



CITROËN

Owned by:

PSA Peugeot Citroën

Current situation: Citroën models are often poorly built and unreliable but they sell by the millions, because in Europe they're cheap and because Europeans tend to buy European cars. Sales in China aren't doing so well.

Citroën is currently part of an aggressive rescue plan by the PSA group. After years of economic recession, poor sales and crippling losses, the PSA group is beginning to see light at the end of the tunnel.

PSA has split off the Citroën DS from the rest of the Citroën range, launching it as a new, upmarket brand, called just *DS*. Few French automakers have ever launched successful upmarket brands, so we're not holding our breaths.

Chances of survival: uncertain.

Ultimately, Citroën is the black sheep of the family, and will be the first, or second, to go if PSA starts ditching brands. ●





CITROËN

a brief history



ANDRÉ CITROËN was born in Paris in 1878 to Levie Citroën, a Dutch-Jewish diamond merchant. The name *Citroën* derives from the Dutch *Limoenman* meaning: ‘small lemons man’.

Sadly, André Citroën’s father died when André was six.

André did not follow in his father’s career footsteps, and instead trained as an engineer in the Parisian *Ecole Polytechnique*, graduating at the age of 22.

André soon showed a knack for making things, and making things work.

André worked for the *Mors* car company between 1908 and the outbreak of World War One.



CITROËN

In 1912, while visiting relatives in Poland, André saw a novel set of gears. Sensing a commercial opportunity, he began manufacturing similar gears in Paris, and used the shape of the gears as his company's logo.

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CITROËN**

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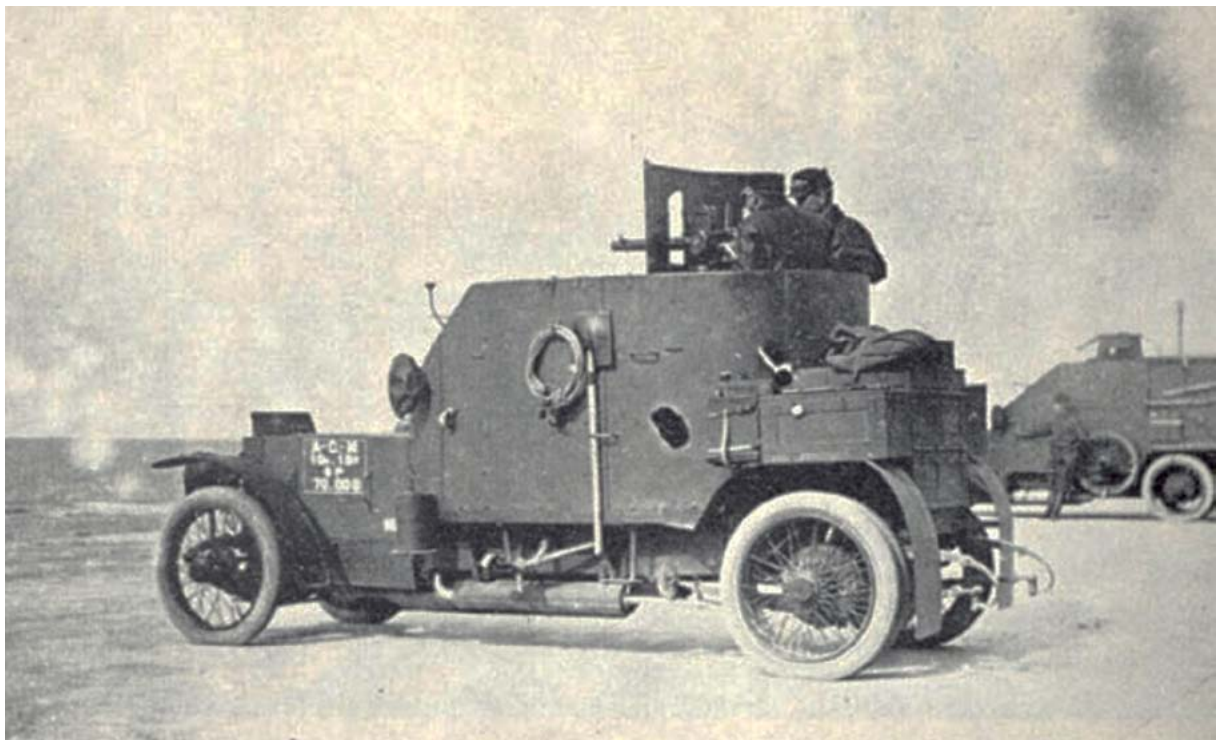
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SOCIÉTÉ ANONYME DES ENGRENAGES CITROËN
DU CAPITAL DE CINQ CENT MILLE FRANCS
RÈGLE SOCIAL
21, QUAI DE GRENELLE PARIS

Also in 1912, André visited Henry Ford's River Rouge plant in Dearborn, Michigan. André was so inspired that he spent most of his life copying Ford's methods.

In 1913, with World War One looming, André took over the Mors automobile company and increased output tenfold. Mors armoured cars were used throughout Europe and Russia.



Under André's management, the Mors company also began producing munitions, peaking at 50,000 shells a day.

In the shattered aftermath of World War One, in 1919, Citroën began building cars in place of munitions.



André was a clear-headed businessman: whereas most cars were still hand-built for the wealthy, he saw that the future lay in mass production of cheap cars for the masses. And, rich with profits from the war, André contacted fellow engineer, Jules Salomon, and the two men developed the Citroën *Type A*, which went into production in 1919. This was much harder than it sounds: at a time of political, industrial and financial upheaval, André's company was still able to manufacture 100 cars per day.

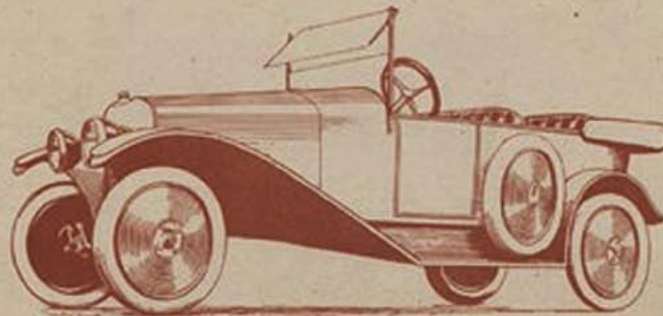
Copying Henry Ford's business practices, André set up a dealer sales and service network across France. At a time when the French government was too poor and distracted to sort out the roading network, André simply took over some of the job himself. Around France, Citroën dealers nailed up Citroën road signs.



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André Citroën

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Torpedo 3 places (dont un strapontin)	7.250 Fr.
Torpedo 4 places	7.950 —
Conduite Intérieure 3 places	8.000 —
Conduite Intérieure 4 places	9.000 —

Complètement Équipé et Carrossé :

Coupé de Ville	9.800 Fr.
Camionnette	7.200 —
Voiture de Livraison	7.400 —
Voiture de Voyageur de Commerce	7.250 —

CINQ ROUES GARNIES DE PNEUMATIQUES MICHELIN (DONT UNE DE RECHANGE)

André Citroën quickly became the Henry Ford of France, taking a healthy share of the market and helping shape the way French people travelled.



Unlike Henry Ford, André showed a startlingly modern concern for his workers, setting up medical and dental facilities, together with gymnasiums, and even a crèche for the workers' children.

All this largesse paid off: by 1926, almost one-third of vehicles on the road in France were made by Citroën. This success was all the more impressive when you remember that André was competing against multinational brands such as Ford and General Motors.



With typical finesse, André set up factories in Belgium, Britain, Germany and Italy.



He also bought the rights to hang a sign on the Eiffel Tower.



All this progress cost big money, at a time when the world's financial system was very shaky. André was spending money faster than he could earn it.

However, bouyed with a loan from the French bank *Lazard*, André developed a whole new style of car, the 1934 *Traction Avant*.



It is difficult to overestimate how important the Traction Avant was: the car you're driving today is based on it. Virtually all previous cars were based around horse-drawn carriages, with an engine and steering added. The all-steel Avant was light, yet strong, small, yet spacious, drove the front wheels, like a modern car, and above all, handled like a car, rather than a carriage.



This should have been André Citroën's finest hour, but fate hit him two heavy blows at once. The first was that, with the near-collapse of the global finance system caused by the Great Depression in the USA, the Citroën company had used up all its finance developing the new car. In December 1934, Citroën filed for bankruptcy. The French tyre company, Michelin, which was Citroën's largest creditor, took over the company, at the request of the government.

And things got worse: André Citroën was a hard working man, who raised his company from nothing into a major corporation. This effort took a heavy toll on his health. In 1935, André Citroën died of stomach cancer.

However, the Traction Avant sold well, and the Citroën company struggled on without its founder.





During World War II, Citroën engineers kept working in secret; when peace finally returned, Citroën released the iconic 2CV (below), which, like the Traction Avant, had one of the longest production runs in history (1948-1990).



However, Citroën's financial problems continued.



Despite losing money, Citroën continued to produce quirky, innovative designs.



Citroën produced some stunning-looking cars in the 1950s, including the iconic *DS*. Looking like a spaceship among the dowdy models of the era, the DS demonstrated another huge leap forward in technology and style. The DS's elegant lines (penned by Italian sculptor and industrial designer Flaminio Bertoni) meant it slipped easily through the air, making it faster and more fuel-efficient. The DS also showed off Citroën's revolutionary fluid suspension: the entire car floated on a magic carpet of fluid, giving sublime comfort and excellent handling.

Unfortunately, like so many very clever ideas, Citroën's didn't always work so well in the real world. Early cars in particular, leaked suspension fluid, so that the car sagged. Rather more alarmingly, because the same high pressure fluid that operated the suspension, also powered the brakes, if the fluid started leaking, the car lost all or most of its brakes.



Citroën eventually got the system working reasonably well, but it was never reliable compared to a conventional suspension system (the entire system must be overhauled about every 60,000km). It also requires a special fluid, regular maintenance and a good deal of luck (the fluid in early versions absorbs water, which quickly corrodes the system. The fluid on later models doesn't absorb water, but it's highly flammable (see the last page of this history).

That's why almost no cars have a similar system today. Rolls-Royce used the system on its 1965 Rolls-Royce Silver Shadow, with similarly mixed results (the first thing you check on an old Rolls-Royce is whether or not the car's fluid suspension is working).

During the 1960s, Citroën's financial problems continued; in 1968 Michelin sold its 49% share of Citroën to Fiat. However, things went from bad to worse:

Typical of everything that was right and wrong with Citroën was the stunning 1970 *SM*.



SMs, like many Citroëns, were so unreliable that they were sometimes nicknamed the Citroën *S&M*.

It started well: in March 1968, Citroën had purchased the Italian sports car manufacturer *Maserati*.

Like many carmakers today, Citroën wanted a bite of the hugely profitable luxury car market. So, taking the engine from a Maserati sportscar, and putting inside a luxury version of the earlier DS, Citroën's bosses were sure they had a winner on their hands.

However, things started to go predictably wrong: the complex timing chains that drove the Maserati's overhead camshafts, would rattle, then snap, destroying the engine. Equally eccentric was the oil pump (it didn't like cold days), which destroyed the engines that had survived the timing chain problems. That's assuming the vehicle would actually start: the ignition system also hated winter, leaving many owners stranded. American cars had to be modified to pass emissions regulations, which meant the front end of the exhaust would begin to glow red hot, sometimes setting the car on fire.

Then the 1973 fuel crisis hit, which killed gas-guzzlers overnight.

With its larger models less attractive to consumers, and few of its models able to meet American safety standards, Citroën withdrew from the USA.



Citroën's fatal flaw, however, was its ongoing, unhealthy fascination with advanced but unproven technology. Thus, Citroën blew most of its remaining research and development money on a failed rotary engine venture.

In 1975, Citroën was bankrupt once more and was sold to a conglomerate that included fellow French carmaker, Peugeot. Citroën thus became part of the group called *Peugeot-Citroën SA*.

At first Citroën was allowed to continue with its own quirky designs. Then its parent company stupidly bought the European assets of the failing Chrysler Corporation.

Peugeot-Citroën SA suddenly had too many factories, too many models and not enough customers. Thus, Peugeot-Citroën SA lost a great deal of money from 1980 to 1985.

The beancounters said: “Your cars last too long, they’re too old fashioned and you make too many different models”.

And that was the end of Citroën as a separate, quality brand. From that point on, Peugeot & Citroën shared the same basic cars under different names.

Citroën became a mass-producer of stylish but crappy cars.



By the first part of the 21st century, Peugeot-Citroën SA was Europe's second-largest builder of cars, exported around the world.



But building lots of cars and making lots of money are two different things.

Peugeot-Citroën SA has lost over 7 billion Euros (US\$9.7 billion) in recent years.

But miracles happen: the company secured a 3 billion Euro capital injection from the French government and Chinese auto maker Dongfeng Motor Group, and, just one year later, Peugeot-Citroën's car business in Europe was profitable for the first time in four years.



Globally, Peugeot-Citroën SA expects to turn a small profit by 2018, but that's a pretty tall order given that the company has to sell 2.6 million cars outside China each year just to break even.

Given how poorly Citroëns sell compared to their Peugeot siblings, Citroën is setting up one of its traditional model names: DS, as a separate brand. So, in the future lineup, DS will be a premium brand, Peugeot next in line, then Citroën. In this way, Peugeot-Citroën SA hopes to be able to sell the same vehicles into different markets. In particular, Peugeot-Citroën is chasing the profitable premium market, something French companies have struggled to win in the past.





Peugeot-Citroën SA is too big too fail, but how it achieves survival will dramatically affect its future.

History suggests that Citroën's bosses will try to save money by further reducing the quality of the cars they produce. Given how poorly Citroën cars are already built, we're not holding our breaths for a brighter future. History has also shown that there's a limit to how much crap the public will accept, even from an iconic French car brand •

