

The Britain Economy and Marginal Motoring 1915 to 2015

Introduction

The wealthy portion of the population of Great Britain were no strangers to personal transport, having access to the horse and carriage. With the advent of the motoring era they were quick to convert to this new and expensive form of personal transport, the car. By 1914 the cars purchased by the wealthy Britons were heavy motorcar, some times very heavy. Other less wealthy people who wanted or needed a car for personal transport for business or pleasure turned to the makers of the less expensive but still very expensive light car. This article is about how with some distractions along the way, the ultra light car became more affordable to the general population of Great Britain.

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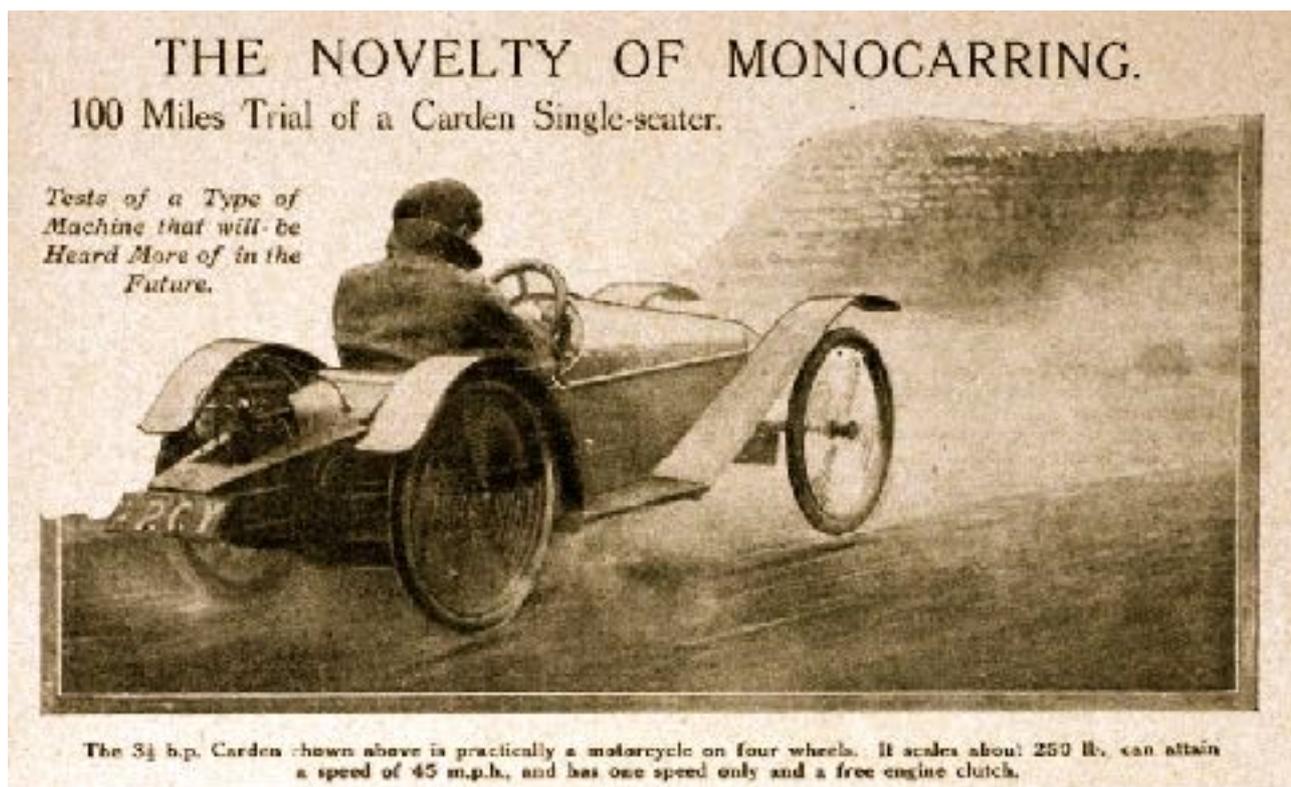
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Cycle Car era

Between the beginning of the twentieth century and the first World War, the first light cars were produced and a need for low cost motor transport was recognised. After 1912 all cars with engines less than 1100cc, were classed as cycle-cars for sporting purposes in Europe. The term Cycle-car was in general usage in Britain to describe all cars with engines with less than four cylinders. The cars with four cylinder engines being classed as light cars. Thing were not that clear cut, there were the true or primitive Cycle-car's, all chains and belts, the economy light cars with twin cylinder engines, with four cylinder engines, and some makes of economy light car with either twin or four cylinder engines, all under 1100 c.c. The true or primitive cycle-cars made by utilising motor cycle type component, they were produced as a low cost alternative to the light cars of the time and for a period either side of the first World War had a significant impact on the motoring scene but by the middle of the nineteen twenties had virtually disappeared.

Belts and chains had been used as transmission components in many vehicles produced in the nineteenth century and are still used today in many modern cars. By the beginning of the twentieth

century shaft drive was in almost universal use for the transmissions of motor cars. Belts and chains continued to be used for the ultralight forms of passenger vehicles such as the try-cars and quad-cars that were derived from motorcycles. The true or primitive cycle-cars evolved from these try-cars and quad-cars but mimicking the form of the car usually with a chassis instead of a tubular frame, although the tubular frame would continue to be used by one famous maker Morgan, until the end of cycle-car era. Unlike conventional light cars that mostly followed the configuration of larger cars of the period, primitive cycle-cars came in many configurations. With one or two seats the later in tandem or side by side arrangement, on three or four wheels with predominately an air-cooled engine mounted at the front, with belt or chain transmission or a combination of the two. It was the year 1910 that the soon to be termed, cycle-cars came to the public notice when three important makers in the history of cycle-car produced their first models, the diversity in their design



representing the diversity that was to be found in future cycle-car designs. The Bedelia made in France, was two seat in tandem car with belt drive and was of primitive design but proved very popular. The English GN was a two seat in the conventional side by side manner, which used multiple chains instead of a gear-box with initially belt final drive. The three wheeled Morgan's design was a collection of old and new features. The tubular frame was a link to the try-cars of the past, the shaft primary drive was a link to the future and the chain final drive that was also used instead of a gearbox was pure cycle-car. The first Morgan model was a single seater, but a two seat model soon followed. These three covered most variations in design of the Edwardian Cycle-car.

1915-1919

I have covered the story of the economy light cars in *Economy cars of the Edwardian Era*, *Economy Cars of the Vintage Era* and *Basic motoring, The Evolution of the Modern Ultralight Economy car*, so will not repeat a detailed description of the various models here. According to the *Edwardian Car* by Ernest.F Carter, there were numerous different makes of light cars and cycle cars on sale in Great Britain in 1914, with prices ranging from lowest at £60 for the Carden Cyclecar to the highest at £200 for the Hillman Lightcar. With varying degrees of price and

technical sophistication in between. These prices adjusted to 2015 values, (The latest date I can find online.) are £6247 and £21740 respectively, and are very similar to the price range of City cars and Supermini cars in Great Britain today. When it came to income and the purchasing power of the British general public in 1914, things were not in any way similar, with the average wage for the population as a whole being only £67 and skilled craft men (Only men were able to work in relatively high paid jobs then.) Could earn up to £100 in a year. Those figures converted to 2015 values are respectively just under £7,000 and £10,500. Compare these to the average income in Britain in 2015 at £27,217. and it is easy to see that the majority of the population in 1914 had little chance of purchasing a car, even the crudest cycle car and some of them were very crude, thus limiting the potential markets for new cars, but with an increasing desire for personal transport, in some way explaining the reason for the demand for such simple machine as the primitive cycle car.

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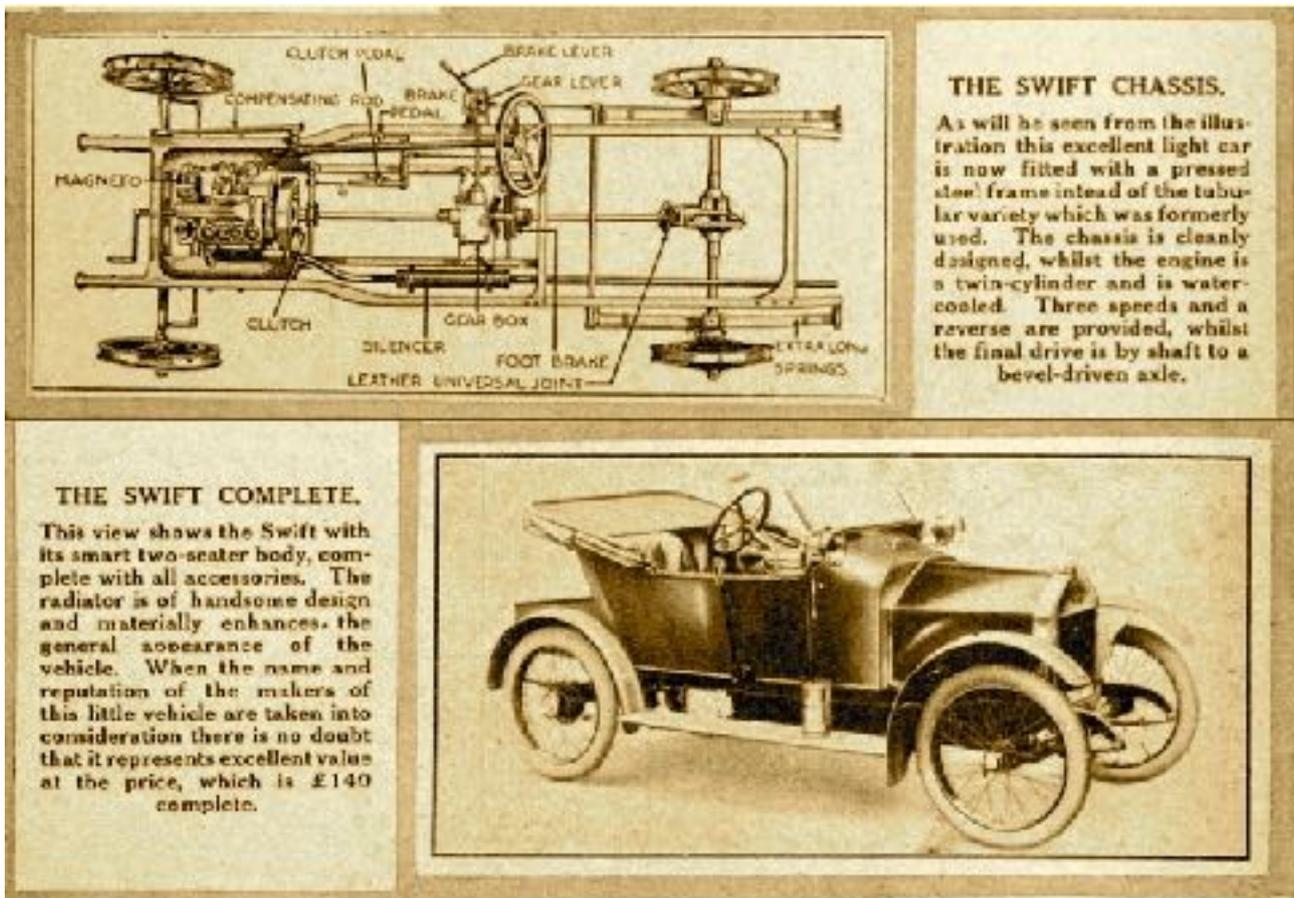
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1920 to 1929

By 1920, due to inflationary pressure as a result of the war, the average wage in Britain had risen to £186. The cost of the range of light cars and cycle cars, in their various specifications and degree of sophistication had risen accordingly. Ranging from £500 at the expensive end of the light car range to around £120 for the primitive cycle car. Even the lower end of the price range was out of reach of the majority of the population, even if they were willing to travel in an uncomfortable cycle cars exposed to the wind and weather. The public transport available, bus, tram and train, though not as convenient as personal transport, was at a level of comfort that only the most expensive light car was able to offer. One of the reasons the cars of the nineteen twenties were so expensive was that most of them were not produced at a sufficient rate that would take advantage of economy of scale. Nic Baldwin in his A-Z of Cars of the 1920s, lists the price of many light car and cycle car during different years of the period, some of which I have referred to above and will later in this article. He also quoted production time spans and totals of the significant light and cycle cars of the nineteen twenties. By using these two facts, I have been able to estimate the annual production figures for thirty of the cars available in that period. These show a range of production of for the most prolific the Rover Eight at three thousand units per year, down to only forty unit per for the A V cycle car. The next highest was the Morris Cowley and Oxford combined at one thousand nine hundred and thirty units in 1920, then the Standard Nine at a one thousand seven hundred and fifty average throughout its production life And the BSA Ten

and the Lagonda with the 11.9, at fifteen hundred each. Four others, Riley with the Eleven, Singer with the Ten, Jowett, Morgan and GN. Three had an output of five hundred, ten others produced around the two hundred mark and the remainder a hundred or less. One of the few producers of light cars in volume was Morris with the Cowley and Oxford models. But due to inflationary price rises, from the original 1915 price of £165 for the Cowley, the price rose to £285 in May 1919 then



£315 in August of the same year, reaching £375 for a two seat tourer and the four seat tourer £426 at the end of 1920, with a similar trend for the Oxford. By the end of 1920 the post war extra demand for cars had been satisfied. Morris soon found that production was out pacing sales, and with a build up of unsold cars. William Morris came up with a business plan that other had tried with little success, but in his case had spectacular results that would change the light car market. He slashed the price of the Cowley, the two seat tourer to £299 and the four seat to £341. Similar cuts were made to the price of the Oxford. The effect was that the combined sales of the two models rose in 1921 to 3,077, then 1923 to 6,937. For the whole period from 1919 to 1926 a total of one hundred and fifty thousand Cowley and Oxford models were produced. The Morris Motors pricing policy had a profound effect on the light car market. Another event in 1922 would have an equal if not greater effect on the small and cycle car market. That was the introduction of the Austin Seven. During the First World War, the Austin Motor Company had greatly increased its manufacturing capacity. Herbert Austin decided that the best way to utilise that capacity was to produce a medium size quality car in large numbers in the Ford manner. Unfortunately there was insufficient demand for such a car to use all the production capacity available and the company was losing money. He thought that there was a place in the market for an small car equal in technical refinement to medium sized cars but of very light weight. With a four cylinder engine, the ultra light cars at that time mostly had two cylinder engines. Four wheel brakes, which not all the larger cars had at the time and a light but effective chassis, the Seven was a step ahead of any small cars on the market. When first announced the price of the Seven was stated as £225, which was similar to many small cars in production at the time and only a modest degree higher than the price of a good motorcycle and sidecar combination, a popular form of personal transport at the time. In December 1922 a few months before the first machines were delivered to dealers, the price was reduced to £160. This completed the trio of conditions that gave the Seven the way to success, Good design, good price and production capacity so that it could be produced in

sufficient numbers to be profitable. At first the Austin Seven was only available as a two seat tourer but that didn't deter the buyers and one thousand nine hundred and thirty six Sevens were produced in its first year 1923, rising to four thousand seven hundred in 1924 and almost doubling again to seven thousand and forty three in 1925. One of the results of the aggressive marketing of Morris and Austin, was the other manufacturers had to reduce their prices to survive, many of them eventually cutting them by half. One thing that helped them with the price cuts were the reduced wages paid to their workers. this was due to post war recession, the average wage in Britain falling to £134 in 1925. This didn't save the smaller light car and cycle car producers, many of former changing their products or going out of business. The cycle car market almost disappeared only leaving the three wheeled car makers such as Morgan, who survived due to an oddity of the British taxation laws giving three wheeled cars a tax advantage.

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1930 to 1939

When it came to the affordability of purchasing a car at that time, it was a matter of no progress and it would only get worse for the next decade. Car prices continued to fall to maintain a place in the market for those that survived. The price of the Austin Seven continued to fall for the next decade. In 1931 Morris had introduced a version of their Minor, replacing the overhead camshaft engine with a side valve unit, that allowed them to reduce the price to £114 for the saloon version and £100 for a pared down four seat tourer, this didn't lead to increase sale. The new Austin Seven Ruby four seat saloon of 1934, could be purchased for as little as £120 and the Opal two seat tourer for £100. Although the price of the Opal had never been beaten for any proper car, the Ruby out sold the Opal fifteen to one, the car buying public having moved on from two seat tourers to four seat saloons. Austin sold over twenty two thousand sevens that year. The Minor was replaced by the all new Morris Eight model in 1934, priced at £120 for the saloon and £118 for the tourer. Morris sold one hundred and sixty four thousand Eight's between 1935 and 1937 reaping the advantage of economy of scale. Ford of Britain, hadn't been very successful selling their American style car, introduced a US designed 8 horse power model, whose chassis design showed traces of the Model T. The Model Y was an all steel bodied saloon that was of simple, robust construction, later versions of which were produced long after it was obsolete. In 1935 the two door model had been reduced in price to compete with Morris and Austin cars and October of that year were reduced again £100. Ford produced almost one hundred and fifty eight thousand Model Y's by 1937. These few manufacturers had increased their sale dramatically compared to previous times, reducing unit costs that helped them retain their place in the market but at the expense of other manufacturers that were unable to do so. These reduced prices didn't bring in new car owners, as the average incomes had fallen again to £129 in 1935, the cheapest cars on offer were about a years pay for a large proportion of the population. By 1939 the average UK income had risen to £143, but out of a population of forty six million only two million were car owners. With the advent of the coming war and the subsequent shortage for the next decade car ownership in Britain would decline.



1940 to 1949

At the beginning of the war a luxury or purchase tax of 33 1/3 %, was applied to the price of new cars and some other goods by the British government boosting the already rising price. By 1945 the average wage had risen to £248 and average price of a car to £310 widening the gap between wages and the possibility of buying a car. This didn't matter much, as new cars were virtually unobtainable due to that the requirement that the majority had to be exported to the ready markets around the world earning much needed foreign currency. In 1947, even those that could afford the higher prices that didn't have some sort of priority could place an order for a car which could take up to five years to be delivered.



1950 to 1959

The nineteen fifties generally were a bad time for motoring in Britain, with petrol supply and financial restriction and for a large part of the decade a limited supply of new cars. In 1951 purchase tax was increased to 66 2/3 %. The price of a Morris Minor, a new model in 1948 priced at £359 rising to £426 by 1951 it had increased to £520 after the tax rise. This is where the micro cars came in to fill the gap. Mostly with three wheels for simplicity and to take advantage of lower vehicle taxes. Of very light weight, low fuel consumption and lower purchase price, such as the BMW Isetta (A three wheeled version was produced in the UK.) the Heinkel Cabin Cruiser, and the Messerschmitt KR200. One of the first was the Bond Minicar three wheeled car, first produced in 1950 priced at £262, was a very simple machine with an aluminium unitary chassis/ body in a two seat convertible form, with a 197cc air-cooled two-stroke engine

that turned with single steerable front wheel. an updated version of the primitive cycle of earlier in the century.

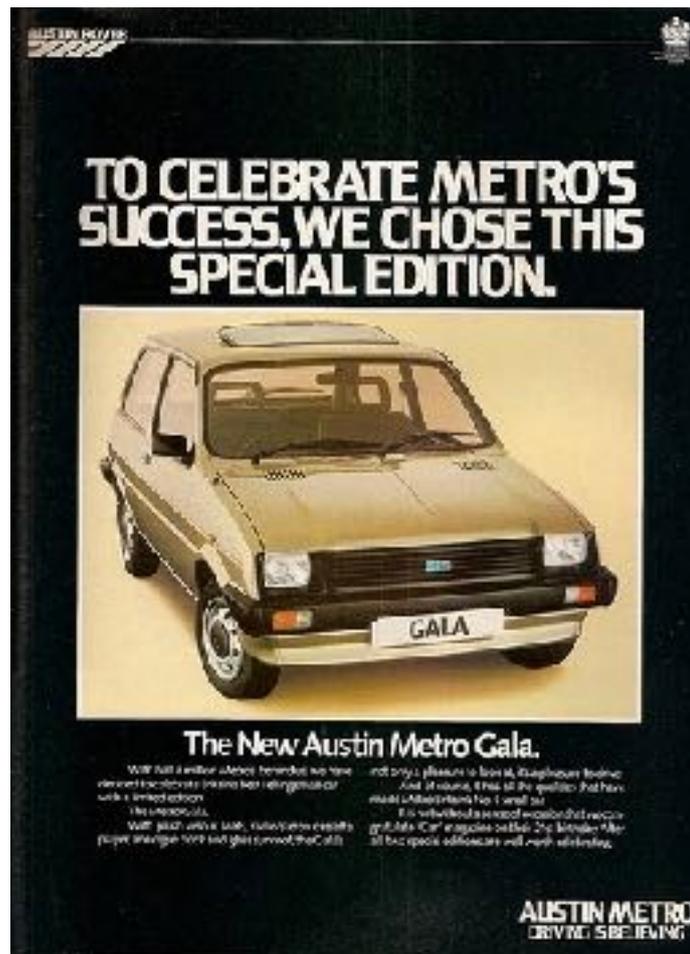
In 1953 Ford introduced their Popular model, the final version of 1932 Model Y, priced at £391 it was the 1950's version of the £100 car but the design was so out of date that sale were only a quarter of the similar sized much more expensive Anglia Model produced at the same time. Once again showing that specification over low cost was importance to those who could afford to buy a new car. 1959 turned out to the high point of the decade for motorists, Purchase and income taxes were reduced in that year boosting car sales of British produced cars to six hundred and fifty thousand, out of a total of one point two million produced, there being a ready supply of new car by then. Imported cars sales were only in the low tens of thousands. That didn't mean that the ability to buy a new car was universal in Britain. A study in the early nineteen fifties had shown that over sixty percent of the population over twenty five of age, had capital or savings of less that £100. As hire purchase regulations at the time required that a 33 % deposit on any purchase, which was well above that figure this excluded these and many others from the market.



That year three new models entered the car market. The Ford Anglia 105E was an up to date example of the conventional light car of the period priced at £589, The Triumph Herald was an original design which came about more because of lack of production facilities than advantages, priced at £702. and the BMC Mini, which was for Britain though not for Europe, a revolutionary design, priced at £500, the Mini unlike the others was an ultra light car, said to have been conceived to combat the growth of the microcars sales. It was lower in price in Britain than the contemporary European mini cars due to import duties, and also the preceding Austin conventional small car the A35. Average car prices for the period was £780 and the average wage was £595. The modest decrease in the price of the Mini as against the other cars available had very little effect on the overall market, and its unconventional design didn't appeal to many of the public. Once again having the lowest price wasn't a good selling point to those that could afford to buy a new car it was what you got for your money that counted. And it wasn't until people discovered that the Mini was a lively, fun car to drive at a modest price that sales took off.

1980 to 1989

By nineteen eighty VAT was raised from eight to twelve and a half percent that year, and inflation was running at twenty one percent. An other example of the cost of purchasing a new car in the nineteen eighty is as follows. Austin introduced the new Metro Model, the expected replacement for the Mini, The basic price of the one litre model was £2805, then special car tax was added at £236, with delivery charges added and VAT at £477 and road tax at £60, resulting in a grand total of £3717. The new Fiat Panda was priced at £3490 in the UK. The average wage had gone up to £5,095. By 1986 the new Citroen AX would cost you from £4399. In 1989 the Bank of England raised the bank rate to the high point of 14.875 %, leading to a recession in 1990. Car sales dropped from over two million to under one point six million for the next two years, recovering to over two million in 1996.



1990 to 1999

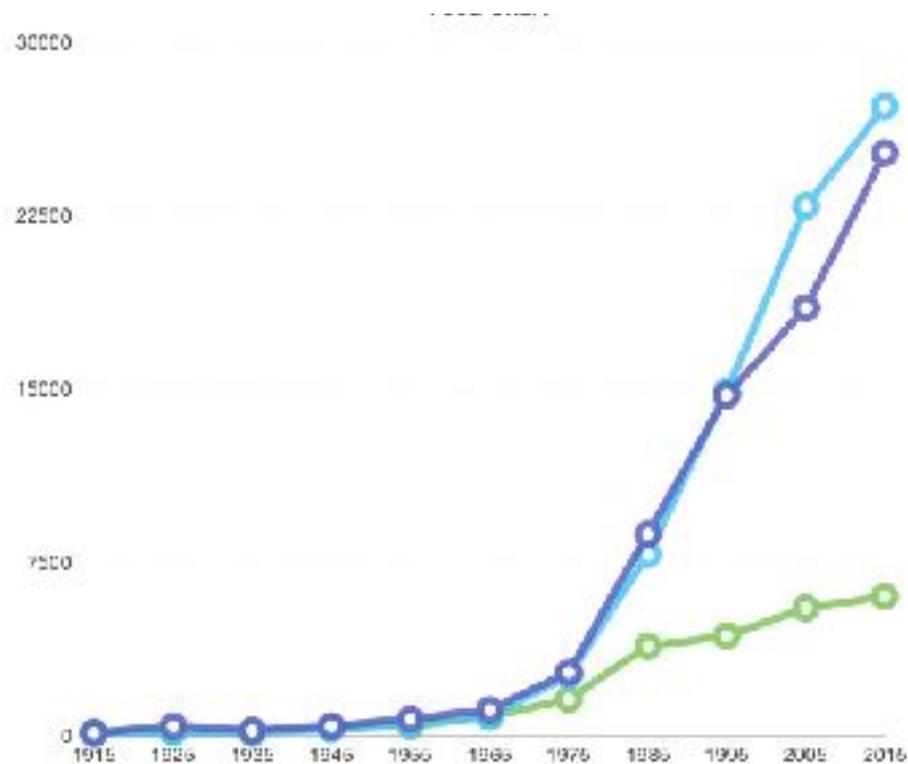
In 1990 the Austin Metro was replaced by the Rover Metro, priced at £5985, a revised model with up to date running gear, replacing the old A series engine, that would be retained for the Mini until the end, by the new K series unit. In 1992 the basic Mini the Sprite would cost you from £5117. the cheapest car on the British market in 1994, was the Lada Riva 1500 at £3995, the next being the Seat Marbella at £4295. An eight year old Mini City could be purchased for between £1100 and £450, and a five year old from £2150 to £1450, depending on the condition. New small cars introduced in the nineteen nineties were, the Renault Clio in 1990 priced at £6715, the Fiat Cinquecento in 1991 priced at £5416, and the Skoda Felicia in 1994 at £5995. In 1991 road tax was at a flat rate of £100, and petrol prices had risen to £2 per gallon and average wage had risen to £12726. Special car tax had been 10% at the beginning of the decade, and abolished by the end of 1992.

Production of the Mini ended in 1999 after almost five and half million were made. Its 1999 price was £8850, an unrealistic price and only because it had become a cult car. Metro production had ceased in 1997, leaving the Nissan Micro as the only UK produced city car.

2000 to 2009

In the year 2000, car sales had risen to two point two million, and the bank rate was at 6%, from then on declining to 0.25% in 2016 . The average wage was £18848. keeping up with inflation, where as the price of new entry level cars had begun to level off and would continue to do so through out the decade. There were by then plenty of moderately priced cars on the UK market from all over the world, such as the Citroen Saxo and Peugeot 106 from France at £5995 and £6995 respectively. The Daewoo Matiz priced at £6595 and the Hyundai Amica at £6799, both from South Korea. The Daihatsu Cuore at £6445, the Toyota Yaris at £7446, from Japan, the Fiat Seicento £6470 from Poland, the Ford Ka at £6995, and the Vauxhall Corsa at £6945, from Spain and the Suzuki Alto at £6300 from India, a country that would have an increasing influence on the UK car market. The Nissan Micra produced in the UK was one the most expensive at £7700. Throughout the decade there was very little change in the cost of the models listed above or their replacement in the makers model range, except a few that had been replaced by larger cars using the same name.

Inflation. Average Wage. Economy Car Costs.



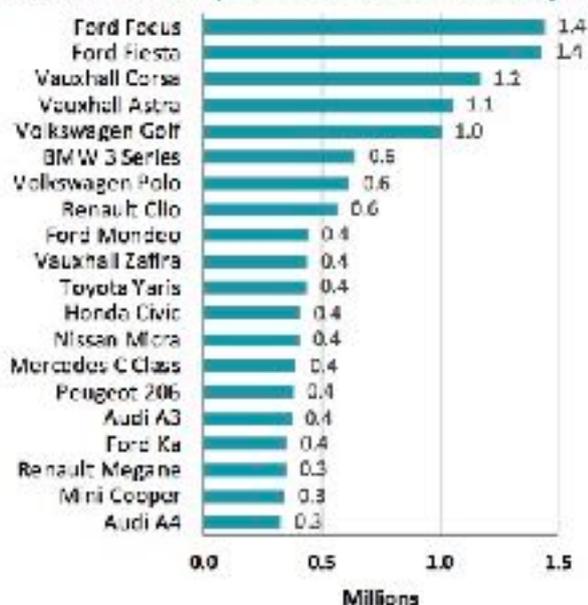
2010 to 2015

The total number of cars registered in the UK in 2011 was twenty eight point five million, an increase of thirty four percent since 1994, and new cars sale were one point nine million. It would rise to thirty point two million in 2015, with new cars sale were two million six hundred and thirty three thousand in that year. The average wage in the UK continued to rise each year and by 2015 had reached £27,217.

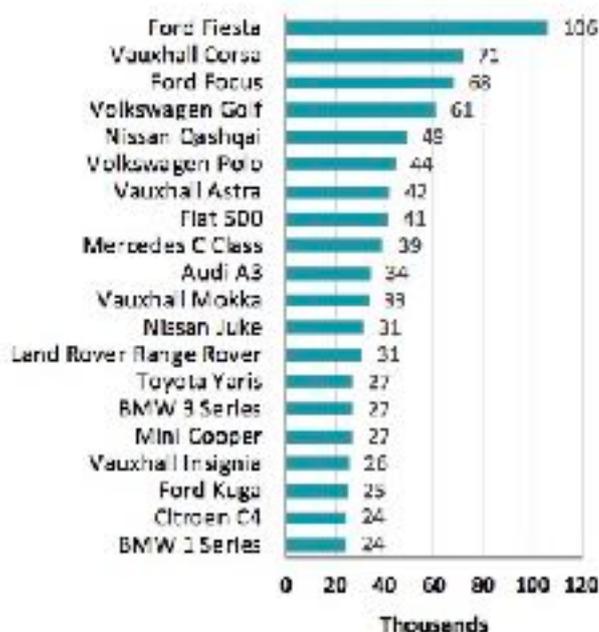
Conclusion

During the first sixty years of this study the price of the least expensive cars had closely followed the average wage. The next forty years saw the average wage climb away from those car prices, making the purchase of a new car more affordable to many of the population, but as in case of the £100 car, the British public mainly do not like economy cars, and would rather spend the money on a second hand supermini or bigger, as the following table shows.

Licensed cars, top 20 models, GB: End Sep 2015



New car registrations, top 20 models, GB: January to Sep 2015



Footnote

Of course there has always been a significant portion of the population that could never afford even a second hand car and I doubt that will change any time soon.