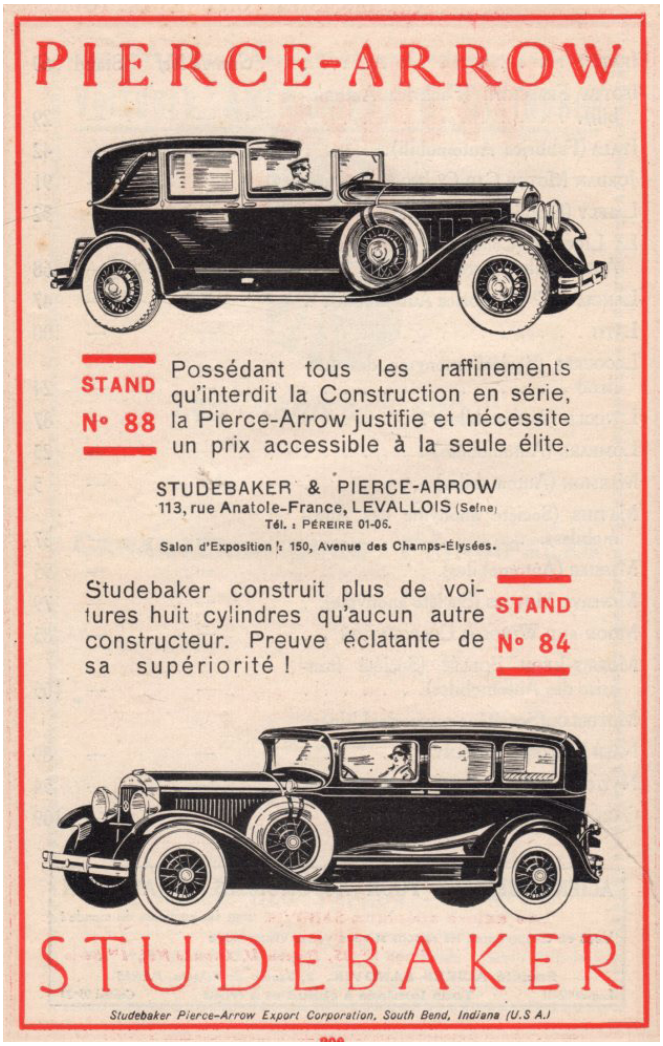
You have arranged, no doubt, to see Mr. Welch in New York, where you will have discussed with him a possible connection in Europe.

Very truly yours

THE STUDEBAKER PIERCE-ARROW
EXPORT CORPORATION

Sales Manager

ALF:BWG



TRANSLATION

Studebaker & Pierce-Arrow advertisement

FRENCH TO ENGLISH

"Possessing all the refinements that series construction prohibits, the Pierce-Arrow justifies and requires a price accessible only to the elite"

"Studebaker builds more eight-cylinder cars than any other manufacturer, a clear demonstration of its superiority!"

STUDEBAKER AND PIERCE-ARROW MOTOR CAR COMPANY

The timing was not the best for Studebaker, as the stock market crashed on October 29th, 1929, and demand for luxury cars suffered in the following years. Even though many people could still afford luxury cars, it was often seen as poor taste to ride by a bread line in a limousine. In fact, even Ford made Model A town cars during that time, thinking there'd be some compassion by the masses for a rich person to ride in a common car.

The accompanying chart shows the decline in sales of Pierce automobiles after 1929.

Studebaker management gave up on the PAMCC in 1933, selling to a syndicate of investment bankers and others for $1,000,000 in cash. Thus, the total loss to Studebaker, exclusive of any profits made during the merger, was well over eight million dollars.

Studebaker Acquisition and Disposal of the Pierce-Arrow Motor Car Company

Control of the Pierce-Arrow Motor Car Co. was obtained in August 1928

- Initial acquisition was of the Class B stock of Pierce-Arrow
- Additional acquisition of Class A stock, gold notes, Preferred stock was made
  Total cost to Studebaker of all outstanding securities of Pierce-Arrow was $9,573,998

Output of Pierce-Arrow under Studebaker ownership:

Year	Number of Cars	Number of Trucks	Total Motor Vehicles
1928	5,492	999	6,491
1929	9,840	507	10,347
1930	6,916	6	6,922
1931	4,210	114	4,324
1932	2,241	70	2,311
TOTAL	**28,699**	**1,696**	**30,395**

Cars and trucks sold after August 1928 were after Studebaker acquired control of Pierce-Arrow

Entire Studebaker equity in Pierce-arrow was disposed of in August 1933 to a syndicate of investment bankers and other for $1,000,000 cash

- Expenses related to the disposal of Pierce-arrow by Studebaker included $150,000 paid to White Motor Company to cover losses by White on purchases from Pierce-Arrow and $16,246 paid for Federal stock transfer stamps.
- Total loss to Studebaker from acquisition and disposal off equity in Pierce-Arrow Motor Car Company was $8,740,244.

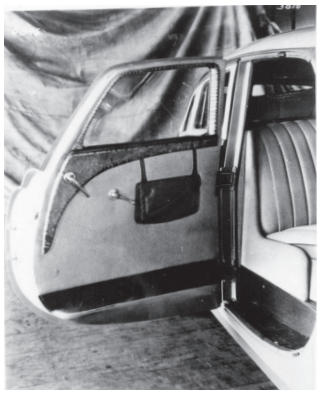
Source: Federal Trade Commission, Report on Motor Vehicle Industry (Washington, D.C.: United States Government Printing Office, 1939), 799.

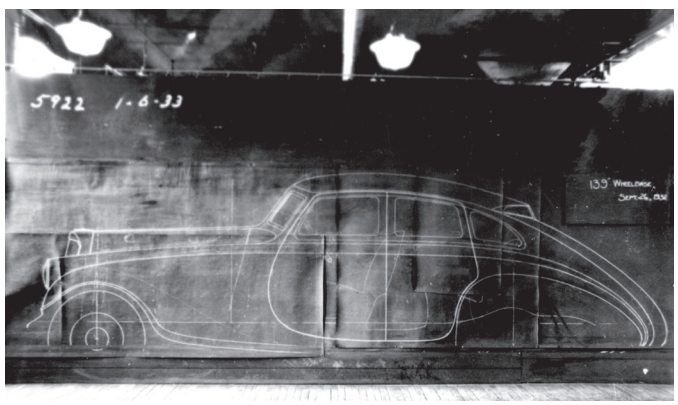
STUDEBAKER, uh, that is, PIERCE-ARROW SILVER ARROWS

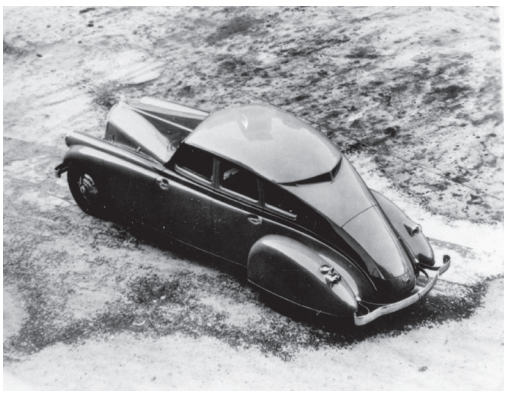
The story of the five show car Silver Arrows is fairly well known. With engine and chassis by Pierce, the bodies were built in the Studebaker Experimental Body Shop in South Bend, Indiana, partially utilizing the full size reference drawing (dated September 26, 1932) shown. Designed by Phillip O. Wright, the cars were built in three months from scratch, first exhibited at the 1933 New York Auto Show, and only three complete cars remain extant. 1933 would also see Studebaker sell control of the PAMCC to a group of Buffalo businessmen. Powered by an "experimental" V12 engine, below is the numbering and, if known, fate of those engines and automobiles.

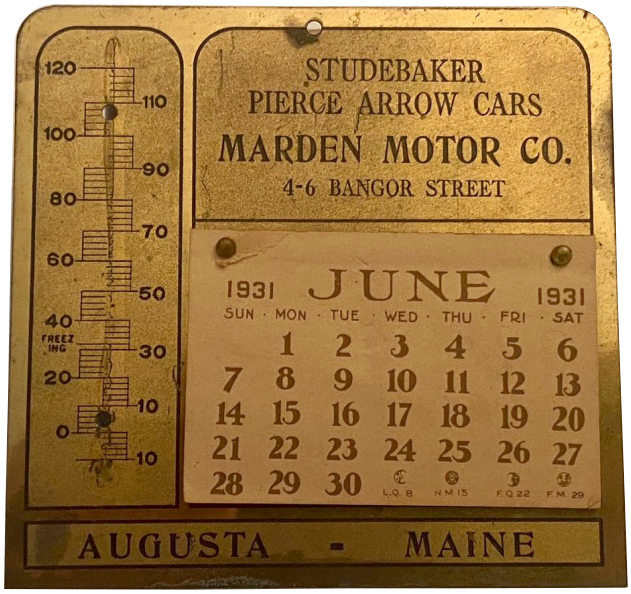
EDITOR'S NOTE: This list compiled from information in Weis Archives and other sources, accuracy not guaranteed.

Serial/Engine #	OWNER HISTORY (as known 12/31/24)	Notes
360001 (2575015)	• **M.C. Hudson**, SFO distributor Crazy Water Co. (Mineral Springs, TX) • **D.L. D'Oyley**, (Crazy Water distributor, TX) • **F. Robert Greene,** Lakeview NY • **Jim Brucker** "Cars of the Stars Museum" • **Dr. Vesley**, Homosassa Springs, FL • **Thomas F. Derro** • **Charles Mitchell**, Poughkeepsie NY	Shown at New York and Boston Car shows, 1933; disc covered wheels, originally two tone tan body
360002	• **Gideon N. Stieff**, repossessed in 1937 • **National Bond Investment Company** • **Broadway Auto Sales** • **Sold to John Grinage, Baltimore**	Sold new by Pierce-Arrow Sales Corp., Baltimore, MD. Rear end chopped off in 1940s to haul firewood, car lost to history
360003	• **Kouri** • **Frank Giomi** • **Harrah's Automobile Collection** • **James Diefenthal**, New Orleans, LA • **Stephen Plaster**,Evergreen Historic Automobiles, Lebanon, MO	Kouri Speedster, engine main P-A component on car; apparently built in late 1940s and refurbished by Harrahs in late 1960s.
360004	• **Dr. Edward C. Worden**	Car lost to history
360005 (2575029)	• **Charles Overall** • **Cameron Peck** • **Henry Austin Clark** • **Rob Haeseler** • **Blackhawk** • **Chicago Vintage Motor Carriage**	See Arrow 97-1 for story on car; spare tire compartment with wire wheel (pictured) taken when owned by Clark
360006	• **PAMCC**, engine used in Ab Jenkins 1933 speed record car	
360007 (2575018)	• **Harrah's Automobile Collection** • **Blackhawk** • **San Francisco Academy of Art**	See Arrow 97-1 for story on car; spare tire compartment with wire wheel (pictured) taken when owned by Clark
36008 36009 36010 36011	Weis records indicate 5 Silver Arrow engines and 6 "experimental" and/or "racing" engines.	Fate of these engines unknown











Examples of give away items when Studebaker and Pierce-Arrow (SPA) had common dealers

