

ACCESSION AR-66-9

E. R. BREECH PAPERS (1946-1951, 1953, 1960, 1961)

BOX INVENTORY OF CONTENTS

Note: This accession is filed in with the Small Accessions and is in of Small Accession Group.

Contents:

- 1 folder: "SUPPLEMENTAL COMPENSATION-1946 Through 1951". This Folder Includes:
- L. D. Crusoe to Breech re: "Considerations in Formulating a Company Bonus Plan" 12/19/1946.
 - Typed copy of "PROPOSED BONUS PLAN", not dated.
 - R. S. Mc Namara's Departmental Communication re: "Revision of Paragraph E, Part I Procedures for the Planning Office, 12/12/1946, and copy of the revision as established 12/12/1946.
 - Tables: # I-"Comparison of Planning Office Salary Pattern with the Pattern of the Planning and Control Division as of 12/15/1946", dated 12/17/1946
 - # VI-"Basis for Recommending Individuals for Bonus"
 - "Executives at Foreign Branches & Companies Under Direct Supervision-International Division-who Receive Salaries Equivalent To or Over \$12,000.00 Per Annum", initialed WFG; dated 12/3/1946.
 - J. N. Kennedy memorandum to C. B. Thornton; List of individuals earning \$1000.00 per month, or more, in Branches, not dated.
 - Longhand draft (unsigned) listing number of branch personnel receiving \$12,000.00 or more per year, not dated.
 - Longhand draft (unsigned) tabulating number of personnel within various ranges, not dated.
 - Longhand draft (unsigned) "Analysis of Cost of A Roll Bonus", not dated.
 - Crusoe to Breech conveying breakdown of salary payroll for month of September, 1946, by activity, dated 12/4/1946.
 - Crusoe to Breech re: "Bonus Payments to "A" Roll Employees", 12/3/1946.
 - List of Foreign Branch personnel salary and bonus data, initialed WFG, dated 12/4/1946.
 - Crusoe to Henry Ford II and Breech re: "Draft of Proposed Supplemental Compensation Plan", dated 10/13/1947
 - Original draft of proposed supplemental compensation plan; not dated, unsigned.
 - Draft copy of "Instructions for Form: 'Employees Eligible for 1947 Supplemental Compensation'", dated 11/17/1948
 - Draft of Henry Ford II Executive Communication re: Supplemental Compensation Plan, not dated.
 - Mc Namara to A. R. Miller advising agreement was reached 11/20/1947, among Messrs. Crusoe, Sheppard and Mc Namara, regarding method of showing provision for supplemental compensation on Financial Statements, Financial Forecasts, Monthly Financial Operating Reviews etc., indicating the sequence of headings to be used. Dated 11/21/1947
 - Draft to Mr. Gossett re: "Comments on Draft of Supplemental Compensation Plan", 11/19/1947, unsigned.
 - D. Kehl to Thornton conveying copy of "Supplemental Compensation Plan" as amended by the Executive Committee on December 3, 1947.
 - Crusoe to Roberge conveying list of supplemental compensation awards to personnel of International Division and directives for the processing of the awards, 12/18/1947.
 - Thornton to Crusoe re "Bonus for Mr. Hamilton, Manager, Dearborn Inn" 12/12/1947
 - Thornton to Briggs re payment of supplemental compensation for specified terminating and deceased employes, 12/23/1947 and directives for the various awards to all other personnel groups approved to receive such award.

Mc Namara to Crusoe conveying notes from Harder and Shinner requesting changes in supplemental compensation awards to A. E. Hampton and F. G. Grainger, 1/15/1948.

Thornton letter to Mrs. Eleanor Clay Ford conveying copy of letter addressed to Mr. Gordon S. Rentschler containing information which may be helpful in determining recommendation of supplemental compensation to be awarded to the President of the Ford Motor Company, 12/11/1947; copy of Thornton's letter to Mr. Rentschler included in file, dated 12/11/1947.

Thornton letter to Mr. Rentschler conveying additional information concerning implementation of Supplemental Compensation Plan as approved by stockholders of Ford Motor Company on 11/26/1947; dated 12/11/1947.

Thornton to Breech re: "Information Sent to Mr. Gordon S. Rentschler", 12/11/1947

Thornton to R. Dunham expressing appreciation to him and his staff for efforts toward completion of the Supplemental Compensation Plan. 1/14/1948

Thornton to Coulton conveying same appreciation 1/14/1947

" " W Hurd " " " 1/14/1947

" " Miss V Holato conveying appreciation for completion of the Supplemental Compensation Plan without a single error in mathematical computations, 1/13/1947

G. Fenimore, Jr memorandum to Mc Namara re: Bonus payment to Earl C Burkey (Chief Engineer on the Benson Ford), not dated.

Henry Ford II to Mr. D. S. Harder, J R Davis, M. L. Bricker, R. Smith, M. L. Wiesmyer, A. J. Browning, H. T. Youngren, R. Roberge, W. T. Gossett, L D Crusoe, J. S. Bugas, (a separate letter to each) conveying amount each unit to receive from the Supplemental Compensation Fund; requests each submit recommendations as to awards to be made from the amounts to individuals in the particular organizational units, 11/26/1947.

Crusoe to Executive Committee Acting as Supplemental Compensation Committee, submitting for their considerations, requests for adjustments in supplemental compensation awards 1/22/1948

Longhand draft of "Tentative Schedule For The Administration Of The Supplemental Compensation Plan", not dated.

McNamara to Eberle conveying divisional breakdown of 1947 supplemental compensation awards, 11/16/1948

Crusoe to Sheppard requesting specific financial data in connection with supplemental compensation fund, 11/10/1948.

Supplemental Compensation Chronology, not dated.

Tentative Schedule for the Administration of the Supplemental Compensation Plan, 11/30/1948

Crusoe conveying instructions for 1948 supplemental compensation awards; requests each organizational component to submit recommendations for awards to individuals within the units; attached "Instructions for Form: 'Employee Eligible for 1948 Supplemental Compensation'", not dated

Crusoe to Breech re: "Supplemental Compensation Status" 12/3/1948

Crusoe to Briggs summarizing distribution of supplemental compensation awards for 1948 12/28/1948

Mc Namara to Lundy re Crusoe's belief that there should be modification of the clauses of Bonus Plan pertaining to payment of bonus to Policy Committee members, 2/1/1949

Yntema to Executive Committee conveying figures of earnings and supplemental compensation data for 1948, 3/18/1949.

Mc Namara to Menger advising minutes of December 14 Supplemental Compensation Committee Meeting do not state total amount of awards; outline of statement submitted etc., 3/10/1949

Mc Namara to Robert Warner of Lybrand, Ross Bros. & Montgomery, advising conversation of March 9 pertinent to total amount of Supplemental Compensation Awards for 1948; letter establishes confirmation of facts, 3/24/1949

Mc Namara to Henry Ford II re: "Supplemental Compensation Calculation"; advises a re-computation on basis suggested by Mr Ford has been completed; conveys table comparing results on present and proposed formula and data for General Motors Plan, 5/5/1949

Yntema to G. Howard re Supplemental Compensation plan of Ford of England, 5/16/1949

Mc Namara to Quaipe conveying revised copy of memorandum dated 9/16; incorporates suggestions made in Quaipe's memorandum of 9/28, 9/29/1949.

Mc Namara to Lybrand, Ross Bros. & Montgomery advising exact language of Supplemental Compensation Plan being revised, requests Lybrands to make review similar to 1948, and submit report of amount available for the Fund credit and amount after credit etc. 10/27/49

- Mc Namara memo to Menger advising Mr. Benson Ford requested Supplemental Compensation lists be turned over to his secretary, in event of his absence, not to Mr. Ostrandor, 11/2/1949
- Lybrand, Ross Bros. & Montgomery letter to McNamara acknowledging authorization to make review and report etc. 11/2/1949
- Letter re Executive Compensation Plan (1945-1946) to Mr. Menger 11/3/1949
- Mc Namara to Menger asking bonus letter for Mr Oswald be delivered to him. Breech wishes to review it before being sent out, 11/18, 1949
- Mc Namara to Menger conveying bonus sheets for Office of Executive Vice President and all other category signed by Mr. Breech and Mr. Ford; instructions for Menger, schedule etc for drafting communications, memos etc; reminds Menger of need for Legal's review etc., 11/18/1949
- Mc Namara to Menger concerning schedule for meetings on the bonus, 11/18/1949
- Harder to Yntema re possibility of paying a bonus to R. Kroll, 3/3/1950
- Mc Namara to Briggs re additional supplemental compensation award for R. Kroll, 3/8/1950
- Briggs to Kroll advising Executive Committee has awarded him supplemental compensation for 1949, 3/8/50.
- Mc Namara to Briggs conveying instructions for delivery of Kroll's supplemental compensation award, 3/8/50
- Mc Namara to Menger advising Mr Ford and Yntema approved releasing bonus plan information to Du Pont...instructs him to eliminate all information pertinent to the formula etc. 4/7/1950
- Mc Namara Executive Communication to the Stockholders of Ford Motor Company (with notation: "Read and discussed by me at the stockholders' meeting Monday, April 23, 1950 RMC II")
Re: study, as requested at stockholders' meeting of November 4, 1949, to determine the advisability of adjusting the formula in the Company's Supplemental Compensation Plan; included examination of plans of number of other companies, including principal competitors; briefs results of the survey and summarizes effects of proposed plan; recommends adoption of bonus plan equivalent to and competitive with General Motors plan etc; attached exhibits comparing competitive and other company plans etc. 4/21/1950
- Yntema to Briggs conveying changes for records on supplemental compensation awards and payments covering: August Miller--excluded because of investigation in process concerning his conduct as an employee affecting right to receive payment of award; Clarence Allan award withheld payment pending results of investigation in process with respect to his conduct as an employee. Advises Yntema that Executive Committee resolved 2/27/50, that it "does hereby disclaim any and all liability or obligation which now exists or may exist with respect to the foregoing awards of supplemental compensation." Kroll award should become matter of record; Duffy award should be transferred to Policy Committee category, 4/26/1950
- Menger to Harding (E. I. DuPont DeNemours & Co., Inc., -Manager, Pension Statistics Sect.) conveying copy of Supplemental Compensation Plan; blanked figures explained; advised Harding Ford does not, as general rule, release copies of the plan outside of organization and requests him to restrict the use to internal purposes etc., 5/5/1950
- R. Fisher to Mc Namara re: General Motors Bonus Plan...implication that interest is not paid, will make effort to determine if such is the case, etc. 5/12/1950
- Draft of "Proposed Change in the Supplemental Compensation Plan" with supporting exhibits of pertinent data on comparisons with other companies etc. (not dated)
- Yntema to Board of Directors re: "Proposed Changes in the Supplemental Compensation Plan" (not dated)
- N Hall memorandum to Yntema re: Ford Motor Company Supplemental Compensation Plan.... listing of documents to be assembled for meeting of Trustees of Ford Foundation, 7/21/1950.
- Yntema to Hall conveying requested documents on Supplemental Compensation Plan, 7/28/1950
- Mc Namara to Lundy advising Mr Ford has for the Audit and Compensation Committee to meet 10/31 to consider recommendations and also advises Hall that Mr Ford requested "that we clear with him the assignments of managers to recommending authorities etc., 9/21/50
- Mc Namara to Emmert requesting him to review Bogdan's memorandum regarding decision on two questions pertaining to the Supplemental Compensation Plan, 9/13/1950
- Mc Namara to Brink advising him Audit and Compensation Committee request to auditors... asking that the auditors' statement about credit to Supplemental Compensation Fund refer specifically to any extraordinary charges or credits to this year's earnings. 10/30/1950

- Brink letter to Lybrand, Ross Bros. & Montgomery advising schedule for compilation of data for the Executive Committee Meeting of 11/27/1950 so that they may decide upon recommendations covering awards of supplemental compensation; Audit and Compensation Committee request for specific data in the report of the independent audits etc., 11/1/1950
- Lybrand, Ross Bros. & Montgomery letter to Brink advising they believe the program requested can be completed according to early schedule outlined in his letter of 11/1; Audit and Compensation Committee report to include data as requested etc., 11/3/50
- Kehl memorandum to McNamara re proposed memorandum of 11/9....questions regarding the plan to be directed to Mr. D. B. Emmert of the Finance Office. Kehl feels the Supplemental Compensation Plan is a legal document and questions may include matters requiring legal interpretation....feels, and advises it is the understanding of the Office of General Counsel, that any questions involving legal interpretation of the plan, other than legal tax matters, will be either referred to, or cleared with Office of the General Counsel, 11/9/1950
- Mc Namara to Emmert advising Mr. Ford asked if any part of bonuses awarded to retiring employees, or to employees who will retire during next year should be deferred... asks Emmert to consider and check on this; check General Motors plan for this etc., 11/15/1950
- Mc Namara to Emmert asking him to bring the bonus letters to Messrs Barkdull and I. R. Miller to his attention before they are mailed out, 11/21/1950
- Yntema to Lybrand, Ross Bros. & Montgomery conveying estimate of income and net income for the year ending 12/31/1950 in accord with paragraph 5 of the Ford Motor Company Supplemental Compensation Plan, including alternative estimate of Net earnings under the Plan approved 7/14/1950, as required by the resolution approved by the stockholders on 10/31/1950; also conveying copy of Four Months' Forecast 11/22/1950
- Lybrand, Ross Bros. & Montgomery acknowledged receipt of above. 11/27/1950
- Mc Namara to Emmert advising Mr Davis wish to defer part of 1950 Supplemental award... make no payment until determination of action has been reached in respect to his request for deferment, 12/1/1950
- Mc Namara to Emmert requesting him to establish and clear with Counsel's Office, a formal procedure for validating deferred payments of Supplemental Compensation to former employes, as...what investigation will be made before paying 1950 award to Howard to determine that Mr. Howard conforming to conditions of Plan, 12/4/1950
- Quaife conveying Office of General Counsel's copies of drafts of proposed letters of notification to be used in connection with awards of Supplemental Compensation for 1950 to members of Administration Committee; copies sent to Yntema and Mc Namara 12/7/1950; includes copy of draft of notification to be used in connection with award to the President of the Company.
- F Thomson to Mc Namara re: "Supplemental Compensation"; quotes minutes of meeting of Executive Committee of 11/15 pertinent to awards in foreign currency for foreign branch employes; schedule of standard bonuses etc., 12/7/1950
- Brink to Quaife proposing type of amendment to the Supplemental Compensation Plan the Controller's Office feels would be required to make possible the non-consolidated branches and subsidiaries to accrue and charge to expense directly such portion of the awards under the plan as may be determined by the Executive Committee; includes suggestions etc., 12/22/1950
- Mc Namara to Lundy asking him to discuss manner in with to obtain E.S.A. approval of Supplemental Compensation Plan with either Quaife and/or Kehl, 1/29/51
- Brink to Kehl advising he reviewed draft of option proposed for issue by Audit & Compensation Committee; believes it will enable operation under procedure whereby awards made to non-consolidated subsidiaries and branches will be accrued and paid directly by such non-consolidated subsidiaries and branches; opinion reviewed by Lybrand, Ross Bros. & Montgomery and they believe it covers situation satisfactorily; wishes to have extra copies of the opinion etc when formal transmittal of it is sent to Lybrands and they have formally acknowledged. 2/5/51
- Emmert to Lundy re Ford International desire to establish formal, independent bonus plans for subsidiary and affiliated companies in Europe and Egypt; briefs present practice; question of separate plan for each location being studied etc., 2/16/1951
- McNamara to Lundy re: Denton Emmert's memorandum on International Bonus Plans...brings two questions to mind (1) Is independent bonus plan for European and Egyptian subsidiaries and affiliates justified when we include South American subsidiaries and branches in Ford of Delaware plan and (2) What time schedule to be followed? 3/7/1951

Brink to Lybrand, Ross Bros. & Montgomery conveying copy of letter from members of Audit & Compensation Committee covering the interpretation of Supplemental Compensation Plan with respect to treatment in accounts of awards accrued and paid directly by non-consolidated subsidiaries and branches, 3/7/51

Lybrand, Ross Bros. & Montgomery acknowledgement of receipt of above 3/12/51

" " " " " to Yntema commenting on Yntema's letter to F. Eaton in which comparisons were made of credits to the Supplemental Compensation reserve under the old and new formula and attached schedule ---calls attention to errors in the comparison schedule figures and corrections given; errors in 6 items of computed amounts should be revised; tax rates should have been 42% instead of 38 etc., 12/4/50

Lybrand, Ross Bros. & Montgomery to McNamara conveying 4 copies of above letter to Yntema 12/4/50

McNamara to F. Eaton of Shearman & Sterling & Wright conveying report prepared by Lybrand, Ross Bros. & Montgomery concerning Ford's letter to Eaton on 11/3/50; advises more precise figures were computed etc. 3/14/51

Emmert to Lundy on General Motors Bonus plan...eligibility rate lowered etc. Advantages and disadvantages of lowering Ford's eligibility rate discussed, costs involved, administration etc 4/25/51

Lundy conveying Emmert's GM (cited above) to McNamara; asks if top executives should be advised now, 4/30/51

McNamara to Lundy advising 2 thoughts have come to mind after reading Emmert's GM discussion and asks him to have Emmert make arrangements with General Council to obtain government approval and (2) to prepare paper addressed to Audit and Compensation Committee summarizing the GM, Chrysler and Ford Awards and ask if Committee wishes any modifications 5/7/51

Emmert to McNamara advising a division of Economic Stabilization Administration has been created to regulate executive compensation, including bonus plans...suggests modifications contemplated should be done before approval clearance would have to be sought etc. 5/16/51

Bugas ex com to Yntema re proposed change of bonus roll salary level 6/14/51

Yntema to Executive Committee and Audit & Compensation Committee re eligibility rates under the supplemental compensation plan...recommends no lower rate be made for eligibility; details of awards of GM, Chrysler and Ford conveyed in schedule; advantages and disadvantages of lower eligibility rate etc 7/2/1951

McNamara conveying draft of above to Dunham 7/3/51

Bugas ex com to Yntema re proposed change of bonus roll salary level; gives reasons why he feels the rate of eligibility should not be lowered; urges no change 6/14/51

Yntema executive communication to members of Audit and Compensation Committee re eligibility rates under the supplemental compensation plan...recommendation that there be NO change in rate for 1951 etc. 7/9/51

Lindquist to HFII; Breech, Bugas, Gornick, Gossett and Yntema conveying copy of U.S. Salary Stabilization Board's issued General Regulation # 2 covering bonuses, superseding earlier Wage Stabilization Board Regulation # 14; analysis of the new regulations and effects on the Company's supplemental compensation plan cited; copy of new regulations attached. 8/21/51

~~11/3/1111/~~

Yntema to Audit and Compensation Committee re supplemental compensation for 1951; requests tentative decisions on items pertinent to 1951 awards; conveys financial and administrative facts which must be considered in decisions relative to the 1951 awards; governmental regulations to consider; 9/12/51

Brink to Lybrand, Ross Bros. & Montgomery advising schedules for data required of them in connection with the supplemental compensation fund credits; etc 11/1/51

Yntema to Bugas re salary policy for bonus roll employees...seems to Controller's Office that improvement factor and cost of living increases should be granted on a percentage basis to all bonus roll employees etc. 11/6/51

McNamara to Emmert and Lundy advising Yntema requested preparation of memorandum to be discussed at next Board of Directors' meeting, summarizing the status of Supplemental Compensation fund; memo should include items listed etc. 11/5/51

Yntema to Henry Ford II advising installment of "contingent termination credits" under Sup. Com. Plan is payable on 1/10/52 to Mead Bricker and G. Howard provided they have fulfilled conditions as set forth in paragraph 11c(4) (installment payable only if during the entire period from time awards were made to him until 12/31/51, he has refrained from engaging in business of mfg of automobiles etc and made himself available at reasonable times to consult with, supply information etc...affidavits sent to them

Loose items included in the folder marked "SUPPLEMENTAL COMPENSATION"
Emmert letter to Mr A. Patton of McKinsey & Company conveying 1950 data for his
Employee Compensation Survey (copy of information attached) 10/11/51

Mr Patton (McKinsey & Co) letter to McNamara conveying preliminary reporting of the
survey Patton conducting...copy of "Preliminary Data; Employee Compensation Survey
1939 and 1950 Averages"

1 folder containing "SUPPLEMENTAL COMPENSATION PLAN" (copy of proposed plan for
approval of Board of Directors etc and copies of Crusoe and of Thornton
cover communications 2/25/47.

1 folder containing "ADMINISTRATION OF 1947 Supplemental Compensation Plan"

1" " excerpts from minutes of meetings and records held in the Secretary'
Office..."1947 Supplemental Compensation Plan"

1 copy of "DEALERSHIP MANUAL--FINANCIAL CONTROL AND INTERNAL PROCEDURE" issued by
Dealer Development ; Ford Motor Company, The American Road , Dearborn Mich...
contains sheets for January 1, 1960 and revised sheets of February 1, 1961
Contents: Foreword conveying recommendations on financial and operating procedures
for dealership corporations financed by Ford Motor Co through the Dealer
Development Plan;
Financial control policies covering: responsibilities of the President-
operator; dealership capitalization; real estate and leases; banking
arrangements; financing arrangements; insurance arrangements, contracts
and purchases; accounting systems, credit collections, reserves and
write-offs, auditing arrangements, parts and accessories inventory
arrangements, company cars and demonstrators, used cars and trucks,
personnel and employe compensation, withdrawals-advances and travel
expense
Management procedures including: officer and employe responsibilities for
adhering to dealership policies and procedures; the use of management
controls, maintenance of good dealership relations; use of memberships
contributions subscriptions, use of management check list, development c
new car and truck merchandising, development of used car and truck
merchandising, development of parts and accessories merchandising, deve-
lopment of service merchandising, development of finance and insurance
income, accounting systems, internal control, financial statement
preparation and reporting (monthly financial statement, procedure to
be followed prior to submitting regular year-end statement; internal
control etc.

1 PLAQUE...a tractor emblem, mounted on wooden base, inscribed "GOLDEN JUBILEE MODEL
1903.....1953"

Inventoried April 6-7, 1966