



COVER DESIGN

Gears, vital to nearly every Allis-Chalmers product, form a composition on the first cover of a new decade. For more about the symbols on the two lower gears, see Pages 12 and 13.

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A-C SCOPE

MAGAZINE OF ALLIS-CHALMERS PEOPLE
— Arthur V. Swenson, Editor... James A.
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whatever
they
are,
they're here...

We hear people talking about the Sizzling Sixties, the Decade of Man in Space, the Golden Era of Tomorrow and a dozen other glittering appellations. Whatever title they use, people are talking about the next 10 years, and saying December 31, 1959, was more than the end of the old year. For January 1, 1960, marked the blast-off point for a whole new era.

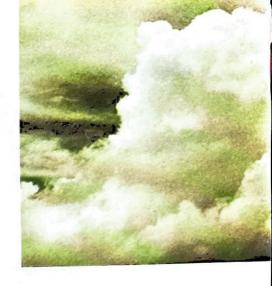
In the Free World, optimists savor each word as they predict a glowing world by 1970, richer in leisure time and material comforts. In a more sobering vein, Nikita Khrushchev confidently states his people will "bury" capitalism with their productive capacity.

The Sixties hold fascinating prospects for Allis-Chalmers employes: We'll have personal opportunity for progress in the next decade, we'll witness (and take part in) our company's expansion and growth, we'll watch the national and international scenes unfold. Today we can read some of the predictions made about the Sixties in politics, business, economics and human relations. To a great extent, we can determine our personal progress in the Sixties by measuring the contribution we expect to make in the same period.

In previewing the Sixties, A-C Scope is not attempting to forecast the future. The intention is merely to point out some of the things in store for A-C people and the company they work for.

Eventually, we Americans will hang a label on the Sixties, to go along with the Roaring Twenties, the Fabulous Forties and the Frantic Fifties. It will remain for history to decide what adjective is best-suited to describe the Sixties. But whatever they are, they're here, and we'd do well to make the most of them.





On the National Scenes,

MORE of Everything

Population "explosion" is one of the keys to predictions about the economy in the Sixties.

The nation's population is expected to jump from 179 million today to 204 million people by 1970. This increase is greater than the present population of our Pacific and Mountain states.

There'll be some peculiar characteristics about the country's population, with two large groups — those under 21 years old and those over 65. The small group in the Sixties will be from ages 25 to 45, a reflection of the lower birth rate from the mid-Twenties through the war years.

The large age group under 21 reflects the rising birth rate which followed World War II. It's predicted that by 1963 one-fourth of the total U. S. population will be of school age, as compared with one-fifth in 1950.

The federal budget is expected to go from its present \$80 billion to somewhere in the neighborhood of \$100 billion. A pretty expensive neighborhood? Yes, unless our economy rises faster than government spending and unless we are able to curb inflation. A continuation of our present "creeping inflation," incidentally, is a major problem for the Sixties — for government, for industry, for private citizens.

In spite of the fight against inflation, it is freely predicted that the nation's

economy will continue to show basic growth. The total goods and services produced in the United States will probably reach \$515 billion in 1960. That will mean — for the first time — total goods and services in one year, of more than \$500 billion, or more than one-half trillion dollars (a new term to become familiar with). The 1970 total may easily pass \$600 billion.

In Canada, prospects for growth are unlimited. Canada's smaller population may be unable to provide all of the capital required for development of the vast store of resources to the north. But the talk is of more investment from the United States to push the frontier north and enable Canada's rapidly growing population to push north with this development. At the present time, nearly all of the Dominion's 18 million people are concentrated in a belt running just north of the U. S. border.

And in the United States, industry faces the Sixties with something of the feeling that the problems of the Fifties may be intensified. The big problems are those which affect industry's ability to make a profit and continue to grow. These include: inflation, foreign competition, rising taxes, and the prospect of crippling strikes. These problems will affect industry, and since we are employed by industry, these problems will affect us in the Sixties.





Cause for Optimism, But No "Streets Paved with Gold"

The Sixties are not entirely a collection of problems for Allis-Chalmers and A-C employes. There's cause for optimism about market growth, since the company serves many industries which react quickly to population growth.

However, a rising population is no guarantee of success. An increase in market strength is not an increase in sales. But the prospects are there, if Allis-Chalmers people continue to make quality machinery at competitive prices—to help mankind do its work better, faster or more economically.

Late in 1959, President R. S. Stevenson expressed optimism for 1960 sales in four principal areas in which Allis-Chalmers operates—agriculture, construction machinery, industrial and electrical equipment.

The climate for farm machinery sales in 1960 should be "much the same as in 1959," Stevenson said. Concerning construction machinery, he stated that sales in 1959 ran continually ahead of the previous year and added that he expected 1960 to be "every bit as good as 1959."

"The road program is getting out of the planning stage and is now getting into the area where our equipment is needed," Stevenson said, "and while housing starts are off, heavy engineering and building are up—and that's where we sell our equipment." Where industrial equipment sales are concerned, Stevenson said he expected this market to be up in 1960. "Our backlog, which includes industrial and electrical equipment sales, is 22 percent higher than a year ago and showing solid strength," he said.

"Our electrical power sales are staying ahead and we already have a good backlog in this business for 1960. The utilities are in a continuing expanding position, so our electrical business should continue good," he continued.

The president's optimism about our principal markets is an indication of the way Allis-Chalmers may make the most of the population explosion of the Sixties - so long as A-C products remain competitive in quality, performance and price. Allis-Chalmers is well prepared for a greater role in the nation's economic picture through its investment of \$142 million in facilities and equipment since 1950 . . . through expenditure of \$125 million for engineering, research and development in the past six years ... through expansion of training programs at all occupational levels to insure a skilled, productive employe group.

The company's marketing divisions may see across-the-board increases in sales potential, in virtually every product line, in the Sixties.

Take the Atomic Energy division as

an example — We'll see A-C nuclear power plants go into operation in the Sixties, we'll see nuclear power generating plants become competitive with coal and oil plants, and we'll be hearing more from such "far out" excursions into nuclear energy as the C-Stellarator project at Princeton University.

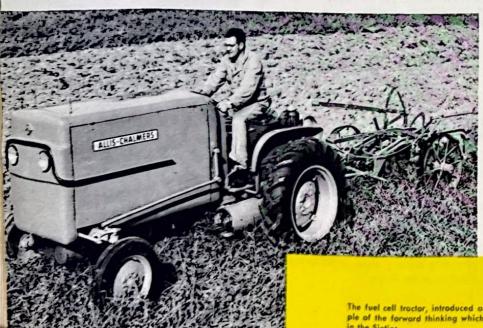
Expansion in the Construction Machinery division's field means designing, building and testing machines with higher capacities and greater efficiencies than ever before. The new TS-360 motor scraper from Cedar Rapids is just one example of the "big dirt" equipment being readied for the A-C customer.

In the Defense Products division, engineering and manufacturing experience in a wide variety of products will be directed at exploring the markets in the nation's military and space-age programs.

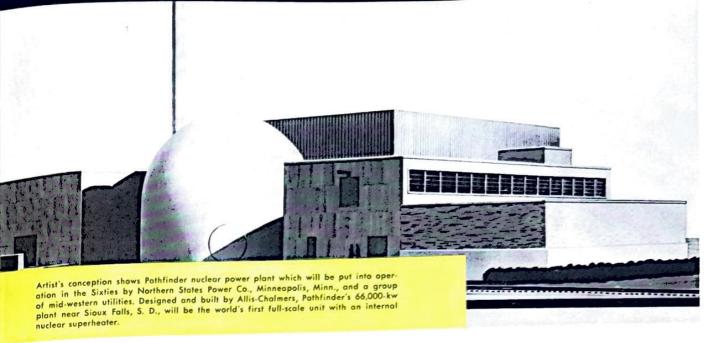
Moving on to the Engine-Material Handling division, the various markets served by the division will benefit from more efficient diesel engines coming from Harvey Works new engine test laboratory. Material handling markets can also be expected to broaden as manufacturers and distributors take advantage of modern methods.

In Farm Equipment lines, as indicated earlier, the nation's farmers will face the problem of producing food to feed 25 million additional people by the end of the decade. This demand will be met through further mechanization of family farms, through even greater emphasis on scientific farming methods, and through new and improved machinery.

The General Products division's future is tied closely to the nation's industrial expansion and modernization programs, and the division expects to make the most of new materials and new techniques. One example, the Super-Seal motor line, has already opened new areas of sales by providing trouble-free replacements for heavier, totally-enclosed electric motors.



1



In the Hydraulic division, the future of the hydro-turbine business is largely dependent upon the company's ability to sell Allis-Chalmers performance and quality against foreign products based on low wage rates. While foreign competition has already made great inroads into this market, the cause is not a hopeless one. A relatively new field, valves and valve systems, should help provide a basic sales level for the division in the next decade.

The Industrial Equipment division serves a broad area — mining, cement, sand and gravel, chemical and food processing — and should be in a position to benefit from demands for basic products. In this area, as in many others, Allis-Chalmers "hedges its bets" through its ability to serve more than one industry. As an example, if new plastics replace metals, the company's increase in sales of plastics processing machinery will offset a decline in metals processing sales.

The Power Equipment division serves an industry which has no place to go but up, as the consumption of electric power is expected to take a big increase by 1970. Allis-Chalmers equipment will meet the demand for more electricity through larger and more efficient generation equipment, better materials and higher capacities in electrical products.

Allis-Chalmers International has manufacturing plants in four foreign countries and a network of sales outlets to market both foreign and domestic A-C products throughout the free world. Because of the continually rising standard

of living and the constant need for better quality and more efficiency, A-C International anticipates a continually increasing share in supplying many of the world's requirements.

Valley Iron Works, closely tied to the constantly growing market for paper and paper products, will continue to serve its established customers in the Sixties, not only with the paper-making machinery they require, but also with completely integrated paper machines.

As the company's markets grow, Allis-Chalmers people will be faced with the problems that face industry everywhere: inflation, foreign competition, rising taxes and crippling strikes.

The first problem, inflation, must be met head on by renewed efforts to cut government spending and keep productivity ahead of wage increases. A portion of this effort must come from individual employes as each of us tries to do a better job in the Sixties. The remainder of the burden rests with management - outmoded equipment must be replaced more rapidly than ever before, to enable A-C workers to stay competitive with others in their fields. To do this, of course, management needs a reasonable profit on the sales dollar, so there'll be money left over to invest in the business.

Replacement of obsolete equipment is one of the keys to the second problem facing us in the Sixties — vigorous foreign competition in many of the company's major markets. Foreign competition will grow stronger, not weaker, in the Sixties, and it will take the best in tools and

facilities to overcome the edge foreign manufacturing companies hold in their lower wage scales. Better design, better materials, better manufacturing techniques and more productive people are some of the elements necessary for A-C and other American firms to compete successfully against foreign companies without the benefit of trade barriers.

A third problem, rising taxes, will harrass the company and its employes throughout the coming decade unless our lawmakers are constantly reminded of our need to curb useless government spending and waste.

The fourth problem, a most controversial one, faces management, A-C employes and the general public. It is the problem of "big labor" strikes. It is not a problem which requires union-busting as a solution, but it is a problem of large "labor monopolies."

While it's true that one law does not make a trend, we may find that the American public will follow its popular support of the Landrum-Griffin bill with demands for other legislation to curb labor's malpractices without interfering with the processes of free collective bargaining.

What's ahead in the Sixties for Allis-Chalmers and A-C employes? Expanding markets, greater sales potential—and a continuation of the tougher problems of the Fifties.

No "streets paved with gold," but genuine opportunity for A-C people, for greater job security and possibilities for advancement.



Customer Benefits are Key to Company Sales Efforts

The challenge of the Sixties seems to center around our ability to produce quality machinery in competition with manufacturers both at home and abroad. Also a part of this challenge is the requirement that we be able to sell what we produce.

The company's sales efforts will be shaper in the Sixties than ever before. Competition for the customer's favor will be keener and effective sales promotion may well be the difference between continued growth and merely "staying even."

"Benefits" to the customer will be a strong sales point, rather than "features" in the product. Perhaps it sounds like a small point, the difference between benefits and features, but it's a big enough point to sway a customer. Individual sales representatives will emphasize customer benefits in all A-C product lines—and the benefits range from lower initial cost through reduced operating expense and lower maintenance requirements.

The company's divisions are poles apart in many of their market areas. A relative handful of companies purchase a majority of the products sold by divisions in the Industries Group in any given year, while in the Tractor Group, sales are dependent upon many pur-

chasers, some of whom may buy a new unit only once in several years.

Yet each sales area is dependent upon repeat sales, upon customer satisfaction and upon giving the purchaser more for his money than a competitor can give him. Each sales area is concerned with customers who make their decisions not on personality, but on performance. Each sales area, then, is dependent upon the people who build the products to give the customers their money's worth.

Looking forward to 1960, L. W. Davis, General Manager, Farm Equipment Division, and a vice president, stated "The real challenge in business today is the customer. He's the No. 1 man in our business, and he's more important than ever before. He's bigger than ever, and in terms of total number of farmers, he's fewer than ever."

These words greeted Allis-Chalmers dealers at meetings throughout the U. S. and Canada. Held at every Farm Equipment branch, the meetings honored the dealers for their accomplishments during 1959 and paved the way for more intensive selling during 1960.

The dealers saw the film "The Next Plateau" which pictured what they would be selling in 1960. There is the new and expanded line of "D" Series tractors with more models to meet more farming requirements than ever before. Harvesters were shown to fit practically every farming operation, whether in grain, hay, forage, corn, cotton or other grain crops. New units include the model 72 ALL-CROP harvester, the 18 ft. header Model C GLEANER combine and the hillside GLEANER combine. A ground driven rake, a hay conditioner, the No. 55 Flail-type forage harvester, the Model 500 2-row cotton picker, 2-row mounted cotton stripper and the 95 bushel manure spreader are all new in the Allis-Chalmers line for 1960.

To stimulate effective selling A-C dealers and their customers received awards for a job well done. The customer was eligible to enter a "Bermuda Holiday" contest with the purchase of \$1500 worth of new Allis-Chalmers farm equipment. The wife of every customer who qualified received a Farm Journal cookbook. These were presented by the wife of the dealer.

The dealers received plaques with a star for every 4 sales and 12 demonstrations. The winning dealer in the Peoria Branch made a total of 96 demonstrations and accounted for 32 sales.

Speaking to the dealers of the Peoria Branch were C. D. Troyer, Northwest Territory Sales Manager; Frank Jones, Farm Equipment Tractor Sales Manager; L. N. McPherren, Peoria Branch Manager; R. V. Pitcher and Frank G. Young, Peoria Branch Sales Managers. They urged the dealers to learn more about the products in the A-C line through the Field Sales Training Program currently under way at locations in Ocala, Fla.; Raymondville, Texas; Phoenix, Arizona; Milan, Tenn.; Nampa, Idaho; and Milwaukee.

The meetings are another example of Allis-Chalmers efforts toward more effective SELLING IN THE SIXTIES.



Changing Scene at Allis-Chalmers Combines Stability with Growth

To outsiders, Allis-Chalmers represents a big, solid, well-diversified company apparently aimed at staying within some well-established product lines and market areas. This is not a false impression, for A-C does move in relatively predictable patterns. But it would be wrong to ignore the constantly shifting scenes within the company's overall growth and progress picture.

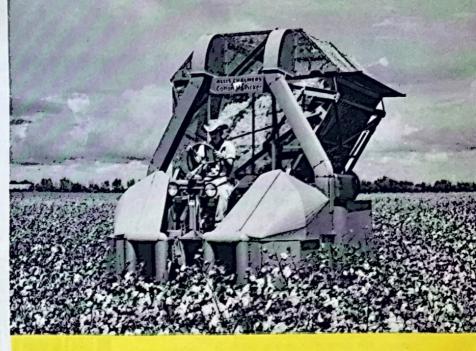
The next 10 years will undoubtedly see Allis-Chalmers continue in its business of making machinery—and, we hope, in larger quantities—which helps man do his work better, faster or more economically. And, if the past decade is any example, the next 10 years will bring a great deal of change to Allis-Chalmers.

At the time that forecasts were being made about what to expect in the 1950's, top management of Allis-Chalmers saw opportunities — for more business, more jobs. The sights were set to participate in the growth which appeared ahead.

Developments were planned and executed which brought better, broader product lines, greater productive capacity of plants, streamlined company organization on a division basis, more effective sales organizations, intensified research activity. All of this was done with the idea of improving the Allis-Chalmers competitive position.

When the '50's began, Allis-Chalmers did not manufacture wheel loaders, lift trucks, diesel engines, self-propelled harvesting combines, reactors, motor scrapers, paper-making machinery nor a host of other products. These products were added to A-C lines through purchase of Beardstown, Cedar Rapids, Deerfield, Harvey, Independence, Wauwatosa and York Works, Valley Iron Works Corp., plus Nuclear Power Department, Washington, D.C.

But the company didn't get into new product areas only by acquiring another firm's assets.



Top quality products, like the "High Drum" cotton picker shown above, don't come about overnight. Cooperation between engineering, manufacturing and sales areas is vital to the company's goal of giving the customer the most for his money.

Gadsden Works was converted from farm equipment to electrical products during the same period; Terre Haute Works was built as a new plant and expanded; Greendale Laboratories were started and added on to; and every established A-C product department added new products and revamped old models to keep pace with the customer's requirements.

As the fifties ended, we find many records of progress. Employment was one-third higher; total sales grew from \$328 million in 1950 to \$531 million in 1958 (1959 results to be announced shortly), owners of the business grew in number 2½ times.

Certain few products in declining markets were dropped from the A-C line in the decade. Overall, however, the period reflects a tremendous expansion of market range, manufacturing facilities, sales potential, productive skills and job opportunities.

Just as the changing scene applies to the company-wide picture, it affects an individual A-C works. Look, for instance, at the Gadsden plant, purchased by the company from the federal government in 1949.

Gadsden people, in the first part of the past decade, produced various farm machines — mower, cotton picker, Model G tractor.

In 1955, Gadsden employes learned to make a new line of products, distribution transformers. Last year, Gadsden completed the transition from agricultural to electrical products by closing out production on the mower and cotton picker machines and taking on a line of feeder voltage regulators.

How do the people of Gadsden Works feel about the change? You'll find a sampling of their reactions elsewhere on these pages.

And what happened to the mower and the cotton picker that moved out of Gadsden? They are now found at La-Porte Works, as a part of a program to iron out the traditional peaks and valleys of that plant's farm machinery production.

Prior to the change, Gadsden Works was subject to seasonal spurts, because the plant had only the distribution transformer as a backstop. Now, with an allelectric product line, Gadsden people look for steadier and probably greater employment than in the past 10 years.

At LaPorte, the mower and the cotton picker are added to the plant's present line of mechanical corn pickers, forage harvesters, hay balers, manure spreaders and other argricultural machinery. With a range of about 25 products, LaPorte has a better chance of maintaining more even employment figures throughout the year. However, the ups and downs of some of the company's seasonal markets — like farm equipment — will still be a cause for deep management concern in the Sixties.

Management's concern, and management's decisions, are keys to the company's growth. This point is illustrated by the 10-year story of the Allis-Chalmers cotton picker.



THE SIXTIES:

Shortly after World War II, A-C went into the cotton picker field, to round out part of the farm equipment line and to take advantage of good post-war prospects. When the first cotton pickers were launched, the market was "up." People who would normally have been employed as field labor were taking factory jobs in the post-war boom for consumer products.

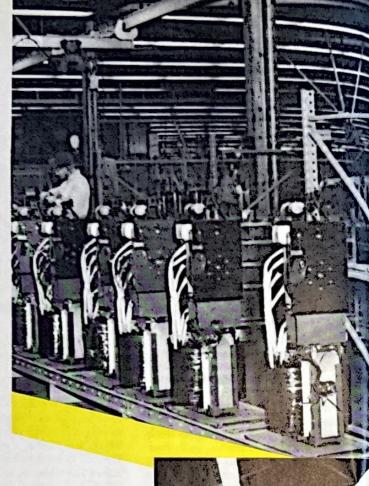
Unfortunately, the first cotton pickers failed to live up to the customer's expectations. His dissatisfaction was matched by a return of a labor surplus to farm jobs in the cotton states. As a result, cotton picker sales went through a "feast or famine" cycle and Allis-Chalmers management men seriously considered getting out of the cotton picker business.

At this point another consideration entered the picture: A-C prides itself on being a major farm machinery manufacturer with a full line of products. And a company without a cotton picker could not be considered "major" in the vast belt extending from the traditional cotton states clear to California. The cotton picker, then, was vital to the company's "Big Three" status south of the Mason-Dixon line.

The final decision: Design, test and build a top-notch cotton picker, superior to competition in price, performance and quality of picked cotton. And that's exactly what the Farm Equipment division's sales-engineering-manufacturing team has done. The new "High Drum" cotton picker offered by A-C dealers will prove the soundness of management's decision to stay in the cotton picker business.

That's another example of the changing scene—and of the decisions made by A-C management, decisions which may involve hundreds of people or thousands of dollars, which brought about the change. Such decisions will be made many times in the next decade, and we'll be part of many changes to come.

Decisions — change — growth. They make a better company to work for, to buy from and to invest in.



How do you feel

about Gadsden Works

going into

Regulator

Production?

(Question asked in November, before Gadsden went into regulator production.)

Joe Gamberi, test foreman..."I worked on power transformers at Pittsburgh Works, and I think regulator production will mean a lot to employes at Gadsden. I think they'll find it's interesting work."

Bill Roberts, general foreman, Inspection department..."I believe our potential production in regulators will more than make up for the loss of the cotton picker here at Gadsden Works."



Clay, Roberts and Gamberi.

Perry Clay, superintendent of machine shop and cotton picker assembly ... "I think it's a wise move to make this an all-electrical plant under one roof, even though I've been a Tractor man for 11 years. This will work out to the advantage of both the employes and the company."



Louie Burke, general foreman, planning and timestudy... "I think it's a fine move ... It puts us in the regulator business and we'd like to get a lot of that business."



Bill Clay, winder ... "We're developing our waterways in this part of the south and this is about the finest thing that could happen to us. We'll be expanding our electrical product capacity at a time when the area is expanding its power generation capacity. Seems to me one helps the other."



Bill Varley, foreman, Winding department... "Personally, I'm a converted Yankee, and I'm happy to see as much electrical production moved down here as possible."



Fred Duke, lead assembly..."It will mean the betterment of our plant. There'll be more jobs and more work in the long run. I think the emphasis on electrical products will be good for the community and good for the South."



Jim Downey, foreman, Transformer Assembly... "I've always liked transformer production — better than agricultural machinery. I think the regulators will be a big help to our people. The move will fit in well with the Coosa Valley power projects, because we'll be able to offer local products and local service to the utilities."



Derwood Smith, inspector..."I believe it will mean more year-round employment here. There's a little more to making a regulator, compared with a distribution transformer, but I feel we will find the assembly and inspection techniques pretty much the same."



William Sprayberry, electrical welder..."I think it will help us here at Gadsden, and I'm glad to see the regulators coming in. I'm sure it will keep more men busy in the tank and plate shops."



C. L. Stone, foreman, Tank Production... "We're going to need good workmanship and top quality... the same as we put into distribution transformers. We intend to make a go of it here, and we'll be happy to make all the regulators they can sell."



F. R. Fancher, saw and shear operator..."I'm 100 percent for the move, because I think it will mean more work and steadier work. These'll be heavier units than we're making now, but we can handle it and maintain our quality level. I'm glad to see regulators here, because the electrical market is still growing and the regulators will fit right in with the needs of the area."



For A-C People, Opportunity Plus Peace of Mind

As Allis-Chalmers competes for the customer's favor in the Sixties, one of the company's biggest assets is the trained, stable group of men and women employes at all occupational levels. The customer, who is frequently an employer in his own right, is well aware of the advantages in buying from a firm with dependable quality-conscious employes.

A job at Allis-Chalmers means more than "just another job." It means the security that comes from a stable employer with well-established product lines. It means the opportunity for advancement that comes from a progressive employer with the capital, resources and know-how to grow through market expansion.

Many programs play a part in helping an A-C employe feel that his job is better than the average job. Some of these programs provide peace of mind—safety, health and accident insurance, group life insurance, pension and retirement programs, and others of this nature.

Other employe programs stimulate the mind — such as the company's tuition refund program, the new employe suggestion plan and various training and development programs. Employes who are willing to expend a little extra time and thought usually get the greatest benefit from this type of program.

As these and other employe plans are continued into the Sixties, we will find that many of them are being expanded and developed to make them even more effective in helping Allis-Chalmers people grow with their company.

A good example is the employe suggestion plan, which is based on this thought: "The challenge of today's markets demands that employers use the active imaginations and skills of their employes."

It's a blunt statement, but it makes sense. Allis-Chalmers, in its constant search for better ways of getting the job done, will benefit from the creation of more ideas for improving the company's operations and/or its products.

The benefit is not solely for the company, since the plan will recognize employes who make noteworthy contributions. The suggestion program applies to all Allis-Chalmers works, branch houses, district and regional offices and warehouses in the United States and Canada. This company-wide plan will be coordinated through the Industrial and Community Relations division. The works, branch or office management will be responsible for local administration of the program.

All non-supervisory and non-professional employes are eligible for suggestion awards, including those in retirement or on leave of absence or layoff. Supervisory employes, up to the level of foremen, and non-supervisory professional employes may receive awards if their suggestions are removed from their duties and are approved by their division general manager or director.

How much will your suggestion be worth? Under the new plan, the minimum award will be \$10, and the maximum award \$25,000.

The amount of the award will be computed on the following basis:

... Present method.

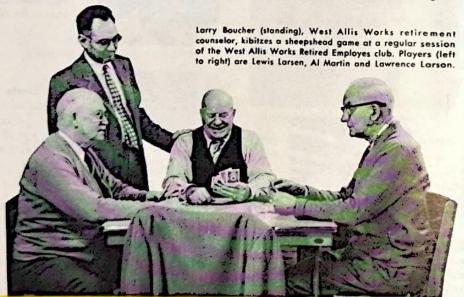
... Proposed method.

... Savings per unit, based on present method minus proposed method.

... Savings per year, based on savings per unit times annual usage.

... Net savings times 25 percent equals the amount of the award.

The new Employe Suggestion plan will give many A-C people the chance to put their ideas in operation — with an opportunity for personal gain, plus





The Allis-Chalmers senior engineering committee for 1960. The permanent members, sealed left to right, are A. W. Van Hercke, Dr. H. K. Ihrig, chairman, and W. M. Terry, Jr. Members for 1960, standing left to right, are Harold S. Silver, J. W. McMullen and W. J. Klein.

the chance to help their company remain competitive.

Another program which will continue to help Allis-Chalmers employes help themselves and help their company at the same time is the tuition refund program. Under this plan, the company reimburses employes for out-of-pocket costs of tuition and other expenses connected with the taking of college courses in science, engineering or business administration.

In 1959, 539 A-C employes received tuition refund checks for courses taken during the year. There is every reason to expect the program to continue to increase in popularity in the Sixties, to the benefit of the company and the participating employes.

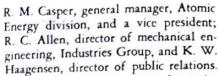
Other programs may be expected to come from various company sources, such as the Allis-Chalmers Senior Engineering Committee.

This group was created to serve the company on an over-all basis. It is con-

cerned with the development of company policy in all engineering areas in which Allis-Chalmers should have an over-all status or take a company-wide position. The committee includes three permanent members, who alternate as chairmen, and three members appointed each year for one-year terms.

For 1960, the committee includes the permanent members, Dr. H. K. Ihrig, chairman, director of research and a vice president; A. W. Van Hercke, 1959 chairman, director of engineering, Tractor Group, and a vice president, and W. M. Terry, Jr., director of engineering coordination, Industries Group, who will serve as chairman in 1961. Also members of the committee for 1960 are J. W. McMullen, general manager, Power Equipment division, and a vice president; W. J. Klein, director of sales promotion, Tractor Group, and a vice president, and Harold S. Silver, general attorney.

One-year members for 1959 were



Many other programs — sales training, supervisory training and science-engineering forums, for example — will provide additional impetus to creative thinking at Allis-Chalmers in the Sixties.

And what of the programs which help us work better by providing peace of mind? Safety promotion is a good example. A-C has gone beyond merely providing of a safe place to work. The company's safety efforts in the Sixties will be directed at "total safety" which means on the job, in our products and in our homes and communities. As a peace of mind program, safety is paramount because it's aimed at preventing misfortune from happening.

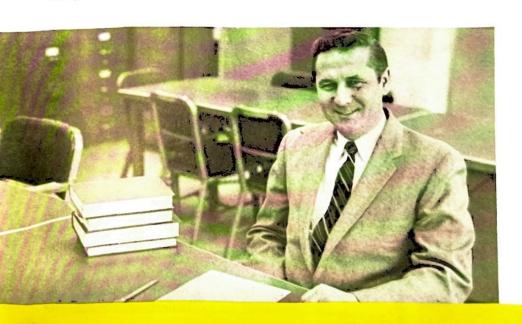
Many of the others, group life, health and accident insurance and retirement and pension programs, also provide peace of mind in the sense that the company and the employes share the cost of taking care of an event after it happens.

While the thought of retirement may be distasteful to many, there should be peace of mind in the company's retirement counseling program. It is based on the assumption that retirement is inevitable, regardless of the age at which an employe retires.

Accordingly, A-C retirement counselors will be doing more in the Sixties to help each employe plan his own retired life and develop interests which will help them remain useful and active after retirement.

All of the Allis-Chalmers employe benefit programs — which help provide social and economic security, opportunity for personal progress and advancement — will prove invaluable to A-C people in the Sixties as they fulfill their dual role of assuring peace of mind and stimulating creative mental activity.

Frank Jessogne, West Allis Works, used the tuition refund program to complete his Business degree at Marquette University in 1959. One result was a new job, combining his product department experience with his academic degree.





Two NEW Symbols

Urge Us to Meet Challenges

Just as the nation faces a challenge ... just as A-Cs management faces a challenge ... so do individual A-C employes face challenges in the Sixties.

Two new year-long campaigns will help individual employes meet some of these challenges in 1960 and in the years to come. One campaign, "Teamwork for Progress" presents a challenge to each of us to meet competition in the Sixties through our own personal efforts.

through our own personal efforts.

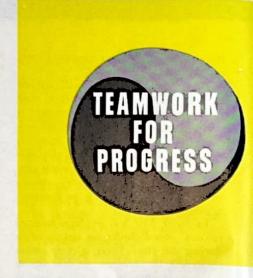
The other, "EVERYWHERE... all the time" challenges each of us to work more safely, to live more safely and to make accident prevention a way of life by integrating occupational safety with off-the-job safety.

Teamwork for Progress

The importance of company-wide effort is emphasized in the "Teamwork for Progress" campaign. This theme-a-month program will cover specific areas for improvement, such as quality, delivery, waste reduction, suggestion awards, absenteeism, competition and other subjects. Posters, bulletin boards, information racks and other media will carry the "Teamwork" message to all A-C employes, and the symbol will be used on all printed matter pertaining to the campaign.

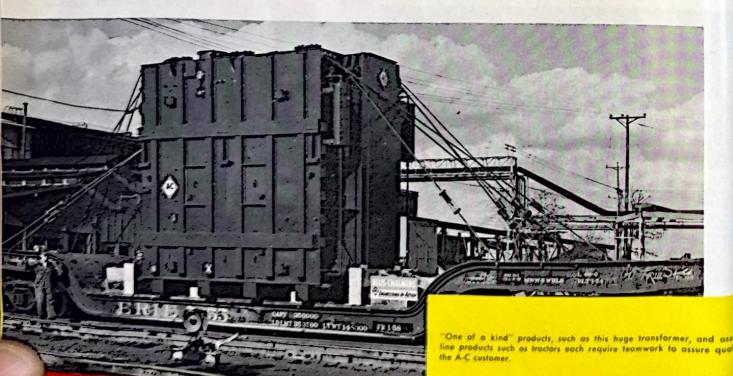
The success of "Teamwork for Progress" will be measured by the way Allis-Chalmers meets competition. A good year will do more than insure our present jobs, wages and employe benefits. A good year for A-C will also help make every job more secure, open up more opportunities and create brand new jobs.

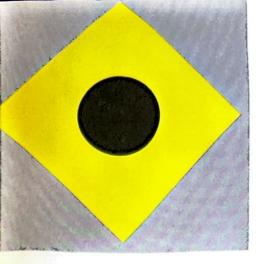
We have never faced tougher competition than we will meet in the Sixties,



at home and abroad. On the other hand, we have never had an opportunity to gain as much as we stand to gain through a successful "Teamwork for Progress" program.

Take the first month's theme as an example. It's based on these simple truths: QUALITY comes from you... SALES come from quality... JOBS come from sales.





There isn't a person at Allis-Chalmers who can't contribute directly or indirectly to the quality of A-C products. Thus, if we maintain the highest quality in performing our jobs, we can be sure that every product bearing the A-C trademark will be of the highest possible quality.

That's real Teamwork, and it will produce real Progress in the Sixties.

"EVERYWHERE . . . all the time!"

This 1960 safety campaign is intended for use at all A-C locations in the United States and Canada, for both hourly and salaried employes. While it contains many of the elements of the successful "Knowing's Not Enough" campaign, the 1960 program provides even greater coverage.

The year-long campaign will be launched by a full color sound motion picture, to be shown to all employes. The film's message will be repeated throughout the year by means of banners, posters, leaflets and other recall materials.

"EVERYWHERE . . . all the time!"
The title comes from the Allis-Chalmers
Total Safety Concept, which states the
company's policy and belief that occupational safety must be integrated with offthe-job safety. In addition, a sub-theme
"Safety — A Family Effort," is developed in the movie to project the A-C
off-the-job safety programming to include the employe and his family.

A yellow diamond with a black bullseye is the symbol for the 1960 A-C safety campaign. This "safety diamond" will be used on the various materials used to call attention to the monthly themes of the campaign.

A-C's management is confident that "EVERYWHERE . . . all the time" will help reduce injuries through a united effort on the part of all A-C employes. But



Cameraman (extreme left) films the scene as Actor Barry Hopkins jumps from a boat in a sequence from the company's new safety movie "EVERYWHERE...all the time."

Allis-Chalmers TOTAL SAFETY Concept

Allis-Chalmers believes in "Total Safety"... through a program that integrates accident prevention into all activities of the company and all activities of its people, and extends into three important areas... company personnel, products and customers and the public.

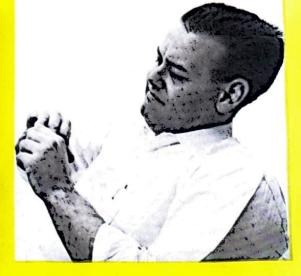
even more important is management's confidence that every A-C employe will benefit by increased awareness of safety both on and off the job.

The planning for the 1960 safety campaign began a year ago. The objective was to develop a comprehensive program to follow the "Knowing's Not Enough" and "Use Your Know-How" campaigns. As 1959 progressed, it became evident

that A-C employes would fail to improve their accident frequency rate (companywide) for the first time in five years.

It is hoped that support and participation in the 1960 campaign will check the upturn of 1959 and put A-C people back "on the beam" in their efforts to prevent accidents. This can be accomplished if we work and live safely, "EVERY-WHERE... all the time."

"They" Can Beat You This Year



Don't Care or Think . . .

Observe our "hero." He'd rather watch television than read a newspaper editorial. He'd rather go bowling than attend a political meeting. He'd rather talk about new cars than think about the highway programs. He's a real chameleon, because he thinks he's not qualified to discuss the issues, or he can choose to be above "all that political jazz." He can tell you his one vote doesn't matter anyway — or he'll tell you that, after all, one party or one candidate is the same as another, so what's the difference? When it comes to politics and government, he is a firm believer in doing as little as possible, because "you can't win, anyway."

With his attitude, you sure can't!

(EDITOR'S NOTE: This Article is directed to A-C people

in the United States. However, the idea it promotes is one which Canadian readers may also keep in mind as election year comes around.)

They've got your number this year, and they'll beat you again, unless you change your ways.

Who are They? They are the people who'll elect your state, local and federal government officials—the people whose candidates are elected because you failed to elect yours.



We've all heard the wailing — "why don't they do something about government spending? Why are they raising taxes again? Why don't they do something to help the working man? the housewife? the property owner? the father of four, etc., etc., etc.? Why don't they pass a law, or why don't they repeal a law?"

Why don't they? Because we and they are the same people—the American public. If we are not satisfied with the job they do, then it's our job to elect better officials.

In the photographs on these pages, our "hero" exercises his time-honored right to do as little as possible toward electing good government in his local, state and federal contests. As he adheres to his four basic principles, he earns the right to gripe about his government until the next election. He'll spend more time talking about government after the elec-

tion than he spends discussing the candidates and issues before the election. If he follows this ritual religiously, he qualifies for the title "Typical American Blockhead."

This is a major election year — in 1960, we'll have the privilege of picking people to serve in many capacities: Mayors, aldermen, governors, state legislators, United States senators and representatives and the president of the United States. This is the year we can correct the wrong or reward the right, as we see it. This is the year we can "stand up and be counted."

What's more, this is the year we can become they!

So have a laugh or two at the expense of our "hero" on these pages — but resolve that you'll be informed and register and vote as a representative citizen doing his best to share in the opportunity for citizenship that 1960 offers.

NOTE: For his cooperation in posing for this series of pictures, A-C Scope thanks Gordon Andersen, Assistant Supervisor, Duplicating and Circulation, West Allis Works.

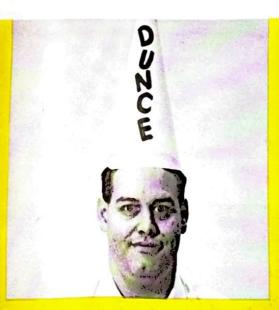


Don't Listen or Discuss...

Here's our "hero" with his mind already made up. He knows who he's for and how he'll vote. He comes in many shapes and sizes, for example:

He'll vote like "my dad voted." He'll vote for the man who promises the most to the working man, the farmer, the businessman or the taxpayer — without regard to what else the man stands for. If he's Irish, he'll vote for Irishmen; if he's Polish, he'll vote for the man with the Polish name; if he's — well, you get the idea.

In politics, this man's mind is a closed book and there's no point in confusing the issues with facts. He's the conformist professional politicians bank on so heavily when they talk about solid blocks of votes on their side.



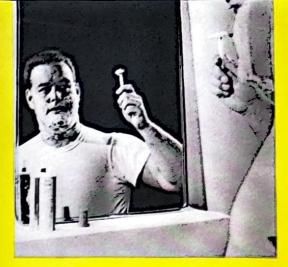
Don't Register or Vote...

The pointed chapeau our "hero" wears is the mark of a man with so little regard for the blessing of self-government he hasn't taken the time to register and vote. Our entire American political system is wasted on this man, because he fails to take advantage of the rights which enable him to determine who will govern him and how.

This is the man who gripes the loudest, the man who says "they are ruining this country (or city or state)..." until you ask him how he voted in the last election.

This is the man who isn't there, the political zero whose vote might swing any election in any community this year.

This is the man who is an eyesore on the American scene—he ignores a right which free men died to establish.



Don't Support or Oppose ...

In this role, our "hero" knows exactly what he supports and why, but he's always too busy to attend a council meeting, a school board session, a political debate or a party caucus. He knows who he'd like to see win in the elections, because he's convinced they'd do a better job than their opposition. He'd like to see them win, but he probably won't because he's too busy talking to himself to take the time to support the candidates he favors. While this man knows the solution to the problems confronting our elected officials, he's not going to tell others in support of his beliefs. When his candidates lose the election, he'll wonder how so many people could have made such a mistake. He may even decide to play a more active role in the next campaign.



... and When It's Too Late

Protesting at the top of his voice, surrounded by the evidence of what they are doing to him, our "hero" is in his native habitat. He has plenty to say — now. But he'll have to wait a year, or two or four or six, before he can do anything about it.

Meanwhile, back at the city hall, the state house or what-have-you, they run the government in an effort to satisfy the people who elected them. They are not compelled to respect the wishes of those who didn't care, didn't pay attention, didn't oppose or didn't vote. They have a mandate from a majority of the voting public and they'll do their best to give the people what they voted for. After election day, it's too late.



Pittsburgh Employe Proud to Speak for Democracy

Felix Sikorski, a core winder with 12 years of service at A-C's Pittsburgh Works is a "mighty proud man" these days. He and his family, representing four generations of Americans with Polish ancestry, were selected to appear in a United States Information Agency picture produced to show the American way of life to Europeans.

The film, titled "Their City," is a story of a typical Pittsburgh steel worker whose father came to the United States from the Old Country. It shows Sikorski and his family as a success story, not in the sense that they are wealthy, but because they live the typical American life with its high standard of living.

When the USIA representative contacted Sikorski about appearing in the picture, he thought "somebody was trying to pull a gag" on him. He couldn't understand why he and his family should be picked for leading parts in "Their

City." When he learned that it was no joke, Sikorski opened the doors of his home to the team of cameramen, writers, technicians and special agents sent by the USIA from Washington.

They turned his home into a film studio, Sikorski reports, with miles of wiring, cameras, speakers and microphones "all over the place." It was quite an experience for the Sikorski household as they cooperated with the production of the film. "Their City" is intended for use by the agency to show the tangible results of democracy and freedom, especially to people who know what it means to live under communist rule.

The production took about one week, and the hundreds of feet of film include some of the following scenes: Sikorski doing interior decorating in his home; his daughter, Janice, playing the piano while her sister and grandmother sing Polish songs; his wife, Helene, as leader of Troop 1607 Holy Family Girl Scouts,

taking her troop through the Polish nationality room at the University of Pittsburgh; his daughters, Janice and Phyllis, at a gymnastic exhibition in Polish Falcon hall, and many other activities involving the four generations of the family.

The film brings out the paradox of America's "melting pot" tradition by showing how various nationality groups maintain the culture and customs of the Old Country while embracing the freedom and democratic principles of the New World. The Polish Falcons, for example, can call each other by the Old Country names like Stas' and Antek and still be American to the core in everything they do.

For the Sikorski family, participation in the motion picture is a source of pride and pleasure. It shows them as an American success story — something all of us must represent to people behind the Iron Curtain.



Janice and Phyllis Sikorski clap their hands in time to the music in this scene from the USIA motion picture "Their City." Lines at upper center of frame are made by piano keyboard as film "dissolves" from keyboard to children's faces.



In another scene from "Their City," Mrs. Helen Sikorski examines some of the costume dolls which will be sold at a bazaar to raise money for her Girl Scout troop. Because these photos were "blown up" from 16 mm movie frames, they lack clarity of normal shots.



Four generations of Polish-Americans make this family portrait. Standing are Mr. and Mrs. Felix Sikorski. Seated are Grandmother Mysliwiec (Mrs. Sikorski's mother) and Janice and Phyllis Sikorski. Mrs. Mysliwiec is holding her great-grandson, Richard Korbeck, Jr., whose mother is Mr. Sikorski's niece.



At the family piano, the Sikorski girls play and sing traditional Polish folk songs as their grandmother and father watch proudly. The film points out that while the father is home recuperating from an on-the-job accident, he is compensated for his time lost from work.



As a Girl Scout leader, Mrs. Sikorski enjoys taking her troop on Saturday excursions like the trip to the University of Pittsburgh shown in this scene from the film. Narrator calls attention to the school's "nationality rooms" which help preserve Old World culture in Pittsburgh.

Do Our Children Know the Economic Facts of Life?



Our children are being taught a great many more things in school today than we learned in our student days. Tremendous advances in science, improved methods of communication and other factors contribute to the broader curriculum. It's unfortunate, though, that our children are not taught enough of the facts about our American economic system.

They do not realize that the two go hand-in-hand, a free people and a free economy. This theory is borne out by the results of a survey conducted recently among high school seniors.

The survey reveals some of the more common misconceptions—mistaken ideas which are not confined to a single age group or a particular walk of life. On the contrary, it is possible to find these same false impressions and notions in many groups of people who work for a living.

Here's an example of a mistaken idea, as expressed by high school seniors: Business in general makes a profit after taxes of 25 cents on the sales dollar.

Here's another wrong idea: A "fair"

18

profit for business in general might be about 20 cents on the sales dollar.

Now let's look at these two ideas—In actual practice, the country's leading corporations average profits of 5 to 6 percent of sales. For the entire country, the figure is less than 4 percent. And any company, including Allis-Chalmers, would welcome the chance to make a "fair" profit of 20 percent.

The students' mistaken ideas about profit don't stop there, either. More than half of them felt that one of the faults with the business system in this country is that the owners get too much of the money companies make, compared to what employes get. They also supported the mistaken idea that each dollar that is divided between owners and workers goes roughly 50-50 between the two groups.

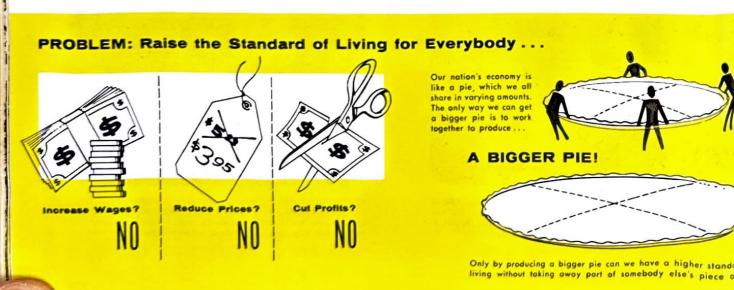
Again, they could find the fallacy in their opinion by checking any corporation's annual report. In the case of Allis-Chalmers last year, the employes were paid nearly 200 million dollars. Dividends paid to share owners, on the other

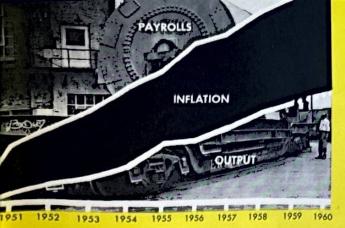
hand, amounted to less than 17 million dollars.

Here's another misconception, a different version of the thoughts expressed above: If most of the profits companies made were paid to workers in wages, workers would be better off in the long run...

Let's examine this statement, because it seems to emphasize the point that high school seniors are not being taught the economic facts of life, and they apparently are not stopping to think things out for themselves. It's true that workers have more money, and to this extent would be better off if they received most of their employers' profits in wages. But not in the long run. Unless a portion of a company's profits is reinvested in the business, the workers will soon be without the tools to produce efficiently, costs will soar and competition will outdistance the employer in the race for the customers' favor.

The same group of high school seniors failed to recognize the truth in the following statement: The most secure jobs





FALSE: Workers' pay has gone up, but not as fast as their output.

FACT: Since 1950, average wages have risen much faster than average output in manufacturing companies.



profits... It's hard to imagine how anyone could fail to agree with that point, since it's pretty plain that steady profits are a requisite for keeping the business open and providing employment on a steady basis.

The same group was no better informed on the subject of inflation and living standards. Nearly one-half of them said If all companies raised wages 10 percent at the same time, it would result in a 10 percent increase in the workers' living standards. Since one man's wage is another man's cost, this can not be true. A 10 percent blanket wage increase would result in a 10 percent blanket price increase and no worker would be better off. A general raise of this nature would have the opposite effect, since it would raise prices for people with fixed incomes, cut into the actual worth of money in savings, pension insurance and other programs.

When asked the question "What's the surest way to raise the country's living standard?" Seventy-nine percent of the

FALSE: "If most of the profits companies made were paid to the workers in wages, workers would be better off in the long run..."

FACT: Unless sufficient profits are reinvested in the business to provide the tools and facilities to keep the company competitive, we would soon have a situation which could force the employer out of business.

seniors gave wrong answers, as follows:

18% said "Increase wages"

38% said "Lower prices"

18% said "Limit profits"

5% said "Increase government spending"

While 79% gave wrong or partial answers, only 21% gave Produce more goods per man-hour as the surest way to raise the country's living standard, despite the historic fact that this country's steadily rising standard of living has been accompanied by continuing increases in output per man-hour.

That leads us into another misconception, regarding pay and output: Two-thirds of the seniors interviewed said Workers' pay has increased over the years, but not as fast as their output has

increased. The truth is exactly opposite — output has been going up, but pay has been going up much faster since World War II. The result is a continuation of the "creeping inflation" brought about by wage-price increases, round after round. If our wages were increased only in proportion to our increased output, price increases would no longer be necessary.

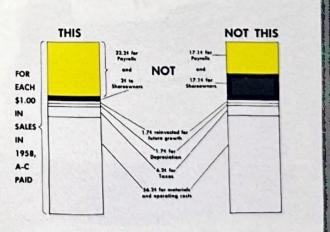
There is another example which may illustrate the point that our children are missing the boat in economic education. More than half of them agreed with this statement: "... the fairest economic system is one that takes from each according to his ability and gives to each according to his needs."

This statement is the basic doctrine of Karl Marx, the principle upon which modern communism is founded. It ignores the American idea that individual effort should be rewarded in relation to the contribution it makes. Yet, more than 55 percent of the high school seniors failed to recognize the Marxist doctrine as the antithesis of free enterprise and individual liberty.

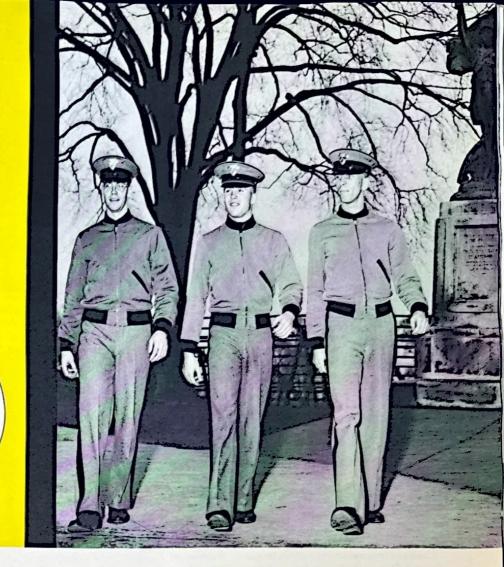
Do our children know the economic facts of life? Many do not — most not as well as we might wish. It is up to us as adults to take the facts and present them to our children as clearly and as accurately as possible. Only then will we rid ourselves of the mistaken ideas that seem to prevail about the American economic system.

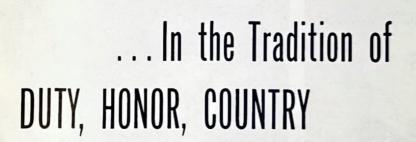
FACT: Shareowners get only a small portion of what's left after taxes, materials, operating costs and other expenses have been paid . . .

ALSE: In most companies, wners and workers are paid of of profits on a 0-50 basis...









Sons of A-C Employes

Follow Rigorous Schedule

in West Point Training

When a young man decides to build his future in one of mankind's oldest professions, the life of a soldier, there is but one place he hopes to serve his apprenticeship—the United States Military Academy at West Point, N. Y.

Such an apprenticeship is currently being served at "The Point" by three young men who are sons of Allis-Chalmers employes.

They are the sons of W. D. Nesbeitt, Spokane district office manager, Henry J. Detjen, works manager at Springfield Works and K. C. Shanabrough, operations planner at York Works. Cadet W. D. Nesbeitt, Jr., Class of 1961, is a junior at the Military Academy. He is a 1957 graduate of Mead, Wash., high school, where he was active as freshman class vice president, junior class business manager, senior class student council representative and 1957 Boys State candidate. He was a member of the National Honor Society and the school Dialectic Society and won his freshman numerals in football.

At West Point, Cadet Nesbeitt is a member of the Catholic choir, Dialectic Society, "Hop" (dance) committee and the Glee, Sailing and Rifle clubs. In



sports, he represents his unit, Company H-1, in football, lacrosse, soccer and cross-country.

Another junior at the Academy, Cadet Frederick H. Detjen, was a 1956 graduate of Springfield high school, where he had been a member of the Delphic Literary Society.

His West Point activities include membership in the Pistol and Skeet clubs and intramural lacrosse, and track teams. He is an Academy monogram winner in both cross-country and track.

Cadet Kenneth J. Shanabrough, Class of 1963, is a 1958 graduate of William Penn senior high school. In his high school days, Cadet Shanabrough was a member of the Filii Neptune (Sons of Neptune) and Penn Peppers clubs. Holder of four swimming records, he was named District 3, Pennsylvania Inter-

scholastic Athletic association and eastern regional champion in both the 100yard free style and 150-yard individual medley events for two years. He was 1958 United States eastern interscholastic champion in individual medley and a member of the high school All-American team in the medley event. He also won two letters in baseball.

As a "plebe" with a heavy academic load, Cadet Shanabrough must necessarily limit his "campus" activities. However, he has managed to find time for the Rocket Society, Cadet Debate Council and Forum and the freshman swimming team.

For the "Allis-Chalmers cadets" and their classmates, service academy life is aimed at mental, moral, physical and military development. The day begins with reveille at 5:30, breakfast at 6:30. Next come two classes in the morning, with a study period sandwiched between, and one class in the afternoon. Following the class day, each cadet takes part in seasonal varsity or intramural athletics, with the latter occupying at least two post-class periods per week.

Small class groups are the rule at West Point, to allow each cadet a chance to recite or prepare a problem analysis for scrutiny by his instructor each day.

The same curriculum is followed by all cadets, with the exception of the foreign language course in which a choice is offered of French, Spanish, German, Russian or Portuguese. There are no "cuts" from classes — a missed class calls

for immediate disciplinary action. Cadets' evenings are devoted to study until Taps is sounded at 11 o'clock.

It's a rigorous life Cadets Nesbeitt, Detjen and Shanabrough lead, but it's a way of life which has developed in the Military Academy's 158-year history. The mission of the Academy is officially described as "To instruct and train the Corps of Cadets so that each graduate shall have the qualities and attributes essential to his progressive and continuing development throughout a lifetime career as an officer in the Regular Army."

The Academy's 22,000 graduates, who have taken their places as leaders in every field of endeavor, are witnesses to the way this mission is being accomplished. For an inherent part of the Academy's mission is the twin objective of instilling discipline and a high sense of honor. The Academy further strives to provide the knowledge and general education equivalent to that given by our leading universities, and particularly, to develop the powers of analysis so that the mind may reason to a logical conclusion.

The outgrowth of the training and education received at West Point is plainly written on the pages of American history and embellished with the names of the Academy's famous graduates.

The A-C family's three West Pointers—and their parents—may well be proud of the training that will make these cadets a part of the famous "Long Gray Line."





Immaculate uniforms, tidy locker arrangement demonstrated at left by Cadet Detjen are part of every West Pointer's life. In photo above, Cadet Detjen pauses in the sallyport entrance to his barrock area to check his grades. The class standings are posted weekly and failure in a subject means "turnback" and the entire semester must be repeated.



a·c scope

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