



Official name: Morris Garages Ltd, then Morris Motors, then The Nuffield Organisation, then British Motor Corporation, then British Motor Holdings, Leyland Motor Corporation, British Leyland Motor Corporation, British Leyland Limited, Austin Rover Group, then Rover Group, then MG Rover. The company went bankrupt in 2005.

Owned by: Shanghai Automotive Industry Corporation.

Current situation: MGs are now built in China, with a few assembled at the old MG factory in England. However, many car designs are very old and all are poorly built. MG has not been a big hit in China and sales outside China have been dreadful.

Chances of survival: poor.

SAIC is staying alive thanks to Chinese government handouts and joint ventures with Western companies. If MG's new owners are relying on Western sales to prosper, they are probably in for a lonely old age •



A brief history of MG

(and why things went so badly wrong)



MG WAS ORIGINALLY an abbreviation of *Morris Garages*. Founded in 1924 by William Morris, MG sportscars were based on the basic structure of Morris's other cars from that era.

MGs soon developed a reputation for being fast and nimble. Sales boomed.

Originally owned personally by William Morris, MG was sold in 1935 to the Morris parent company. This put MG on a sound financial footing, but also made MG a tiny subsidiary of a major corporation.



At first, MG was left to run its own affairs. After surviving the worst of the Great Depression, MG surprised the world with a series of hugely popular sportscars just before World War II.

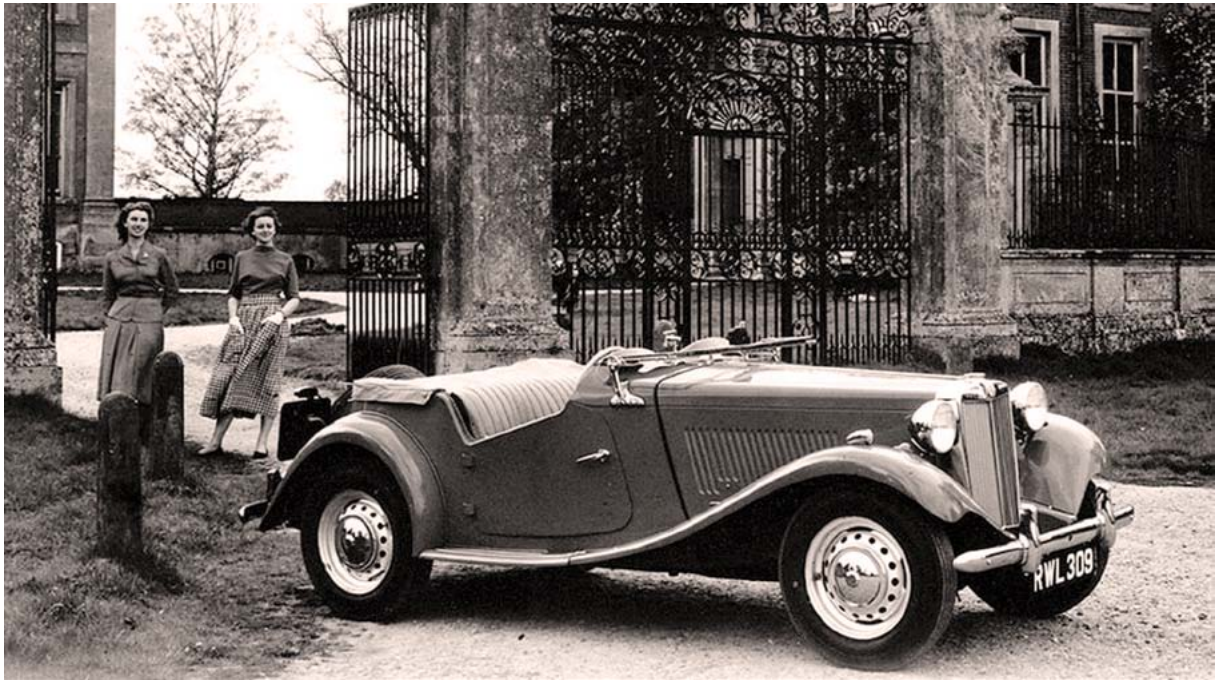
These models, known as the T-Series Midgets, were exported worldwide, achieving impressive success wherever they were sold.

MG production ceased during World War II, but American troops stationed in England quickly grew to love the pre-war MG models. At the end of the war, many American soldiers took their MGs home with them.

In effect, these returning servicemen became brand ambassadors for MG.



As soon as production was resumed, MG began exporting mildly upgraded versions of its pre-war models, which, once more, quickly became famous around the world.



MG had no choice but to recycle older models as new models: Britain was effectively bankrupt and supplies were short. It was a decade after the war before MG could produce a new vehicle from scratch.

MG could not survive on British sales alone; few people had the price of a new car, and the government initially restricted precious supplies of steel, unless car companies exported 80% of their production.

So, for MG, it was 'export or die'. By 1955, as sales of its antiquated model range fell alarmingly, MG staved off disaster with its release of the legendary MGA.





The MGA was designed with America in mind. Most American cars of the era were large, desperately inefficient and designed primarily for comfort and load-carrying ability. Despite having large engines, most American cars didn't actually go that fast and they generally handled like boats.

For many young Americans who enjoyed driving, an MGA was a breath of fresh air. Despite having small engines, the MGA's light weight and sporty handling meant a fun but controllable ride. On weekends, the canyons roads around Los Angeles rang to the shrill roar of British sportscars.



This folder introduces the first of a new line—the M.G. Series MGA—and there could be no worthier successor to the M.G. heritage. The cumulative knowledge and experience gained by M.G. in building a long line of high performance sports cars is combined in this new model with traditional M.G. craftsmanship.

T O MEET THE CHALLENGE OF
TOMORROW ON ROAD AND TRACK



Wire wheels and white-wall tyres are available at additional cost.

THE COMPLETELY NEW



But, despite record sales of the MGA, there were stormclouds looming. MG was part of an automotive conglomerate called the *Nuffield Organisation*. But to understand what happened, you need a bit of back history about its owner.





William Richard Morris, known as *Sir William Morris* between 1929 and 1934 and then as *Lord Nuffield* between 1934 and 1938, was a British motor manufacturer and philanthropist.

After founding Morris Motors, he formed a complex conglomerate of industrial and charitable organisations.



Morris Motors managed to survive the Great Depression of the 1930s, swallowing up bankrupt car companies like *Riley*, *Autovia* and *Wolseley*. The enterprise then became known as The Nuffield Organisation.

In 1952, The Nuffield Organisation merged with the Austin car company to form the *British Motor Corporation* (BMC).



While there were many advantages in having multiple brands under the BMC banner (they could share some parts and some development costs), there were also heavy disadvantages: many brands were competing with each other and the company often lacked a clear direction.



For example, instead of keeping MG as a purist racing brand, BMC's marketing people tried cashing in on the name to gain extra sales. This led, in 1954, to the shortlived MG *Magnette*.



The Magnette was a pretty good car by the standards of the day, but it didn't fit the MG mould. It was a bit like Ferrari producing a car aimed at old people.

- If you just want a history of MG without social comment, skip the next six pages. If you want to know why that history happened, read the next six pages.



Britain in the 1950s was being pulled in two different directions at once. On one hand, Britain was madly modernising; on the other it was desperately trying to hold on to its glorious past. Something had to give.



During the nineteenth century, Britain was the greatest industrial power on the planet; ‘Made in England’ was stamped with pride on some of the most ingenious and well-constructed mechanical products money could buy. At the turn of the twentieth century (just 39 years before the outbreak of World War II), Queen Victoria ruled over the largest empire in global history. British warships ruled the oceans and Britain’s industrial might made her the envy of the world.



While much of the world's population still walked or rode horses, early-twentieth century Britons of all classes could travel on one of the most advanced rail networks on the planet.



In reality, however, Britain's golden age was already in serious decline, much of it self-inflicted. After the pointless trauma of World War I, America took over as the dominant superpower. America also took over as the dominant industrial superpower.

By the time World War II started, British industry had fallen far behind its German and American rivals.

By the time World War II ended, America's industrial might was at its peak, but Britain's industry was in tatters.



However, one of the few bright stars on Britain's industrial horizon was its car industry.



In 1950, Great Britain was the largest exporter of motor vehicles on the planet. Every second new car on the world's roads had 'Made in England' stamped on it.

Not only was the motor industry a major employer, but a major source of pride for Great Britain.

To British people of all classes, the British motor industry summed up all that was great about modern Britain. It showed the world that Britain was still a force to be reckoned with.



The reality, sadly, was a bit different. The major reason that Britain was the dominant exporter of cars was fourfold: First, because the country was so heavily in debt after World War II, the government forced car companies to export most of their production.

Second, after five years of war, most of Britain's rivals (France, Italy, Japan and Germany) were trashed. They couldn't produce many cars; therefore they couldn't compete with England.

Third, after five years of war, Britain's many colonies (and other places) were starved of new cars and thus bought from one of the few remaining suppliers; that is: Britain.

Fourth, Britain's great industrial rival – America – didn't understand the need for small cars, didn't want to understand the need for small cars, couldn't supply enough cars to meet its own domestic demands, and so left the British to dominate the export market.

Britain's advantage didn't last long. As her rivals rebuilt, they also began exporting cars. Much better cars, in many cases. The British car companies simply assumed that what was good for Britain would be good for the rest of the world. Take it or leave it.

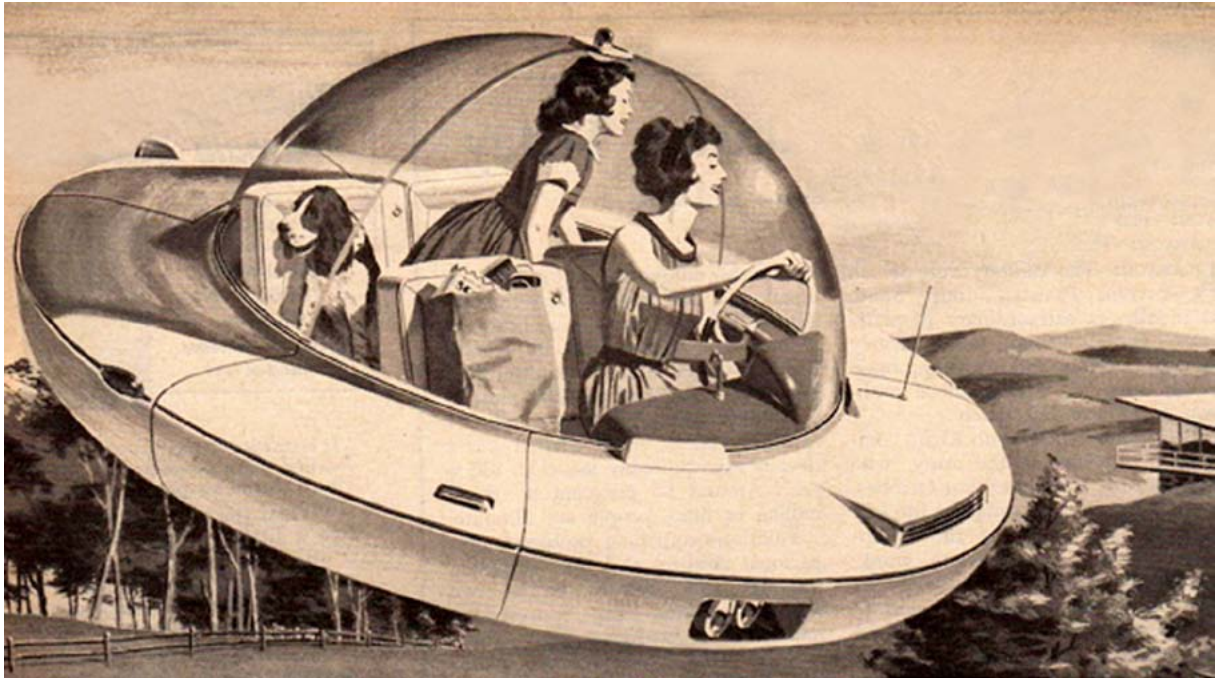
For example, when the Australians asked for large cars with powerful engines, capable of travelling long distances, the British sent them small cars with weak engines, which struggled to travel long distances.





The extraordinary innovation that England had shown during World War II quickly faded. British car technology aged, but the car companies saw little need to update it in a hurry. After all, this was Great Britain, recently ruler of half the planet, a nation where tradition was still vitally important and sudden change was viewed with suspicion. In the 1980s you could still buy new British cars with engines first designed in the 1940s.





Where the British carmakers did modernise, they often did so with a blind faith in new technology; metal door handles were replaced with space-age plastic ones. Which broke.

Add a workforce that sometimes saw British factories as the central battlefield for the war of the social classes, and it's pretty easy to see why the British car industry died a slow and painful death.



The MGA continued to be popular up to the 1960s, but the technology was dated and increasingly uncompetitive.

Once more, at the eleventh hour, MG was saved from extinction by the release of a long-overdue new model: the MGB.



The MGB was exactly the right car at exactly the right time. Except for the UK, the Western World's economies were booming. The children of the post-war baby boom were now old enough to buy cars of their own. Above all, the baby boomers, raised in the ultra-conservative world of the 1950s, wanted to let their hair down.

The MGB was the perfect symbol of freedom for this generation, all around the Western World.

It was stylish, quick and handled far better than most cars of the day. Above all, it screamed: “freedom.”



Over the MGB's long life, over 500,000 were sold; impressive, even by modern standards.



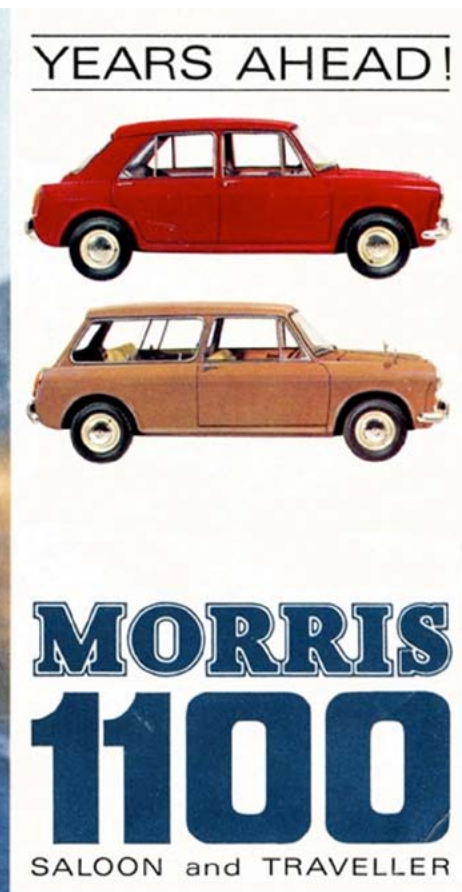
This should have been MG's finest hour, but the British Motor Corporation's internal drift towards self-destruction was moving at an ominous pace.



In 1959, BMC released a new range of models; small medium and large. Soon this trickle of new models became a flood.

Many of these new models were sold under multiple brands, such as Austin, Riley, Wolseley and, sadly, MG.

Aside from the MGA and MGB, none of these new BMC vehicles were sportscars. Below is the Morris 1100.



Now, here's the MG 1100:





At first, people didn't care that Morris 1100s were being sold as MGs. After decades of post-war austerity, people were just pleased to have a new car. Many people also loved the idea of owning an MG, even if they drove slowly.

However, the more that MG badges were glued to mainstream models, the less the public valued the MG brand. In modern terms, it's called *brand dilution*, whereby the brand ceases to be associated with its core values. In the case of the MG, the core values were style, speed, handling, fun, freedom, and, above all else: desirability.





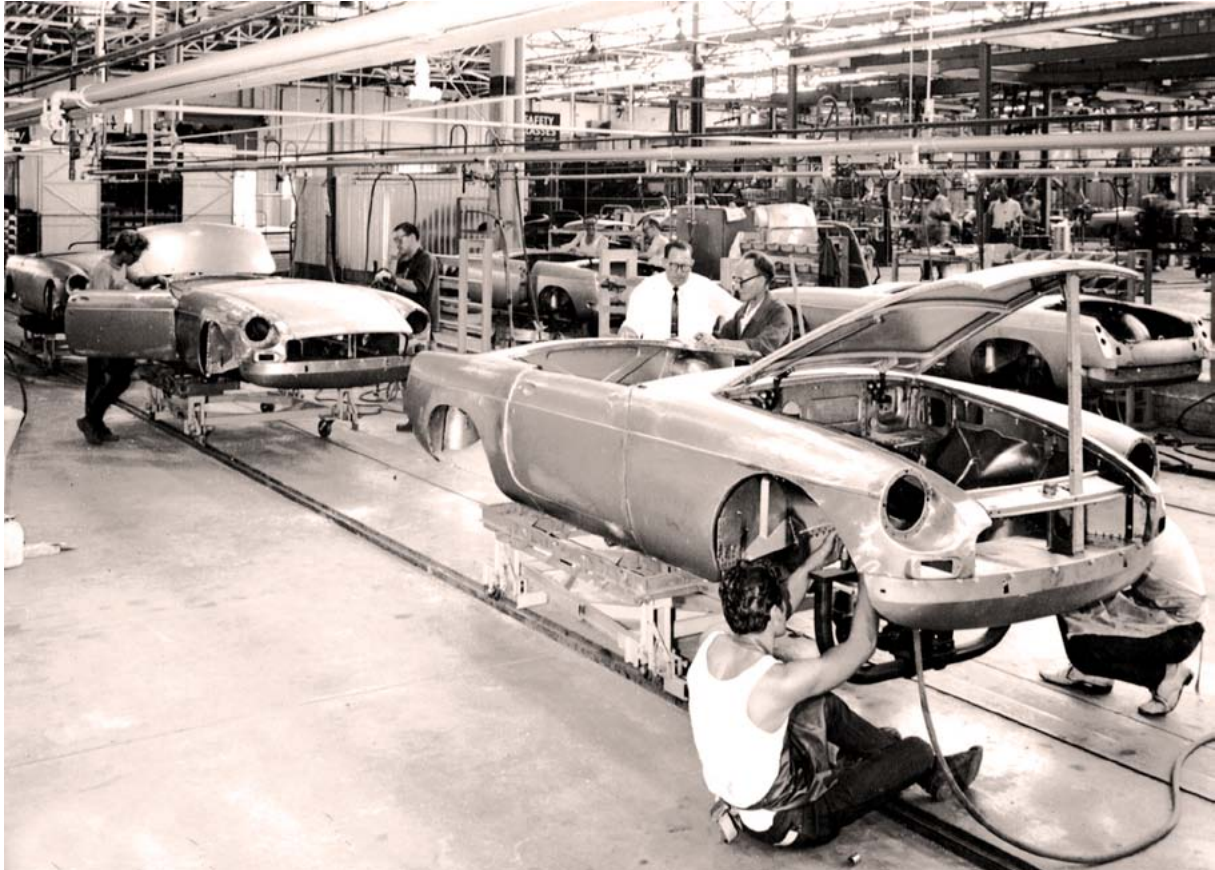
Thus, it became increasingly hard for stylish young trendsetters to desire an MG after their grandmother bought one.

As if that wasn't bad enough, the constant infighting among the various managers within BMC, meant that precious research and development funds were squandered across multiple brands.

For example, whereas Toyota built a series of well designed engines that could be economically fitted across its entire range of vehicles, the individual British companies within BMC were often trying to build their own unique engines.



Many of these engines were put into production with serious, unresolved problems. This meant that BMC cars developed an unwholesome reputation for unreliability.



This unreliability was almost inevitably blamed on slovenly workers, but slovenly workers were often the least of BMC's problems. British cars leaked and rusted because the management didn't see waterproofing and rustproofing as a high priority.

The electrical systems in British cars were equally dire: headlights by the British Lucas company were so unreliable that Joseph Lucas was once nicknamed: "the prince of darkness."



And it got worse: despite the importance of the American market to MG, the MG management completely failed to prepare adequately for America's looming safety and pollution regulations.

Thus, later MGBs were hurriedly and clumsily modified to meet US standards, ruining their looks, performance, handling, and, ultimately, desirability.

Note the ugly rubber bumpers on the American-spec MG below.



- If you just want a history of MG without social comment, skip the next three pages. If you want to know why that history happened, read the next three pages.



Why did all this happen? The short answer is: in the late 1960s, the British economy was in trouble and the British car industry was a battleground.

Bosses wanted to fire half the workforce and close down unproductive factories.

Unions, still stinging from the poverty of the Great Depression, weren't going to let their workers become scapegoats for previous bad management decisions, even though this resistance to change would ultimately contribute to disaster.

Politicians from all sides wanted to avoid the political consequences of sorting out the mess by culling unsuccessful car companies from the economic gene pool.



Successive governments on both sides wanted to simultaneously maintain the goals of full employment and ongoing modernisation, even though the two goals were often in conflict.

As a result, in the early 1970s, a British steelworker was producing, on average, 122 tons a year. A European steelworker was producing between 150 and 370 tons per year and a Japanese steelworker was producing around 520 tons per year.

Politically, both major British political parties understood that the least-efficient steel plants were in the most economically-deprived areas, so these plants were kept open as a way of avoiding the consequences of mass unemployment.



Then there were the political loonies, on both sides of the political spectrum.

On the far-left, there was a group of trade union leaders who saw the industrial struggles of the time as a chance to bring down global capitalism, or die trying. They bought down the trade union movement instead.

Lastly, the far-right in the Conservative Party believed that British workers were stupid, lazy, overpaid and needed to be taught a lesson. They believed the working classes had become “too comfortable.” This was an interesting viewpoint, given that, in 1966, around 15% of British homes still lacked a bathroom and 12% lacked even hot water.

By the time the 1973 oil crisis hit, Britain was already in deep trouble.



Along with most of the British car industry, MG was nationalised in 1975. The nationalised British car companies were turned into a corporation called *British Leyland*.

The new chairman of British Leyland, Sir Michael Edwardes, closed down or sold off most of the British Leyland companies and in 1982 renamed the company as the *Austin Rover Group*, later shortened to just the *Rover Group*.

MG survived. But, following the well-established British pattern of crisis-driven product development, MG bet everything on a revolutionary new model: the MGF.



Instead of learning from the mistakes of the past, MG spent much of the research and development money on a 'revolutionary new' engine.

Thanks in no small part to this disastrous engine, the MGF was a disaster.

This letter from an exasperated MGF owner says it all:

“Having purchased what I thoroughly expected to be a prestigious two-seater worthy of the MG marque, I now find myself completely dissatisfied with the generally poor quality of build and, moreover, the recurrent problems that have seen the car off the road for a total of almost five weeks...

Faults appeared on the very first day, followed by a subsequent barrage of problems.

The car has suffered from substantial water leaks, a misaligned driver's side window, driver's side door-drop, speedometer needle wobble, marked pull to the left upon braking, loose carpet and loose trim.

On testing, water was found to be entering at both windows, door sills and around the heater box. The carpet and carpet underlay were sodden.

I am now in a position where I want to sell my MGF and just perhaps purchase a car that will not require seven return trips to the dealership within the first six months.”



Later MGF and TF models improved on water leaks and general build quality, but the fundamental problems with these cars remain to this day.

The MGF's revolutionary engines often ended their lives in a cloud of steam at the side of a busy motorway.

There are still MG enthusiasts who are in denial about how bad these later MG models were, just as there are people who deny the holocaust. They tend not to be taken very seriously.

Things went from bad to worse, then worse still. MG – then part of the Rover group – was sold to BMW. The managers of the new company – *MG Rover* – ran the company like monkeys and BMW lost billions. BMW finally bailed out and MG Rover was sold to a new company – *Phoenix Venture Holdings*.

The only thing that Phoenix directors were good at was looting the company of tens of millions of British taxpayers' pounds. They had little interest in improving the brand's woeful image for reliability and instead chose the age-old technique of tarting up ageing models in the hope that no one would notice. This didn't work, of course, and Rover went broke in April of 2005.



The breakup of the company was even messier than the way it operated while solvent.



A Chinese company, *Nanjing Automobile*, bought MG Rover. However, it was soon discovered that the rights to build several models had been previously sold to another Chinese company, *Shanghai Automotive Industry Corporation* (SAIC), with both companies claiming the rights to build MG Rover cars. Not that any of these problems bothered MG's new owners: Nanjing Automobile announced that an MG factory would be built in America and that new MG models would soon be pouring off the Chinese, English and American assembly lines.



But MG didn't stand for 'Morris Garages' anymore. Nanjing Automobile general manager Zhang Xin was quoted as saying:

“We want Chinese consumers to know this brand as: ‘Modern Gentleman,’ to see that this brand represents grace and style.”

Nanjing, he said, wanted to produce up to 200,000 cars and 250,000 engines a year. Nanjing also pledged to create at least 1200 jobs at the Longbridge plant.

The Buddha said: “desire clouds the mind”. The desire to own a glorious car empire appears to be particularly mind-numbing. Nanjing was struggling to finance its existing operations, let alone expand offshore.

In late 2007, Nanjing Automobile company was taken over by fellow Chinese car company *SAIC*, although the takeover was presented as a merger. The planned American MG plant was quietly abandoned.

In late 2007, a few vehicles began trickling off MG's English assembly lines at Longbridge. The car designs were very old and not very well built. Despite a low price, sales were very poor.



In September of 2009, MG announced a new model: the MG TF85, which looked a lot like the old model MG TF, first developed in the early 1990s.



MG denied that it was selling the cars at a loss, and announced big plans for full-sized passenger vehicles as well.

Few people inside the motor industry share SAIC's optimism for the future of the MG brand. SAIC – and MG – are staying alive thanks to Chinese government handouts and joint ventures with Western companies.



In 2015, British motoring writer Jeremy Clarkson tested an MG6. Here are extracts from his review:



“Last week I sneaked behind the wheel for a short drive...This car is not bad at all. It’s hysterically terrible. ...it’s a Chinese car that’s assembled in Longbridge; you would not expect much in the way of quality. And it doesn’t disappoint... The traffic lights went green and I set off. But I didn’t because the car stalled and it would not restart. So I pushed it to the side of the road, where after several attempts the diesel engine finally clattered into life... It may say MG on the rump but it is as far removed from its predecessors as you are from an amoeba. It’s a carrier bag with a Coco Chanel badge. And I think that’s rotten. The whole car’s rotten, really...In the whole of April the new MG operation sold 13 cars throughout the whole of the UK. I’m surprised it was that many.” •

