

this, the automobile filled deep, abiding desires that most people barely knew they had—desire for rapid, unfettered mobility; for control of something powerful; and for ownership of something valuable, modern and complex.

During this time the industrial organization involved detailed division of labor, intensive management work, planning and close supervision, but the major difference between the previous industrial system (19th Century) and the Fordist system was that, beforehand, a major part of production took place outside the factory and components were assembled inside, whereas in the Fordist system of production, all the operations necessary for the manufacturing were carried out within the plant.

Another difference was that Fordism recognized workers as part of the potential market for the product, it recognized that workers are also consumers, and as a consequence of such production processes, Ford was able to cut down the price of his Model T to one tenth of a price of the standard craft built car. He was able to deliver just-on-time parts and assemblies with precise timings, and he reduced the production time of a complete chassis from 728 minutes to 93 minutes and by 1927 Ford was turning out a Model T every 24 seconds. He also paid workers a minimum wage of \$5 a day, more than double the average for the motor industry at that time and he reduced the working day from nine hours to eight, operating the plant 24-hours-a-day with a three shift system.

Ford's \$5 day is often cited as a key factor in expanding the middle class. But less often understood is just how that happened. The \$5 day did more than simply increase wages. It reversed the historical relationship between wages and skill.

Throughout history, the way for workers to increase the price they demanded for their services was to increase their skill level. The master craftsman always made more money than the journeyman. Conversely, the way for an employer to lower labor costs was to lower the skill required to do the work.

Unfortunately, this process led to a devaluing of education on the part of many workers and their children. Why do I need an education, they asked, to work on the line? A willingness to work, not a high school diploma, is all that is required.

Innovations:

Fordism was based on the standardization of products, which required nearly perfect interchangeability of parts. To accomplish this, Henry used advances in ma-