

Ford Markets Its Historical Photographs

DEARBORN — Thousands of images dating to the earliest days of Ford Motor Company are being hauled out of the Ford archives and licensed for sale for the first time.

The Web site FordImages.com features more than 5,000 images for sale including commemorative and limited-edition prints, vintage signs and advertisements. The site launched in January.

Hundreds of more images are being added weekly with another 5,000 to be added by the end of 2011, said Betsy McKelvey, marketing manager, Global Brand Licensing.

The purpose is to create brand awareness and preserve the Ford legacy using the millions of existing images in the archives.

"The entire world of Ford culture is here," said Dean Weber, manager, Ford Archives. "These images represent the very special place Ford has in not only American history but world history."

The new website receives about 500 visitors daily. Car enthusiasts and dealers are some of the biggest early customers, McKelvey noted.

"The Ford brand is one that almost everyone can identify with in some way," said McKelvey.

"This website gives people a way to strengthen that identification."

FordImages.com is managed by Rick Weedn, an official Ford licensee, whose company licenses and sells archival images for other companies as well, including Harley-Davidson Inc. and The Henry Ford.

There are millions of photos contained within the roughly 16,000 boxes, 75 file cabinets and hundreds of CDs at Ford Archives in Dearborn, Weber said.

For preservation purposes, the oldest images are stored in coolers using guidelines recommended by the Nation-

al Archives and Records Administration.

Weber and his team have been poring through the files to find the best images to offer the public.

The subjects of the images vary. There are portraits and photographs from press releases, events, factories, motorsports and product development, just to name a few.

"There is a ripple effect that started with Henry Ford's vision that continues to this day," said Weedn. "These images tell that story and let people identify with what Ford really is."

Once Weber and his team find images that support the purpose of FordImages.com, digital versions are created through a scanning process. More than 15,000 images have been identified in the last six months. Weber said that having digital versions of the images is another reason Ford moved forward with FordIm-

ages.com.

Weber then sends the images to Weedn, who handles marketing, sales and production. The Ford marketing team must give final approval of what and how Ford images are put up for sale. Weedn sets the prices, which start at \$24.99.

McKelvey said one of the most popular sellers so far has been a reprint of the ad that appeared in the *Saturday Evening Post* in 1925. The ad was titled, "Opening the Highways to All Mankind" and featured images that reflect the company's goal of making safe and efficient transportation accessible to all. Ford President and CEO Alan Mulally cited the ad at the 2011 North American International Auto Show.

In addition to prints such as the 1925 ad, the site has another offering.

Available for purchase are custom-made vintage-style

wood signs. For example, a newer car dealer could get a sign made to look like it has been in business for decades. Weedn said dealers love the signs.

In fact, dealers are some of the biggest customers, Weedn said, because they are buying images to give away to customers or decorate showrooms. The "Opening Highways to All Mankind" reprint is being sold for half price, \$24.99, at the Ford display during the National Automobile Dealers Association Convention & Expo, Feb. 5-7, in San Francisco.

FordImages.com will continue adding new items to the site, McKelvey said, particularly images of products that are not yet represented and images from other information repositories around the world, all so that FordImages.com truly reflects Ford's global presence, according to organizers.



Shelby Roadsters Display, Venice, Calif., 1963. Carroll Shelby with the three Cobra roadsters that would win the 1963 USRRC Manufacturer's Championship. This image, and many more, are now available for purchase at www.fordimages.com.

Chrysler Eyes Turning Proverbial Corner in 2011

By TOM KRISHER
AP Auto Writer

DETROIT (AP) — An optimistic Chrysler narrowed its net loss significantly in the fourth quarter and forecast a net profit for 2011 as it continued a comeback from bankruptcy protection.

Chrysler, which has not turned a quarterly profit since leaving bankruptcy, said last week that it lost \$199 million from October through December, far better than the \$2.7 billion it lost during the same period of 2009.

There were some troubling signs in the fourth quarter, though. Chrysler had been cutting its losses during the first nine months of the year, but the fourth-quarter loss was more than double the \$84 million it lost in the third quarter because of cost increases. Revenue for the quarter also dropped, falling 2 percent from the third quarter to \$10.8 billion.

The company said it had increased advertising costs from launching 11 new models in the fourth quarter, and shipments were lower because factories had to switch from old models to newer ones.

But Chrysler, which is controlled by Italy's Fiat SpA, remained positive in its outlook. It predicted it would make \$200 million to \$500 million in 2011, setting the stage for an initial public stock offering that could take place at the end of this year.

The U.S. government gave Chrysler \$12.5 billion to get through bankruptcy in 2009. In exchange, the government got a 10 percent stake in the company. Chrysler still must repay \$5.8 billion on the loans, and the government hopes to get the rest of its money back in the stock sale.

Karl Brauer, senior analyst for the Edmunds.com automotive website, said 16 new or revamped models, 11 of which hit showrooms toward the end of last year, have given Chrysler momentum to back its prediction of turning a profit.

"They certainly have more and more going for them all the time," he said.

For the full year in 2010, Chrysler lost \$652 million, compared with a staggering

\$8 billion loss in 2009 when it would have run out of cash without government help.

On an operating basis, excluding interest and taxes, Chrysler made \$198 million from October through December, but that was \$41 million less than it made in the third quarter. Global sales also were down 7 percent.

Joe Phillippi, a former Wall Street analyst who now is president of New Jersey-based AutoTrends Consulting LLC, said the increased loss from the third quarter to the fourth is not a sign of trouble. The difference, he said, can easily be explained by the cost of launching the new vehicles and rising commodity prices such as steel.

With predictions of U.S. auto sales rebounding this year, Chrysler should be able to post profits and pull off a stock sale late in the year, he said.

The company has four completely new models in the 300 big sedan, the Jeep Grand Cherokee and Dodge Durango SUVs and the Fiat 500 minicar, but even though its other models have been updated, they still appear old and Chrysler likely will have to offer discounts to sell them against tough competition, he said.

The IPO, Phillippi said, depends a lot on new compact and midsize models designed jointly by Chrysler and Fiat.

"It's going to take a really good story because all the really important vehicles have been launched," he said.

Chrysler's gross debt also went up by \$1.1 billion for the quarter to \$13.1 billion as it issued a \$1 billion note to a trust set up to pay health care costs for Canadian auto workers.

Chrysler, hampered by an aging model lineup through much of last year, used big expense cuts and sales to rental car companies to trim its losses and make it through the first half of last year. The company's fortunes started to turn when the refurbished Jeep Grand Cherokee SUV went on sale in the middle of the year, and the company is now in the midst of rolling out the new or revamped models.

In the lead up to bankruptcy, Chrysler's old owners, private equity firm Cerberus

Capital Management LP, slashed expenses to conserve cash.

Since 2007, Chrysler has closed five factories and shed more than 35,000 workers, cutting nearly a third of its factory capacity. As a result, the company can come close to breaking even in a depressed U.S. auto sales market such as last year, when sales totaled 11.6 million.

But the cuts also left Sergio Marchionne, the Fiat CEO who was installed as Chrysler's leader by the U.S. government, with no new products for much of the past two years. Only now is that situation starting to change, and Chrysler even has added

back 5,000 workers to develop and build new vehicles.

"It can safely be said that what Chrysler delivered last year, on both the product and financial fronts, surpassed many expectations," Marchionne said Monday in a statement.

Marchionne's Fiat got a 20 percent stake in Chrysler when it took over management. Earlier this month, Fiat upped its stake to 25 percent by meeting a government requirement to build a fuel-efficient small engine in the U.S. It could rise to 35 percent if Chrysler meets other benchmarks, and Marchionne said Fiat may buy another 16 percent to get 51 percent control.

U.S. Factories Boost Industrial Output in January

By CHRISTOPHER RUGABER
and DEREK KRAVITZ
AP Business Writers

WASHINGTON (AP) — The best month for U.S. factories in nearly seven years is brightening the outlook for job growth.

Companies are exporting more construction and mining equipment, and Americans are buying more cars, appliances and computers.

The Institute for Supply Management, a private trade group, said last week that its index of manufacturing activity rose last month to 60.8.

It was the highest reading since May 2004 and the 18th straight month the sector has grown. Any reading above 50 indicates expansion.

The strong January data on manufacturing activity was a major reason the Dow Jones industrial average closed above 12,000 for the first time since June 2008.

Investors overlooked a separate report that showed builders spent less on projects in December, and that the construction spending for 2010 had hit a decade low.

Construction typically helps drive economic recoveries after a recession. But this time around, factories are more likely to crank out jobs.

Manufacturers added 136,000 jobs in 2010, the first annual net gain since 1997. And the trade group's employment index last month rose to its highest level since 1973.

Still, the sector lost almost 2.2 million jobs in 2008 and 2009.

And manufacturers have managed to boost output in recent years by making their operations more efficient and getting more work out of the employees they already have.

Brian Bethune, an economist at IHS Global Insight, said he expects manufacturers will likely add about 10,000 to 15,000 jobs a month for the first few months this year.

The January jobs report were scheduled to be released last Friday.

One reason that hiring expectations are rising is that new orders, export orders, and order backlogs all gained in January.

That suggests U.S. factories will continue to increase output in the coming months of this year.

"These companies have been running lean and mean, and now they've got an orders backlog," Bethune said.

That's very likely to push them to add some workers, he said.

Manufacturing employs twice as many people as construction, which has struggled since the housing market went bust in 2006.

Construction spending fell to \$814 billion last year, the Commerce Department reported.

That's the lowest level in a decade and nearly half of what some economists consider to be a healthy amount. Econo-

Domestics Begin 2011 With Strong Sales Month

By DEE-ANN DURBIN
and TOM KRISHER
AP Auto Writers

DETROIT (AP) — Americans gave automakers a confidence boost in January. They bought more cars and trucks and showed a still-fragile auto industry that they were ready to replace their clunkers in 2011.

Sales of cars and light trucks in the United States rose 17 percent from a year earlier to 819,895. That's still below the 1 million sold in January 2008, before most people felt the impact of the recession, but better than the last two years, when January sales fell below 700,000.

Nearly all big car companies reported double-digit gains for the month, a sign that the slow recovery in U.S. auto sales that began in 2010 remains on track. While the recovery could falter if turmoil in the Middle East pushes up gas prices or unemployment stays high, the industry was happy with what it saw last month.

"January signals a good start to the year for us, for the industry, and we think it's a good sign for the overall U.S. economy," said Don Johnson, vice president of U.S. sales for General Motors Co.

Car buyers went shopping for just about everything. Sales of recently redesigned SUVs such as the Jeep Grand Cherokee and Ford Explorer were strong. People also snapped up small cars such as the Nissan Versa and Honda Fit.

Pickup sales remained robust, continuing a streak that began last year thanks to growing demand from construction crews and other small businesses. Ford F-Series sales rose 30 percent. Crossovers, which combine the roominess of SUVs with car-like handling, also did well. Sales of the Chevrolet Equinox, for example, rose 35 percent.

Last January, rental-car companies and other businesses fueled the recovery in auto sales as they began to restock their fleets after the recession. But last month, individual buyers propelled sales.

GM said its sales to individuals rose 36 percent, while its fleet sales fell 7 percent. Ford Motor Co. saw a similar trend.

January sales for the industry hit an annual rate of 12.6 million when adjusted for seasonal changes, a good start to a year in which many analysts expect sales of around 13 million. Last year automakers sold 11.6 million cars and trucks in the United States.

Deals are helping move the metal. Car companies threw in more discounts in January,

with incentives hitting an average of \$2,576 per vehicle, said Jesse Toprak, vice president of industry analysis at car pricing site TrueCar.com. Toyota Motor Corp. and Honda Motor Co. increased their incentives by 40 percent.

The lowest interest rates in decades also spurred sales. Banks and finance companies have loosened up on credit in recent months, and people with good scores can get annual interest rates as low as 4 percent on car loans, said Paul Ballew, a former chief economist at GM who is now at insurance firm Nationwide. Plus, automakers are subsidizing loans so the rates fall even lower, cutting monthly payments.

"If you're paying more than more than 2 to 3 percent on a loan, you're probably not shopping hard enough," Ballew said.

Fuel costs aren't a major factor in what customers are buying, because people have adjusted to rising gas prices, Toprak said. Prices were hovering around \$3.10 per gallon at the end of last month, 44 cents higher than a year earlier. But they could be a bigger factor for car buyers if they hit \$4 a gallon. Toprak said that's likely given recent unrest in Egypt and other parts of the Middle East.

GM and Chrysler Group LLC led the way in sales last month, each reporting 23 percent increases compared to last January.

GM's Cadillac brand saw a 49-percent increase thanks to demand for the new CTS coupe, which went on sale last fall. GM also logged 321 sales of the Chevrolet Volt, an electric car with a backup gas engine. The only other electric car on the market, the Nissan Leaf, sold 87 for the month.

Toyota Motor Corp. recovered from January 2010, as sales rose 17 percent. Last January, it lost an estimated 20,000 sales after it recalled eight models because of defective gas pedals.

Toyota struggled to regain customers all last year, but now says it's keeping them — and stealing them from other brands.

Toyota truck sales rose 37 percent for the month, led by the RAV-4 small SUV. Car sales were up 15 percent. The Corolla compact and Prius gas-electric hybrid each rose more than 20 percent.

Ford sales rose 9 percent, partly because of a significant decrease in fleet and partly because of the discontinuation of the Mercury brand at the end of last year. Ford sold 248 Mercurys in January, 5,000 fewer than the same month a year earlier.

Co. and Chrysler said their sales soared 23 percent, while Ford Motor Co. reported a gain of 9 percent.

That's also a boon to thousands of smaller manufacturers that supply the auto industry, such as Advanced Secondaries, Inc., a small manufacturing firm in Cleveland.

The company, which employs 12 people, does drilling and other work on nuts, bolts and other fasteners. About 70 percent of its business is with the automotive sector.

Business began picking up in July and owner Don Nicholson says sales have doubled in the past year. He plans to hire three more workers over the next few months.

U.S. factories are also benefiting from rising overseas sales. The index of export orders jumped to 62 in January, from 54.5 the previous month.

That matches a recent peak that was reached in May and is otherwise the highest level for that index since December 1988.

And the prices paid index, which measures whether manufacturing companies are paying more for raw materials, jumped sharply. That's a sign that inflation could pick up soon.

If manufacturers are unable to pass on the higher costs, it could cut into their profit margins. AP Economics Writer Martin Crutsinger contributed to this report.

Auto sales rose at a healthy clip in January. General Motors