



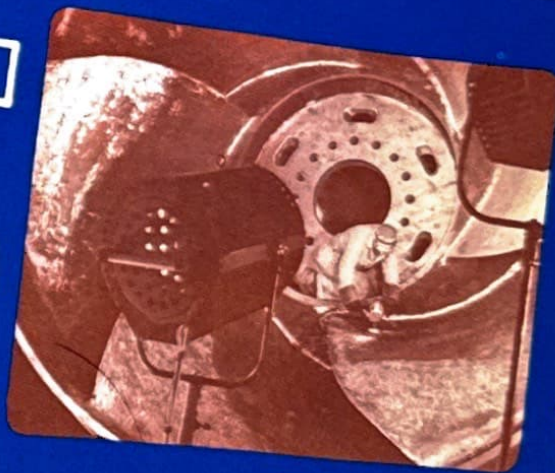
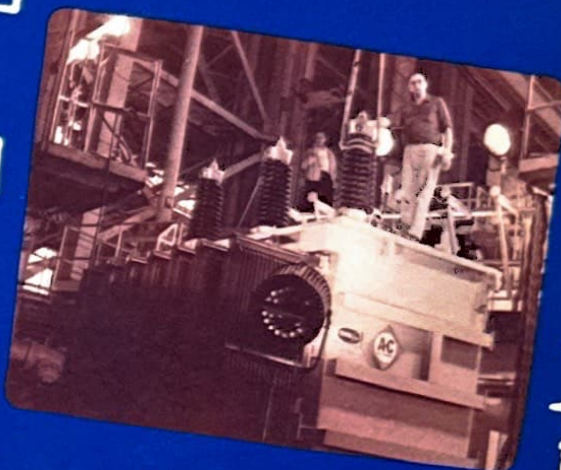
a-c scope

magazine of allis-chalmers people



march-april, 1961

President Reviews Year, see page 2





COVER PHOTOS

While cameras were shooting "This Town Sure Has Changed" in a dozen states, Charles Arps, Public Relations staff member who coordinated the project, did some shooting of his own. His "behind the scenes" efforts show you how the motion picture cameras recorded some of the scenes for this new company movie.

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PHOTO CREDITS

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A-C SCOPE

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 I. J. LaBarbera....Art Director
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Review of United States,

Canadian Operations in 1960

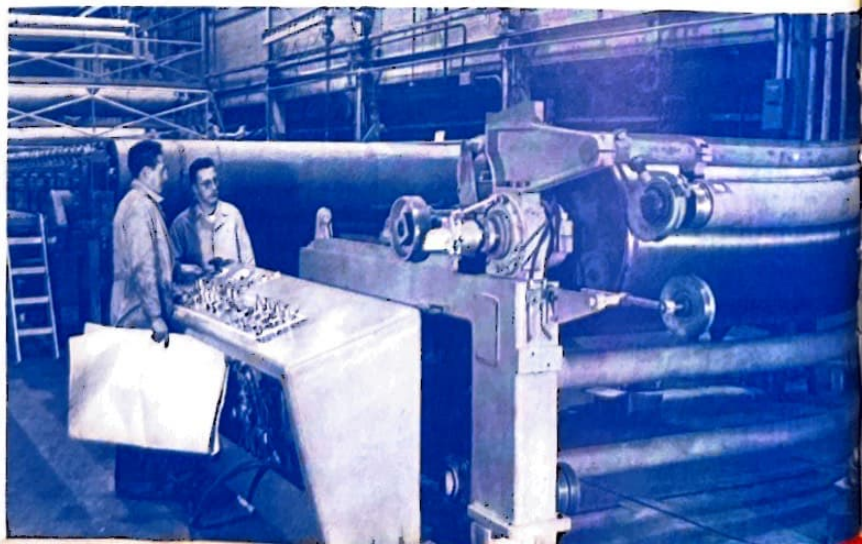
President Stevenson's Report

Sales in 1960 of \$530 million were \$9.6 million below those recorded in 1959 for our operations in the United States and Canada. Our sales reflect the mixed economic conditions evident throughout the year.

Profits of \$10.6 million after taxes were substantially lower and amounted to 2¢ on each sales dollar. This compares with earnings of \$22.8 million or 4.2¢ of each sales dollar in 1959.

Contributing heavily to this decline in earnings were lower production schedules resulting from the reduction of inventories, and sharply lower prices in the electrical and industrial apparatus markets.

The general business decline took its effect on our employment, which was 32,173 at the year's end, compared with 36,130 people on our payrolls at the close of 1959. Wages and salaries, however, continued to climb. Payrolls of





Flanking a D-17-powered corn picker is the Allis-Chalmers Board of Directors. This unit serves the largest single industry in the nation — agriculture. Pictured are (from left) R. S. Stevenson, president; Fred Bohm, president, Meredith Publishing Co.; Louis Quarles, Quarles, Harriott, & Clemens; James D. Cunningham, director, Republic Flow Meters Co.; J. L. Singleton, senior vice president; W. G. Scholl, executive vice president; W. E. Buchanan, president, Appleton Wire Works Corp.; Hugh M. Comer, chairman of the board, Avondale Mills; Howard J. Tobin, vice president, The Northwestern Mutual Life Insurance Co.; Ernst Mahler, director, Kimberly-Clark Corp.; Boyd S. Oberlink, senior vice president. Not in the picture were W. C. Buchanan, industrial consultant; D. A. Forward; Joel Hunter, president, Crucible Steel Company of America.

On its way to South America is this section of the Western Hemisphere's largest cement kiln. A major innovation was introduced in the processing field in 1960 when we installed our first Grate-Kiln system in the United States Iron Range country.



o Allis-Chalmers People:

\$197,619,000 set a new record in 1960, about \$1.5 million more than received by employees in 1959.

Along with payrolls went a varied benefit program in which all our employees participated. The cost of this program of pensions, vacations and holiday pay, health and accident insurance and many other benefits amounted to \$1,392 per employee for 1960.

Our retiree rolls continued to grow. Some 3,386 veteran employees are enjoying a more leisurely life, 225 more than in 1959.

Three company-wide programs begun in 1960 owe their success to the cooperation of our employees everywhere. They are "Teamwork For Progress," "Safety Everywhere... all the time!", and the new suggestion award program.

Because of the unfavorable economic conditions that faced Allis-Chalmers last year, the themes presented in "Team-

work" were particularly meaningful to our people.

We were again able to take pride in the ability of our people not only to manufacture products of top value but to manufacture them safely. Accident prevention measures which have enabled us to operate substantially better than national industrial averages brought a further improvement of about 15 per cent in 1960 to make it the safest year in history for Allis-Chalmers people.

Although it has been in effect less than a year, the new company-wide suggestion program brought encouraging achievements. The ideas adopted through this program have far-reaching effects on our efforts to be competitive.

The capital expenditures for modernization and new equipment and facilities amounted to \$13.7 million. The major construction project underway was at Harvey Works, accounting for about half of the total outlay.

The past year was the fourth for our college Tuition Refund Plan. It has assisted in the education of more than 1,350 employees who attended 87 colleges and universities, completing nearly 4,800

courses. The expanded scholarship program for employees' children now provides a total of 60 annual grants of \$600 each.

An intensified training program was initiated to further develop the management capability of our supervisory personnel. This vital program will reach full effectiveness in 1961.

Company-sponsored educational opportunities for employees were enlarged with inauguration of a home-study college level course in business administration designed expressly for us by a leading university. Original enrollment was 500 persons, and an additional 2,000 are scheduled.

The past year saw Allis-Chalmers and labor organizations work smoothly to agreements of mutual benefit and satisfaction. Union contracts were negotiated in 1960 with six of the 29 unions with which the company has collective bargaining agreements. Contracts with 17 unions will expire in 1961. These include most long-term agreements and involve several major unions.

Early last year grand juries returned indictments charging Sherman Antitrust

Paper making machinery made at the Valley Iron Works Corp., Appleton, Wis. is one of a variety of products that offers Allis-Chalmers a market potential in almost every major type of manufacturing. Testing a horizontal reel are Howard Schoen, assembler, Walter Baumgart, foreman.

Report to Allis-Chalmers People

Act violations against Allis-Chalmers and 28 other major electric manufacturers — substantially the entire industry. The company and four employees pleaded guilty and both the company and employees paid fines which were levied by the court.

The company has stated that it firmly believes in the enforcement of the anti-trust laws and that it had never authorized or approved any violation of them by its employees.

We are certain that any improper acts of the four employees indicted were not flagrant or defiant but were done in a completely mistaken effort to serve their company without assurance or hope of personal gain.

In cooperation with several other manufacturers, we have taken it upon ourselves to approach our customers and discuss the extent to which they feel they might have been damaged in their purchases of equipment in the scope and time described in the indictments. While we honestly can not find any basis for an assumption that damages were sustained, we nevertheless recognize the atmosphere of the situation, and if any settlement is truly due them, we desire to make it amicably.

We believe this approach is the only one proper under the circumstances and that the net result will strengthen and not weaken the company.

The number of people who own Allis-Chalmers maintained the growth pattern experienced in past years. Our number of common stock accounts increased from 62,414 in 1959 to 67,495 in 1960.

In 1960, a slight decrease — about 6 per cent — in farm equipment retail deliveries and a major reduction in dealers' floor stocks caused the lowest farm equipment sales and operating rates in a number of years. While the percentages were different, the same general situation was present in the construction machinery business. The 1959 farm price decline and bad weather in the spring of 1960 were at the roots of the farm machinery sales decrease; reduced road building activity was responsible for lower construction machinery volume.

Shipments of capital goods — electrical and industrial apparatus — were higher in 1960 than in 1959. Total volume of new orders about equalled that of the year before. As a result, our backlog of unfilled orders for these types of

equipment was \$209.2 million at the end of the year, compared to \$245.2 million a year earlier.

Sales of defense products came to \$19.2 million, approximately equaling those of 1959.

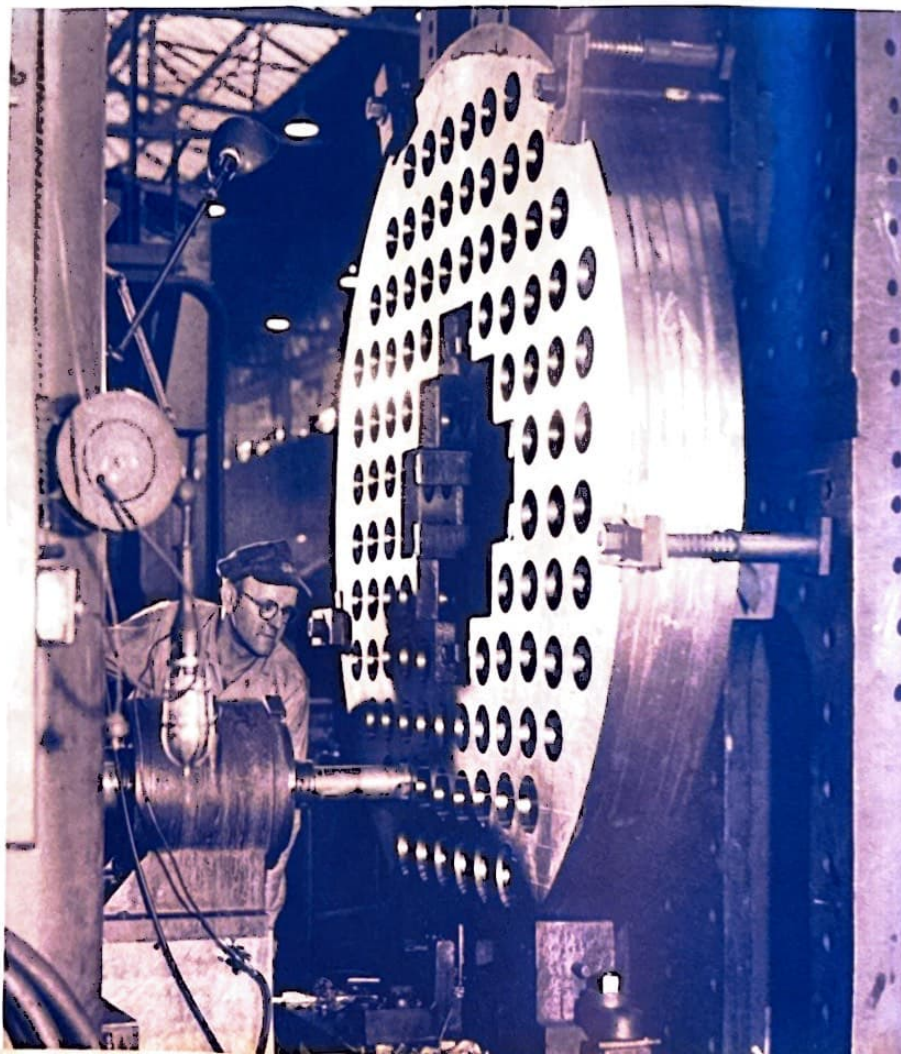
Contrasted to problems besetting domestic operations in 1960, export sales from our domestic operations were 33 per cent higher than in 1959, totaling \$62 million. Economic recovery in certain areas of the world more than offset trade lost in countries experiencing political changes. Subsidiaries and licensees continued to purchase components from domestic plants to be incorporated into complete machines that no longer may be exported to some markets because of economic circumstances and local import controls.

In 1960 we acquired Etablissements de Constructions Mecaniques de Venduvre in France, and gained an extensive dealer organization to distribute Allis-Chalmers farm equipment in France and a new source for tractors and engines to be sold within the Common Market and elsewhere.

Another move to improve our potential to maintain and create sales and employment was the one-half interest acquired in Consolidated Systems Corporation, Monrovia, Calif. The application of electronic and computer systems to the control of complex electrical and industrial equipment we manufacture is of major importance to us. Through this acquisition, Allis-Chalmers is now in the forefront of the few firms that can design and supply automated plants for utilities and basic industries.

Products made by Allis-Chalmers employees serve the basic industrial markets of our economy. These include electric utilities, manufacturing, mining, construction, agriculture and defense systems, all of which have expanded generally with the growth of the country.

Our remarkable diversification provides balance between those markets which tend toward periodic ups and downs. This is clearly indicated by our sales in 1960 which found electric utilities strong and construction and agriculture weak. The future outlook for these markets is growth and strength.



Nuclear power stations on the line and in the process of construction mark a new development in power sources. Machining the boiler grid plate for the Pathfinder atomic power plant at Sioux Falls, S. D. is Howard B. Voigt, West Allis Works.

Allis-Chalmers is well prepared to take advantage of these growth potentials. Research and development programs in company laboratories continued at the pace set in the last few years. There were many notable achievements. Every single product advancement in 1960 was a direct result of the chain in this company which begins with research and goes on through development and product engineering.

As an example, we can cite Allis-Chalmers research into magnetohydrodynamics (MHD), which developed the first commercial application for this process. One adaptation of the system will be used to simulate very high temperature and velocity conditions for missile and aircraft models in a special wind tunnel. The ultimate product of MHD is hoped to be commercial electric energy by direct conversion from high temperature ionized gases at substantial reduction in fuel costs. This first application marks a significant advancement in the art.

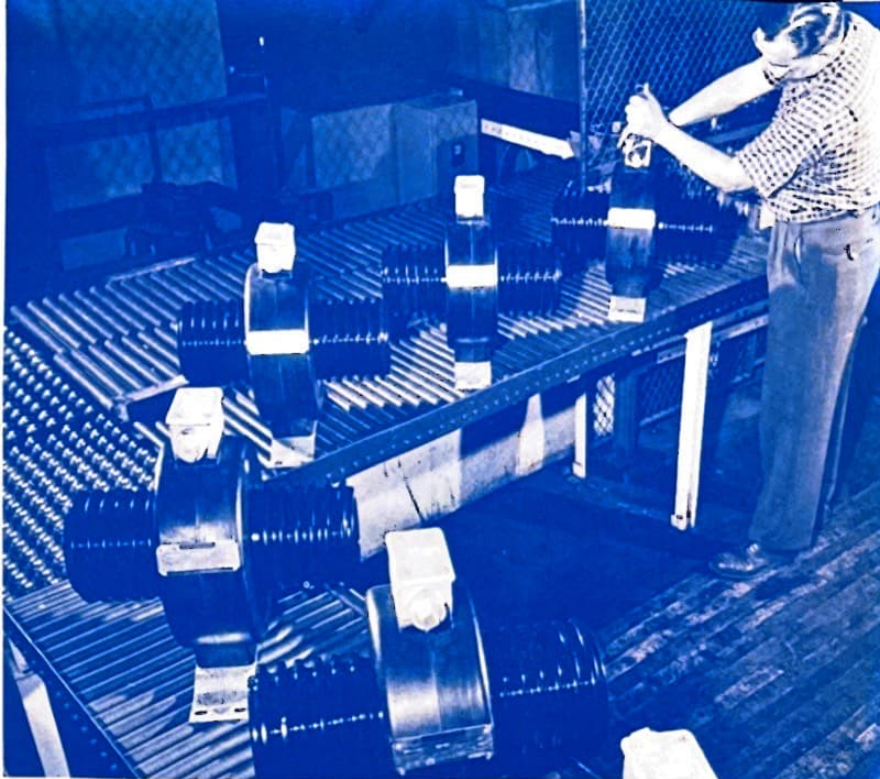
Innovation in product is the ultimate aim of all research activities and their companion development and engineering programs. The fact that our farm equipment division was able to announce 90 new farm and utility machines one day last November testified to the success of this portion of our effort.

Along with newly acquired operations, we have improved our plants with new machinery and equipment. Management has been strengthened at all levels. Organization changes have been made on divisional and departmental levels to take better advantage of design, production and distribution. While each division of the company has certain primary markets, there are many instances wherein two or more other divisions serve the same market with their products. In this instance we use the *task force* approach.

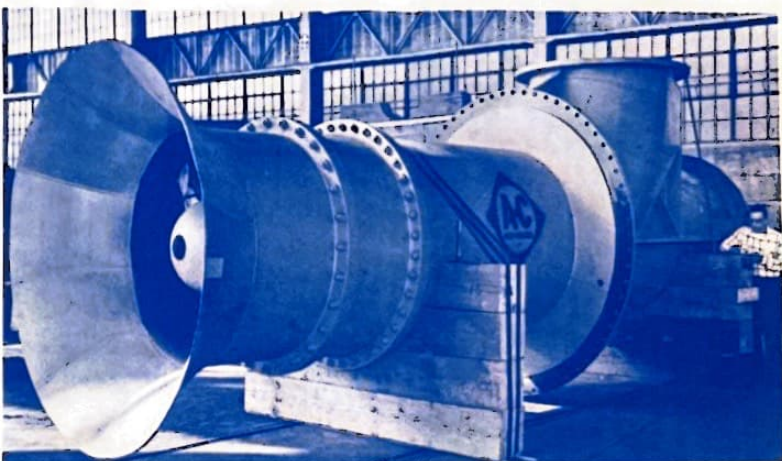
To effectively sell in these markets, plants and sales offices are strategically located throughout the world.

Research and development projects, improved facilities, and employees who contribute their best efforts make us well prepared to take full advantage of our opportunities in this and future years.

Expectations of a return to normal farm equipment purchasing patterns and higher dealer inventories, of measurably greater highway construction, and of capital equipment sales close to 1960 levels should provide us a more favorable year in 1961.

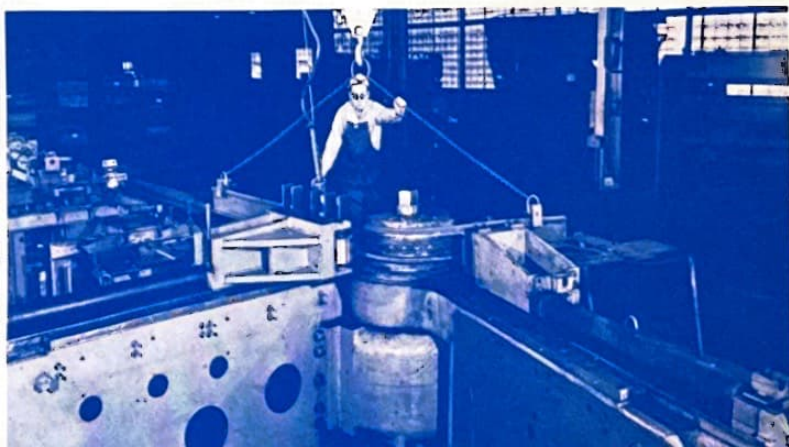


These 15-kw units in our new line of metering transformers are shown during inspection at the Pittsburgh Works. Pictured is William C. Werling. For the transmission and distribution of power, we build motors, switchgear, circuit breakers, substations, power and distribution transformers, voltage regulators, capacitors.



With a capacity of 100,000 U.S. gallons per minute, this pump made at the Lachine Works of Canadian Allis-Chalmers is Canada's largest. One of four manufactured for the Ontario Hydroelectric Co., it is being checked out by John Dabarno, assistant shipper. With the exception of the boiler, Allis-Chalmers designs and builds all of the major components of an electric utility system.

Bending a side member of a C-frame for a bulldozer assembly at the Springfield Works is Wayne Grider. The trend for equipment serving the major construction programs is to greater capacity and power, economy of operation and ease of maintenance. However, there is also a good market for smaller, efficient equipment.



Trademarks designate A-C plants.



Contractor Dietz Smith (right) will have a sizeable crew on hand for the new plant addition he is discussing with Rodney Bond (left), plant engineer, Yorks Works, and Horace Schenck of his own staff.

Wimpy Fourhman, machinist at Allis-Chalmers York Works, bought a pair of shoes for each of his five children in York last September. In December, he repeated the purchase.

Otto Koerner, Yorks Works purchasing agent, authorized the procurement of tens of thousands of weld rods from York area manufacturers throughout the year.

At the same time, George Schmidt, a Works engineer, was planning better roads, parks, water conservation, zoning and land subdivision as a member of York area Planning Commissions.

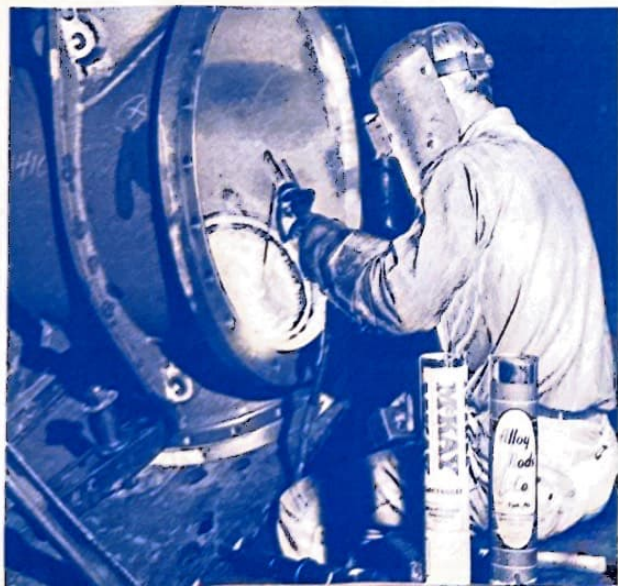
Through men like Fourhman, Koerner and Schmidt, the York area, day after

day, is experiencing the snowballing effect of an industry on a community.

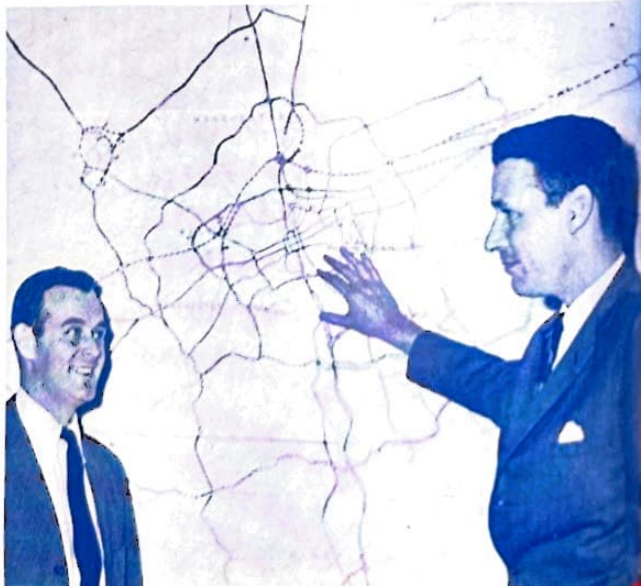
In York last year, Allis-Chalmers spent \$8,453,000 for such items as payrolls, materials, taxes, and certain fringe benefits. These expenditures were repeated in all Allis-Chalmers plant communities, the amount varying with the size of the plant and local services available. These expenditures were multiplied for every other industry located in those communities.

The impact of an industry is felt well beyond the gates of a plant and the doors of employes homes; the full scope of employment brought about by an industry is broader than its roster of shop and office people; and, finally, the full story of industrial impact is more than

Weld rods made right in York are used here by Albert Schaeffer. The plant calls on hundreds of local suppliers for a multitude of materials, services.



York Works engineer George Schmidt (right) volunteers his services to Planning Commissions in the York area.





Window washers, employees of a York firm, are engaged to periodically spruce up the plant. Every Allis-Chalmers operation requires the assistance of many outside firms.

Motor Freight Express, with its main offices in York, is one of a dozen local trucking firms doing business with Allis-Chalmers. Last year the company spent \$8,453,000 in the area for items like payrolls, purchases, taxes and certain fringe benefits.

a story of dollars and cents.

For every 100 industrial jobs in a community it's estimated that there is a net increase of 74 local jobs in other fields and an average annual increase of well over a half million dollars in personal income. These 100 industrial jobs mean 296 more residents, four more retail stores, 112 more households.

For every 100 Wimpy Fourhmans, additional jobs are created for something like .30 firemen, .66 bank clerks, .50 teachers, .20 shoe clerks and .40 gas station attendants, .14 librarians, 1.3 food clerks.

Industrial paychecks make the Wimpy Fourhmans VIPs — very important purchasers — in their communities.

The shoes that must be bought and paid for are only a fraction of Fourhman's personal expenditures. Mrs. Fourhman explained that their growing children, ages 1½ to 9 years, are "hefty eaters." She said, "We buy at a locally owned chain store and always in the large economy size. We buy potatoes in 100 pound bags, five or six big boxes of cereal a week, at least 20 quarts of milk a week, in addition to fruit juices. That grocery cart is really loaded when we do our Friday shopping."

Home owners, the Fourhmans anticipate a sizeable purchase for their house — a new rug, for example — every three years. With growing children, trips to the clothing store are regular events. A

few months back, their 1956 Ford needed a new carburetor.

Fourhman recently bought a boat for family summer recreation. At Christmas, among the other presents, were four new pairs of ice skates. "And every now and then we buy a phonograph record," said Mrs. Fourhman.

The list, of course, could go on and on, and, with some variations, matches the shopping lists of most York families. The 247 yellow page directory in the York telephone book probably summarizes the extent of purchases made by York Works families as well as any other source.

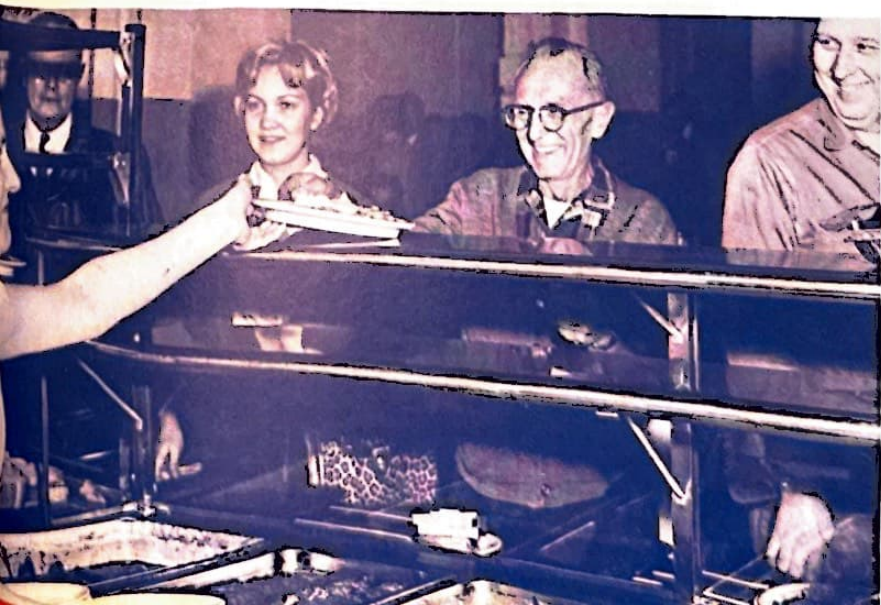
Like nearly all, if not all, York Works families, the Fourhmans do most of their buying right at home, although several large cities are nearby. "York has a nice selection of stores of all kinds. There isn't much you can't buy here," said the Fourhmans. "Anyway, we have no problem spreading our money around the city."

Koerner and his staff face a little different situation in their purchase of supplies and services for the company. The greater York area, with a population of 100,000, can hardly be expected to quarter the vast variety of suppliers required by any one industry. Yet, for its size, York has an excellent diversification of suppliers.

Koerner said, "We like to do as much buying as possible from local sources. Because of their location, they can usually give us faster service and naturally we all like to foster our own community — this is a matter of community pride.

"We must naturally be guided in our buying by considerations for quality, price and service. The supplier who can give us the best combination of these

Chow time at the York Works two plants means a full day for Martin Paige and his staff. Paige is an independent cafeteria operator for three York industries. He hires his own employees and buys most of his food products in the community.



This is our town

three, regardless of his location, is the one from whom we buy. We find, however, that those items which are manufactured in York can generally be bought to advantage in York.

"Just as an example, in 1960 we spent in excess of \$100,000 for electrical power for the York Works from our local utility. We bought approximately 500,000 board feet of lumber for such things as shipping boxes, crates and skids from local firms and brokers. Some of this lumber was harvested right here in York County. We bought approximately 224,000 gallons of fuel oil from local firms."

York suppliers total well into the hundreds. As a company, Allis-Chalmers in 1960 used in excess of 10,000 suppliers.

The York Works buys more than materials. It uses the services of: local window washers, who periodically spruce up the plant, a dozen local trucking firms who pick up and deliver at the plant, a rigging firm well equipped to install equipment such as large cranes, a local test laboratory that occasionally checks out special materials, typewriter repair men, independent businessmen hired on a contract-service basis.

One supplier spends most of his workday at the Works. He is Martin Paige, who, in conjunction with his parents, operates the two employee cafeterias at our No. 1 and 2 plants, plus cafeterias

at two other York industries. On Paige's personal payroll are 11 fulltime and one parttime employes serving the York Works.

Paige said, "I buy most of my cafeteria food products right here in York. I try to buy locally as much as possible."

Building contractor Deitz Smith also has a crew at the plant at all times. Later this year, when work on a new 650 by 56 foot addition gets under full swing, this crew will mushroom to between 40 to 50 men, including those of subcontractors.

Added to expenditures for payrolls and to suppliers are employee benefit costs. For example, for life and hospitalization insurance programs alone, the York Works spent \$169,000 in 1960.

Beyond actual cash expenditures, industry attracts and holds people who contribute their time, as employees and as private citizens, to projects that benefit the community.

Fourhman, before transferring to the second shift, served as a scout counsellor and on a scout troop board. Harry Shive, Valve department sales service manager, is chairman of a sewer authority for Springettsbury township. Bob Scheffer, working foreman in the laboratory, is chairman of the West York Borough council.

Considerable assistance is given schools. Phil Barnes methods supervisor of the



Tool design department has helped prepare, on his own time, a course in machine design for the Pennsylvania State University. This course will be available to local residents through the University's York campus.

Bill Kling, training and safety supervisor, has represented the company on an industrial committee to set up a safety program for the York Vocational school. Kling, along with other Industrial Relations department men, has participated in guidance counselling programs at York schools. The plant has been host to many tours for school groups.

Kling said, "We have donated remnant steel to the Vocational school for training purposes. In a letter, the school's director said, 'This gift is symbolic of the close relationship which exists between the schools and local industry.'"

Said Kling, "Allis-Chalmers and other industries in York want to do the best they can by the community. This is our town. Any good we can do comes back to us and our employes."

Financial support of schools cannot be overlooked. As taxpayers, both the Works and its employes do their share in providing buildings, paying teachers. The York Junior College, a privately operated institution of higher learning, has received monetary aid from the York Works, as have local hospitals and char-



For every 100 industrial jobs, it is estimated that there are net increases of 74 local jobs in other fields — policemen, clerks, gas station operators. Here Lawrence Stump, operations planner, Methods department, has his car's oil checked at a York service station.



Wimpy Fourman, a York Works machinist, does nearly all his buying in the plant community. Expenditures from his paycheck include haircuts for son, James, shoes for his five children (about four times a year), and food by the cartful. The Fourmans say, "We have no problem spreading our money around the city."

itable organizations.

Through pensions, social security plus their own savings, the York Works elder citizens leave an impact all their own. The Works has 138 retirees to date. One of these — Martha Bender, 66 years old — is hale and hearty enough to bowl in two leagues each week.

She is still an active Red Cross volunteer. After eight years' service, she has 680 hours as a Red Cross receptionist at the York hospital and the county home. She has no intention of slackening the pace.

Wherever you look in York, or around any Allis-Chalmers plant community, there are examples of industry and its employees fulfilling their obligations as good citizens.



Although retired, Martha Bender, at 66, keeps active as a receptionist for the Red Cross. Miss Bender also bowls in two leagues each week.



Added to payrolls are employee benefit programs such as hospitalization insurance. Receiving his checkup is the new son of engineer Bill Feeser.



Virginia Wolf, daughter of Richard Wolf, provides still another example of payroll impact through her baton twirling lessons. Wolf is an operations planner at the plant.



From all walks of life

Shareowners are engineers, members of labor unions, housewives

More than 67,000 people owned Allis-Chalmers in 1960. One was Ralph Klages, a Charles City, Iowa farmer. Another was Mrs. Jean Smith, Bad Axe, Mich., wife of a correspondent for an area newspaper. A third was Norman L. Knowles, Carson City, Nev., an engineer for the state of Nevada. And a fourth — George Kledzik, Norridge, Ill., a production supervisor for a Chicago printing equipment manufacturer.

They shared in dividend payments that amounted to \$1.50 per share on common stock now outstanding. Shares have been issued since our company's incorporation in 1913 to help pay for the development of new products, the purchase of new plants, machine tools... and to strengthen the financial structure of our company.

They invested their money with Allis-Chalmers (and other corporations) with the expectation that, after the company's financial obligations for the year had been met, enough would be left over to allow for a reasonable return on their investment. It was a risk. There was no contract that guaranteed an increased dividend payment, or any payment at all.

Why, specifically, did these four, and thousands of others, invest with Allis-Chalmers in the first place. You could uncover many reasons — a history of good management, diversification of products, a record of growth. But these reasons all boil down to a hope for a return on their money. (A good return to stockholders also helps maintain and increase the market value of our stock so that new stock issues will bring in more money per share for use in Allis-Chalmers

operations. Allis-Chalmers has paid a dividend every year since 1920, with the exception of three years during the Great Depression.)

Mrs. Smith has been an Allis-Chalmers stockholder since 1946 when she bought 20 shares on the advice of her father, a banker. She said, "He felt it was a well managed firm, and I have felt that way ever since. It was my father's influence that made me stock-minded."

As a 100-share holder, Mrs. Smith has less than the average number of shares (135) held by each registered shareowner account, but more than the median (50), which means there are as many holders below this figure as above.

By far, the greatest number of A-C common stock accounts (56,223 out of the 67,000) have 100 or fewer shares.

Klages, who operates a 165 acre hog and dairy farm with his father, purchased 10 shares of A-C stock in 1954 and now owns 90. His father, John, has 34 shares, and a brother, Karl, has 100 shares.

The A-C farm equipment he uses on the farm helped convince Klages that Allis-Chalmers was a good firm to invest in. He said, "We had one of the first Allis-Chalmers combines in the territory. We are still using a tractor bought in 1941."

Knowles, the father of two sons, ages

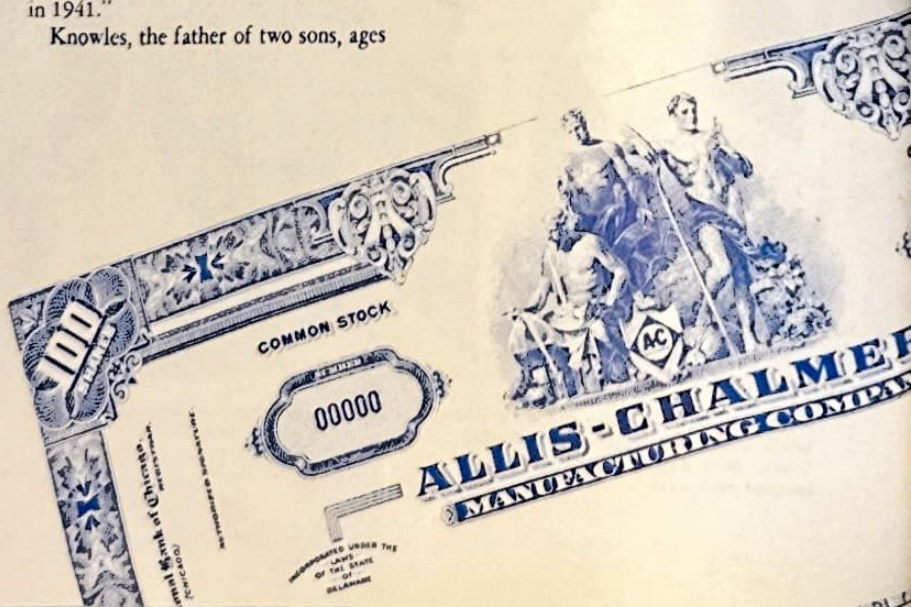
20 and 24, purchased five shares of A-C stock in 1958 and 10 more in 1960.

He said, "I had an opportunity to test your electric motors on a number of occasions and was impressed with their quality. This, plus the fact that I feel Allis-Chalmers has good management and is a growing concern, influenced me to invest in A-C stock."

Kledzik said, "I bought 10 shares of Allis-Chalmers stock last year because I believe the company has long term growth potential. I first heard talk about the stock from some men at work."

He said he is investing in stock for his children's education (he has four, ages 1 to 6) and for his retirement.

It was mentioned that Mrs. Smith, Klages, Kledzik and Knowles are four of 67,000 shareowners — 67,495 to be exact. Actually, this is an ultra conservative figure. Approximately 16,000 of the 67,495 accounts are registered in joint names, with two or more stockholders. Add to this the estimated 17,000 people who have the A-C shares registered in nominee or brokerage names and the total number of investors in our common stock becomes about 100,000.





An engineer for the state of Nevada, Norman L. Knowles, Carson City, owns 15 shares of Allis-Chalmers common stock. As of 1959, one out of eight adults in this country owned stock in public corporations.



Owner of 100 shares of A-C stock is Mrs. Jean Smith of Bad Axe, Mich. The wife of a correspondent for an area newspaper, she became interested in stocks through her father.

The ranks of people participating in this form of capitalism is growing year by year. During the past year, Allis-Chalmers shareholder registrations have increased by more than 5,000, and have more than doubled since March 1, 1954.

Nationally, 12,490,000 Americans owned shares in public corporations in 1959 — nearly double the 1952 total — a shareowner population that was not anticipated before 1965.

Commenting on this growth, the New York Stock Exchange said, "This development has been influenced by a high level of personal income in the United

States, a rising stock market, and a greater public understanding of the investment process."

More than ever, the American stockholder is apt to be the man next door. As of 1959, one out of eight adults was a shareowner. And almost half of all shareowners were in the annual \$5,000 to \$10,000 earning range.

Housewives, 4,000,000 of them, form the largest single group of shareowners. Except for housewives, clerical and sales was the leading occupational group among new shareowners from 1956 to 1959. An estimated 1,335,000 shareown-

ers are members of labor unions, according to the 1959 report.

Dividend checks, just like paychecks, are used for many purposes. A retiree may rely on dividend checks as a supplement to his pension and social security checks. Hospitals and churches, included among A-C shareowners, may count on steady dividends to help pay for improvements; the gasoline station owner as a means to send his children through college; a doctor as an annuity for his family.

They are investing in their future. They are also investing in our future.

Ralph Klages operates a 165 acre farm near Charles City, Iowa with his father. He purchased 10 shares of our stock in 1954 and now owns 90 shares. He also uses A-C farm equipment.



The father of four, George Kledzik, Norridge, Ill., is employed by a Chicago printing equipment manufacturer. He considers his stock purchases as a savings toward his children's education and for his retirement.





Taxes, and then some

**A big investment of time,
money in government**

Tax money makes government — federal, dominion, state, provincial, local — easily the biggest business on earth. Even small cities now think in terms of multi-million dollar budgets. Federal expenditures stagger comprehension.

The investments of Allis-Chalmers and its employees in support of government also add up to big business. The company's 1960 bill for all its taxes in the U. S. and Canada was \$26,000,000; employees in the United States paid \$24,400,000 in federal income taxes alone, based on 1960 withholding statements. Canadian employees paid \$375,000 in dominion taxes alone.

And this figure only begins to tell the employees' side of the story: In addition, they pay state and provincial income taxes, real estate taxes, sales taxes, and, like Allis-Chalmers, innumerable hidden taxes on any item they buy.

Government on all levels is fully aware of this total company-employee tax impact. It hits home particularly hard during a business recession or during a strike, which cut off payrolls, company profits, and the taxes they would otherwise produce.

The U. S. federal government, sometimes referred to as Allis-Chalmers principal "partner", stands to lose 52¢ for every dollar less of A-C profit: a profit drop of \$10,000 can mean \$5,200 less in federal taxes.

While governments depend on indus-

Poking her head through a maze of tax forms — all different — is Merv Besgrove, West Allis Works typist. These forms are just a portion of those handled each year by the company's Tax Accounting department.



Additional tax revenue is represented by this new Allis-Chalmers Farm Equipment branch near Indianapolis, Ind. due to be completed this spring. Real estate taxes make up a large part of the company's total tax bill, and a large part of an employee's personal tax bill.

try, business and individual citizens for its funds, it is equally true that industry, business and individuals rely on well administered government for many vital and beneficial services. Taxes are not money down the drain.

Taxes pay for road projects which create markets for Allis-Chalmers earth moving equipment and related job opportunities for its employees, as a case in point.

While there is no quarrel with the benefits taxes can bring, taxpayers should continually challenge government to economize in every possible way. There is always the danger that money used to pay taxes is being diverted from possibly more productive channels, such as the development of a new product that could create hundreds of new jobs (and, incidentally, more taxes).

Meanwhile, taxes keep growing. State-local tax collections, for example, are expected to keep on rising at a clip of about \$2 billion a year, according to one source. Allis-Chalmers alone paid \$1,580,000 more in Social Security taxes in 1960 than it did two years before.

When states and communities clamor for industrial development, they have their eyes on more than the buying power an industry and its employees represent. New industry also means a broader tax base. Consider this quote from a prominent daily newspaper:

"Home owners in Baltimore may resent their property taxes, but few of them pay enough to cover the costs of their benefits in municipal services. The

tax on the average house does not begin to cover the cost of a child in school, police and fire protection, trash collections, traffic controls and library, museum and recreational privileges... The properties that make up a residential deficit are the commercial and industrial structures. These are what every city wants on its tax books to support a lively and progressive city government."

Allis-Chalmers, as would be expected of such a wide-spread industry, has a direct and indirect hand in supporting hundreds of different governmental units throughout the United States and Canada. The company's Tax Accounting department is concerned with meeting over 1,000 tax deadlines each year. These include income, franchise, license, excise, property, sales and informational returns. The Compensation Accounting department, responsible for social security taxes, employee withholding taxes, and unemployment taxes, meets some 400 additional deadlines, while Tractor Accounting is involved in property tax matters of nearly all our domestic branches.

Of course, not all of these tax deadlines involve the company's own money.

In many instances Allis-Chalmers serves as a collection agency, as for employee withholding taxes. In these cases, the burden for the actual tax money is not on Allis-Chalmers, but the burden of record keeping, and of meeting deadlines, is the company's responsibility.

Allis-Chalmers tax people must be familiar with the laws established by hundreds of governmental agencies. These laws may be similar, but they are not uniform, and in at least one instance a law is unique — one state allows a certain type of tax exemption, but imposes a fee for this exemption which is nearly equal to what the tax would be.

All this time spent on tax related matters (each plant, office and branch has one or more persons devoting all or part of their time to tax work) adds up to another sizeable administrative expense.

However you look at it, Allis-Chalmers and its people are wrapped up in taxes. We never will eliminate them, nor would we want to. But we can do our best, through alertness to government expenditures followed up by written and personal contact with elected officials, to make sure we get the most for our money.



Taxes, to corporations like Allis-Chalmers, mean sizeable staffs to handle tax related matters. These 12 members of the Tax Accounting department are among the many A-C people who are all wrapped up in taxes.



Repeat business accounts for many of these Gadsden-made regulator tanks.

Our best calling card

Well made product

leads to repeat sales

Pick a year, any year since 1933. How about 1949, the year that Gordon Olson and Vern Birkey, salesmen at the Minneapolis District Office of the Industries Group, picked up their scaled-down models of the company's JFR regulators and began beating the bushes for more business?

The JFRs were something new to sell to the rural electric associations, utilities and municipalities in their territory: most of Minnesota, North and South Dakota, and part of Wisconsin.

That was 12 years ago, but the results of their initial legwork and salesmanship on behalf of these regulators has shown up in every Allis-Chalmers annual report sales figure since. They showed up in the company-wide sales of \$530 million recorded in 1960.

In 1949, Olson and Birkey began building a foundation for repeat sales,

which are such a vastly important part of any annual sales figure. Like any good salesman, they hitch their wagon to the premise that one good sale leads to another. It's a premise that involves every Allis-Chalmers employee.

Olson and Birkey estimate that they have sold some 2,000 regulators between them in the past 10 to 12 years. They can point to customers who have purchased 60, 70, 75, 100 and 175 regulators from them during this time. They know their business. But they quickly admit that a salesman's greatest asset is a well designed, well manufactured product. For that they depend on others... many other fellow employees.

But we said pick any year. And you could. Regulator sales didn't begin in 1949. Allis-Chalmers has been making

and selling regulators since 1933. The JFR represented an improvement along the way, a building block.

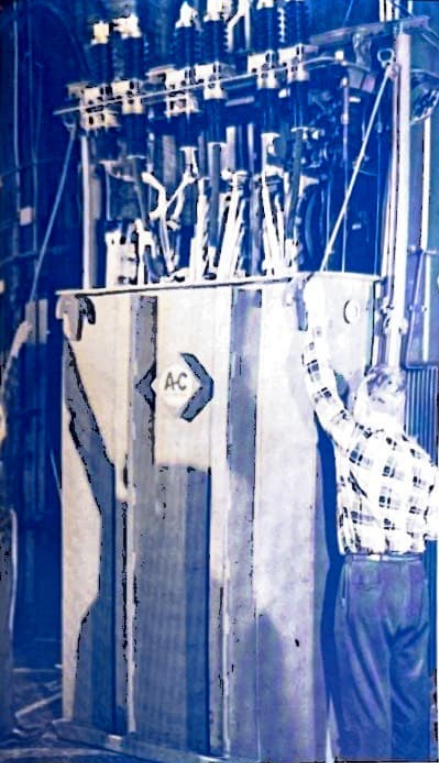
The actual bedrock for repeat regulators sales was laid in 1933, when Allis-Chalmers originated the 32 $\frac{3}{8}$ per cent step regulator. These units revolutionized the industry and have now become the standard means of regulating voltage supplied from utility power systems.

This is the same regulation that helps insure proper voltage to tan your breakfast toast, or to get the most in brilliance and long life from your 120-v light bulbs.

Without the impressive start provided by the 32 $\frac{3}{8}$ per cent step regulators, Allis-Chalmers position of leadership in the field might not have been what it is today.

Through the years, Regulator depart-





Innovations (left) such as unloading jacks used with unit type constructed regulators reduce customer maintenance problems. This is a three-phase SFR regulator shown in a West Allis Works shop.



Minneapolis District Office salesmen Gordon Olson (left) and Vern Birkey review their sales territory. They have sold some 2,000 regulators between them in the past 10 to 12 years.



Sold to the Public Service Co. of Oklahoma last year, the JFR regulator at the left stands besides an earlier-model regulator as another example of what repeat business means to A-C people. Both are West Allis-made.

ment people have produced innovations, which generally became standards for the industry. This past year they introduced, in cooperation with the Transformer department, the *Regu/Tran*, a highly compact unit assembly consisting of three single-phase regulators mounted on a three-phase power transformer. A new product for sub station planning, it offers customers many cost-saving features.

To Birkey and Olson, the *Regu/Tran* is a new concept that must be introduced to customers in much the same way as the JFR in 1949. However, because of more limited application of the *Regu/Tran*, the men will concentrate on a smaller range of customers. In any event, Allis-Chalmers reputation for an efficient, dependable product will be their best calling card.

But Birkey and Olson realize that good customer relations, while depending heavily on a good product, goes beyond this. Regulator customers, as an example, expect delivery soon after they place an order, sometimes a day or two later. They know that regulators are stock items, and they don't want to tie up their money months before they need to.

This is why a strike can rub out repeat business in a hurry. Birkey said, "Lacking the assurance he can get a regulator exactly when he needs it, you can't blame the customer for looking elsewhere. Once he does, we can expect a difficult time getting him back. There were many cases during the last strike in which regulator sales were lost because units were not available from stock. This meant not only lost money to the company, but additional work required to get the customer back in the fold when normal production resumed."

On the other hand, satisfied customers can help sell other customers. At national conventions, for example, customers' representatives have a chance to meet with each other and discuss among themselves the regulators made by Allis-Chalmers, General Electric, Westinghouse, McGraw Edison, Moloney, among others.

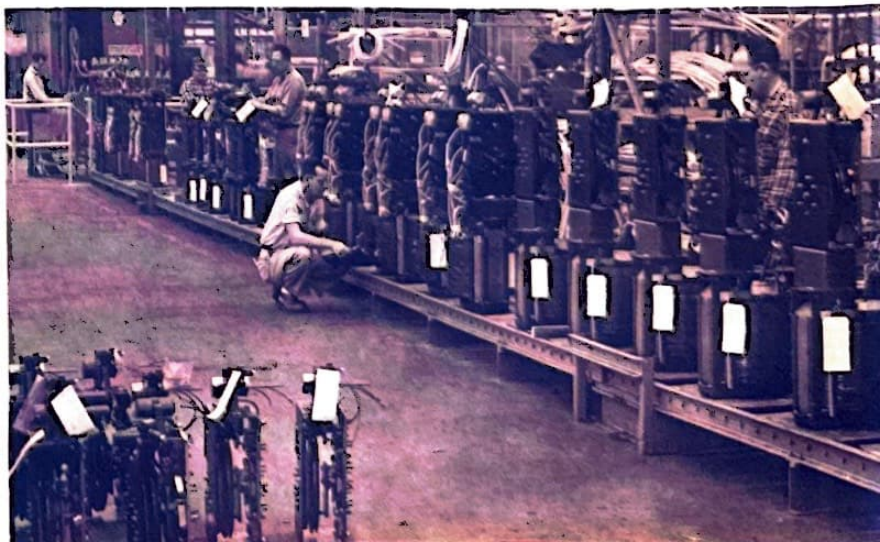
Here one customer can sell another on the virtues of a manufacturer's product, or dissuade him. Olson said, "Mouth to mouth advertising is still the best — or the worst — depending largely on the customer's experience with a particular regulator."

Allis-Chalmers Regulator department says its products are the most copied, best in operation, and most in service. But R. E. Horn, acting department manager, has said that, while leadership in any field is hard to achieve, it's even harder to maintain.

He said, "Our customers of today are

the customers we must sell to tomorrow. They are the heart of this or any other business. Our competitors consider this same customer as their customer. Whether we continue to get the order instead of competitors will continue to depend on the aggressiveness of our salesmen, the quality of the product, its price, our service — so many things, in fact, that every regulator sale involves hundreds of people. And the regulator we sell in 1960 can result in a repeat sale in 1961, or in 1965."

A salesman's greatest asset is a well designed, well manufactured product. For that they depend on other employees like those on this assembly line for JFR feeder voltage regulators at the Gadsden plant.





Roy M. Sperry automatic chucker operator:

"I've operated nearly every machine in the plant in my 12 years here and this automatic chucker installed last year is the best I've ever used. It's now much easier to set up, much easier to hold precision measurements, and it's less tiring than operating some other machines. And I'm earning more because of a higher labor grade."

Jim Otts, assistant works manager, said: "We used to think that machine tools with 10 to 15 horsepower ratings were pretty big. Now we have 40 to 50 horsepower on a number of machines, and go as high as 75 horsepower." This increased muscle power on the industrial scene has helped, over the years, to bring greater productivity and has been the primary contribution to our standard of living. Investment in expensive new equipment also demonstrates a company's faith in the future. "We anticipate building more machines here than we ever did before," said Otts.



**New tools,
facilities help us
'move the earth'**

Take a look, Archimedes

Given the proper lever, Archimedes, the ancient Greek mathematician, said he could move the earth. No one has gotten around to building this lever yet, but Allis-Chalmers employees in 1960 had at their disposal thousands of tools that even Archimedes would not have dreamed about. Allis-Chalmers employees are moving the earth — doing the impossible of yesterday — because of their skill in using improved tools, and because of improved facilities.

To be able to make these tools and facilities available, Allis-Chalmers relies on profits, on our depreciation allowance (the amount we write off on the wear and tear of equipment during a year), on the sale of stock, and on borrowed money.

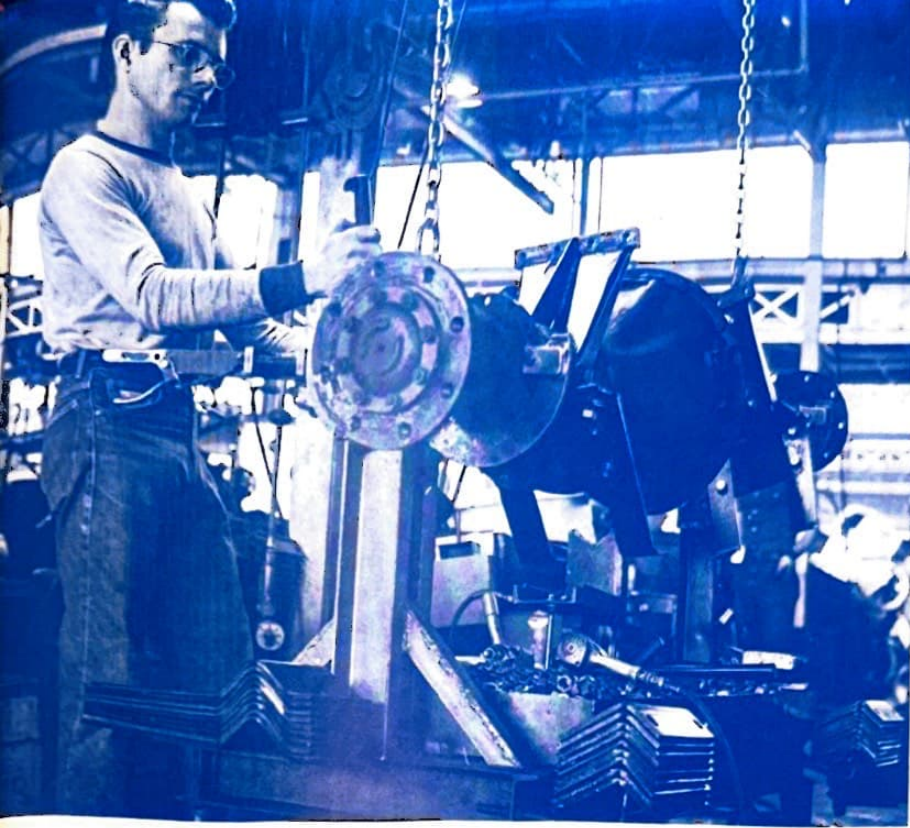
A few Independence Works employees were asked to tell the effect these improvements had on their work. Their statements are found on these pages.



Jim Koelling (left), Bob Held test engineers

...commenting on strain gauge equipment: "This equipment takes the guesswork and opinions out of determining unknown forces. It gives our design engineers more to work with, and it makes our work more challenging and interesting. Any engineer likes to work with tools like this and everybody likes to work for a progressive firm."

As farm equipment becomes more complex (the new hillside combine made at Independence is a good example) advanced testing devices, as well as advanced manufacturing machine tools, become all the more necessary. Because devices like the strain gauge do a scientific job of testing our farm equipment, the farmer has even more assurance that our equipment will give him years of profitable service.



Everett Williams, assembler:

"For the past couple of years I've assembled the front end axle on a metal jig. Before this we used wooden saw horses. I had to stoop as if picking beans, as part of my work. Even so, I did not like the new jig system when we first changed over. But once I got used to it there was no comparison. Now I don't know how we got along without it. The jig was designed by one of our own engineers, Leo Rush, who used some ideas of my foreman, Tom White, and myself."

Jigs like this help assure customers of a well manufactured product, while enabling Allis-Chalmers to hold down costs. Because competition grows stronger every year, Allis-Chalmers faces an unending challenge to give farmers greater value than any other farm equipment manufacturer can. Without a program of tooling improvement, we would find ourselves in a perpetually widening cycle of higher costs, fewer sales and fewer jobs.

Helen Dodson, secretary:

"Things like the electric typewriter, and office machines that reproduce typewritten letters and memos in a matter of seconds, have made our jobs a lot easier. My back actually ached after I typed for hours on a regular typewriter some years ago. A clean, crisp typewritten page produced by improved typewriters also gives you more pride in your work, and makes a good impression on the person who receives it." Mrs. Dodson is pictured with secretary Irene Anderson (seated).

The increasingly high volume of paper work handled by office staffs makes modern office equipment a big asset. Better office equipment helps control costs that must be added into the sale price of our products just as surely as direct manufacturing costs.

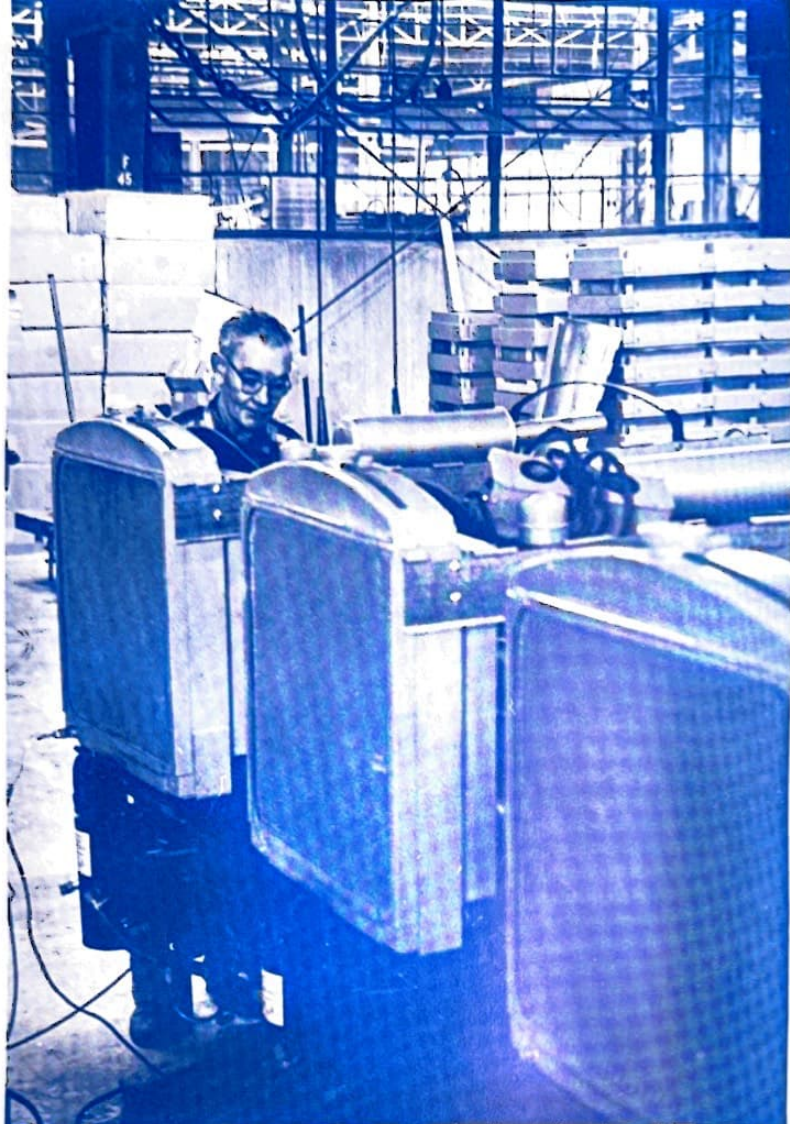


Take a look, Archimedes

Harry McKune, motor mechanic

... an Independence Works employee for 15 years, speaking about the new addition erected at Independence in 1960: "The addition has made my work 100 per cent better. For one thing, I'm close to the main assembly area, which means less legwork. It's a bright building. We have natural sunlight now through ceiling windows. It's easier than working under artificial lights alone. There's less congestion because of the addition, less confusion—a lot more pleasant, and safer." (McKune is shown checking out components added to Harvey Works-made units at Independence.)

Since the erection of the original 40,000 square foot plant in 1925, Independence has added 300,000 square feet of shop and office space. Throughout the nation, better facilities, contributing to greater efficiency, greater productivity, have helped make possible shorter hours, higher pay, greater purchasing power. McKune, as have millions of others, has seen startling progress in his own lifetime. In the 1920s, for example, he recalls working six days a week, sometimes 12 hours a day, without overtime pay.



Bertram Wilson, line assembler:

"For years I have been using air operated impact wrenches that make my job far less tiring and tedious. You can get a kick out of working with tools like these. Unlike the open end wrenches, which are still more practical for some phases of my work, these impact tools save the temper energy, and skinned up knuckles. I wouldn't go back to the old way. The company wouldn't either, of course."

Wilson's right. The company wouldn't or couldn't go back to the old way. Allis-Chalmers is continually buying improved impact wrenches, and countless other small tools and fixtures. The company needs them to manufacture farm equipment that must meet standards that are higher year after year, and yet remain priced so the farmer can afford to buy it. These impact wrenches represent a sizeable investment. Some cost \$300 and more, compared with a few dollars for the open end wrenches once in wide use. Moreover, tool costs keep rising. The cost of rebuilding some of the larger machine tools at Independence would be more than their original purchase price.



Opportunity in a bank note

Opportunities for Allis-Chalmers people often takes the form of a loan—a loan made to the company for use in its operations.

Allis-Chalmers borrows for periods as short as 90 to 120 days when the need for cash is temporary. The company also borrows money for as long as 30 years when the need is long term.

Whatever the length of time, whatever the amount, the same principles apply as when A-C employees seek to finance the purchase of a car or a home. The lender always wants to know how sound and reliable the borrower is and of his ability to repay, be the amount \$10, \$10,000 or \$10,000,000.

In the case of Allis-Chalmers, and the thousands of other corporations who borrow money as part of normal and accepted business practices, the lender considers as most important of all the company's record, over the years, for good profits.

Allis-Chalmers ability to borrow is based on its financial responsibility. No one loans money unless he has confidence in the borrower and is convinced the borrower can and will live up to the terms of the loan.

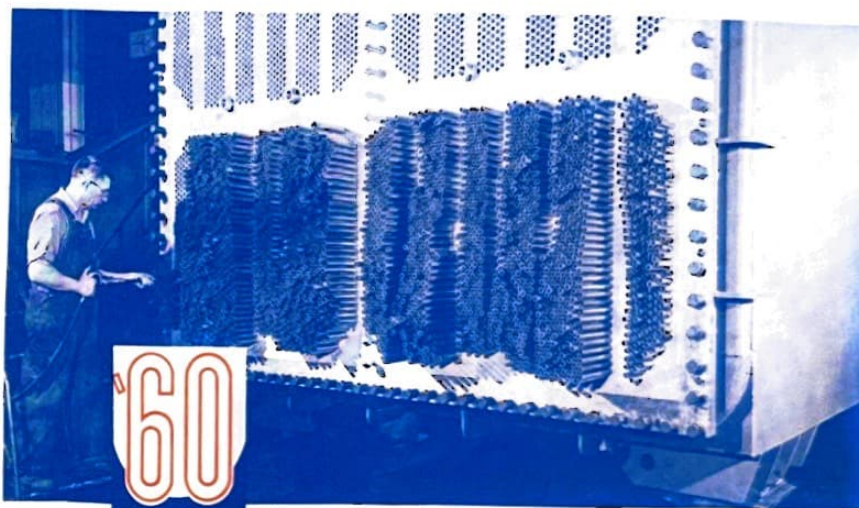
Through its sound financial policies, over many years, Allis-Chalmers has acquired a high standing with banks and other financial institutions. This standing is important to every employee.

The company's ability to borrow in order to finance inventory, as an example, means steadier employment because the rate of production then can be attuned to longer range sales prospects than just orders as received from day to day.

It also means that Allis-Chalmers can anticipate the market demand for our products by building manufacturing facilities and paying for them with borrowed money. The company can then repay the loan from profits on sales of



Norwood Works pumps and motors are among the stock items found in this picture taken at a warehouse serving Allis-Chalmers Chicago District Office. Borrowed money often is required to pay for such necessary inventory. This means steadier employment because the rate of production can be attuned to longer range sales prospects, not just to orders as received from day to day.



Materials that go into such giant units as this 32,500 square foot condenser are in the shops for months. Borrowed money may finance this material; and good profits over the years help determine a company's credit rating. The employee is Sylvester Cegielski, West Allis Works.

products produced in the new plant.

The result is jobs and job opportunities sometimes years in advance of what otherwise would have been possible without loans.

Typical situations giving rise to short term loans are: shipments going out faster than payments coming in; production exceeding the rate of sales.

Why not simply keep cash on hand all year long to cover these short-term needs? Because idle cash balances contribute nothing to the net profit of the business. It's cheaper to use short-term credit than to tie up large sums.

During 1960, Allis-Chalmers short term borrowings reached a peak of \$43 million. This was repaid before the end of the year from the sales of inventory and collections from customers.

Presently, the company's debt for long term borrowing is \$94.2 million. To date, this money has been used to con-

struct manufacturing plants, the purchase of machine tools and to acquire basic supplies and materials needed in production. Profits are the major source for paying back money used for these purposes.

Since money borrowed must be paid back, and with interest, Allis-Chalmers, just as individuals, must approach these transactions with caution.

In 1960, the interest Allis-Chalmers paid for money borrowed was \$4.6 million, equal to almost half of our total net profit for the year. The company's ability to borrow, and therefore its ability to expand, is limited by its success in using the borrowed money to produce sufficient profits to repay it.

Employees contribute immeasurably to the company's "credit rating," and consequently to Allis-Chalmers ability to provide job opportunities, by their efficient work, which is essential to profits.



Eleven checks—count 'em—were presented to Merrill McHenry, LaCrosse Works Forge Shop employee, for ideas submitted in 1960 under the new Allis-Chalmers suggestion program. His steady flow of ideas made McHenry "Suggester of the Year" at his plant.



Here's a better way

**Thousands of employees in 1960
suggested all kinds of improvements**

Employees in 1960 told Allis-Chalmers how to do a better job of machining . . . lubricating . . . transporting . . . storing . . . assembling . . . corresponding . . . testing . . . designing . . . purchasing.

This advice poured in by way of the company's new suggestion program, which offers awards of up to \$25,000 for ideas that will improve Allis-Chalmers operations in any way.

The suggestion program itself was the subject of a suggestion. One employee said Allis-Chalmers should provide a booklet that would offer ideas on how to develop ideas, sort of a "Tips for the Timid Thinker." Because of this suggestion, this booklet is now on the planning boards and will be distributed to employees in 1961.

In all, Allis-Chalmers people came up with 5,614 suggestions last year. Of these, 1,391 were adopted, bringing awards totaling \$32,115.

The quality-building, cost-saving ele-





Bill Kuykendall, (right) Cedar Rapids Works, explains one of the 126 ideas he came up with last year to Ivan Henderson, suggestion coordinator.



Four awards netted Leonard Goldsberry, Springfield Works assembler, \$150. In all, 1,391 suggestions were adopted by the company in 1960.



Top suggesters at Pittsburgh Works were Charles Scarborough (left) and Charles O'Keefe, Distribution Sales department, who put their heads together for an award.



A device resembling a cookie-cutter gained Marvin Slosser, Deerfield Works Assembly department, \$150. It is placed over lamps prior to spraying, eliminating masking.



An award of \$355 went to Stanley Kwasny, Harvey Works, for making it possible to get two sizes of stampings (shown) without additional tool costs.

ments inherent in these ideas went hand in glove with the "Teamwork For Progress" program, also initiated in 1960. Teamwork will continue in 1961, following the theme "We're all 'On the Spot'."

The theme recognizes that every Allis-Chalmers employee, in every assignment, is committed to assure customers top value. The employee suggestion program can add immeasurably to this value.

R. S. Stevenson, president, has said, "New ideas are the life blood of our company. The offices and shops . . . must produce a flow of ideas as well as a flow of products if our company and our jobs are to remain secure in this highly competitive world."

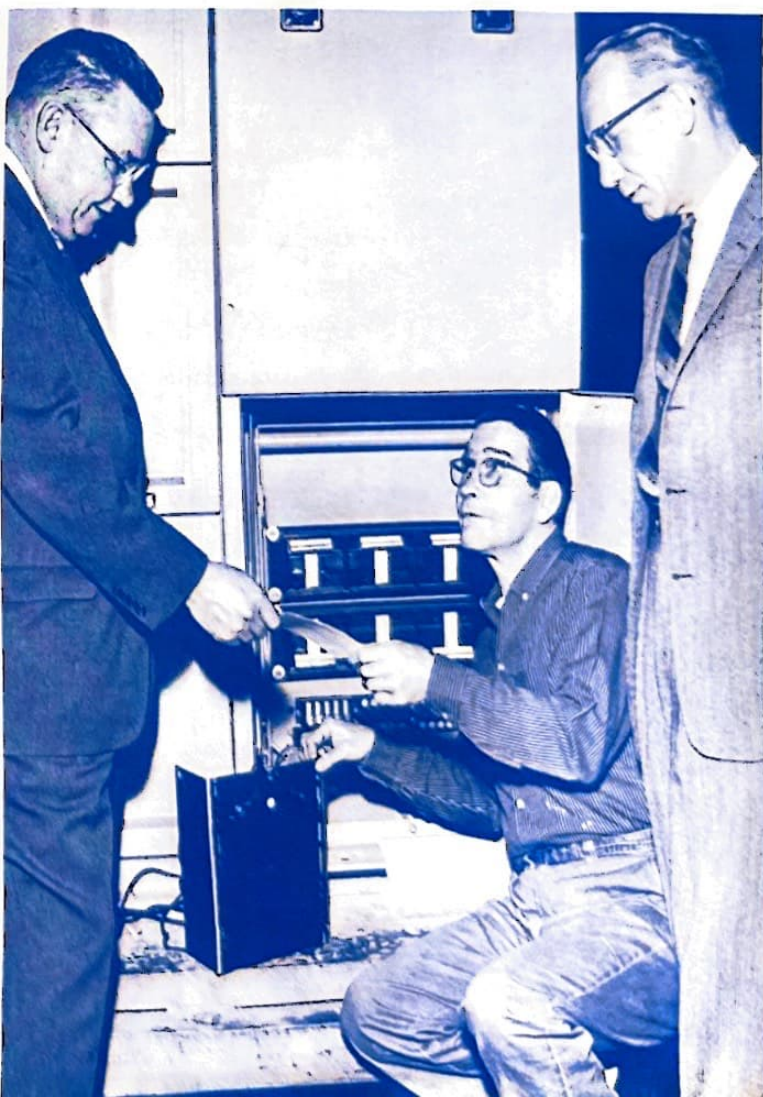
Since the establishment of the new suggestion system, these ideas from employees have been on the increase.

A. V. Gaulke, company-wide coordinator of the program, said, "Although in effect less than a year, we are receiving a far higher percentage of tangible suggestions than the national average. Tangible suggestions are those which produce savings that can be actually measured in exact dollars and cents."

"The trend throughout the company has been toward greater participation in the program during the months the new program was in effect. At one works the number of suggestions almost doubled. Of course, some plants had no plan prior to 1960, so there is no basis for comparison."

The top single award paid in 1960 was \$730 paid to John E. Aspenwall,

Claude Vandergriff (center), switchgear assembler at the Terre Haute Works, developed a simulating circuit breaker for test purposes and received \$315 for his efforts. Making the presentation is B. F. Coleman, then works manager, and A. H. Anderson, Vandergriff's superintendent.

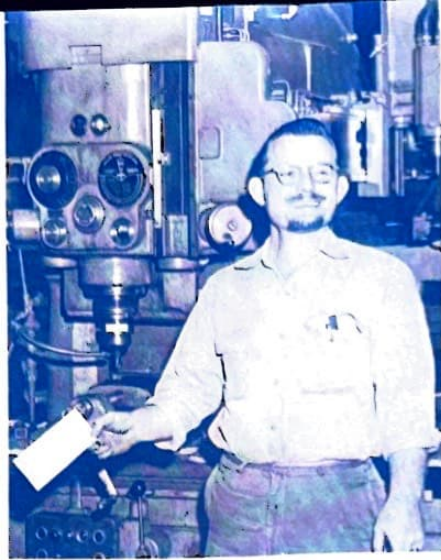




Award money comes in handy for many things. Harry Keuffer, Norwood Works Shipping department, used his \$350 toward the remodeling of his bathroom.



Eldrena LeVasseur, Rochester District Office, an accomplished skier, spent part of her \$100 award towards some new ski equipment. Her idea reduced a paper supply cost.



Change in design of punches and buttons used on a Tank department horn press brought bearded (Civil War Centennial) Ken Butler a check. He is a Gadsden employee.

Here's a better way

midwest regional serviceman. "This year," said Gaulke, "we hope someone becomes eligible for the top award of \$25,000."

Gaulke said, "Many plants have named a 'Suggester of the Year' to recognize significant efforts. Any employee who clicks on ideas that make our operations more efficient or safer deserves to be eligible for a title like 'man of the year'."

"We talk about job stability constantly. Nothing can promote job stability more than an idea that adds to the life expectancy of our tools and fixtures, or one that makes one piece of paper do the work of two. We had lots of these ideas in 1960 and we will need a lot more in 1961, ideas that will give Allis-Chalmers more for its increasingly higher costs of labor and materials."

"Without the refinements brought about by such programs as employee sug-

gestions, we could soon price ourselves out of any of our many markets."

Primarily, the object of any suggestion program is to make operations more efficient, although ideas that promote convenience, health and safety are always solicited and welcome.

Ideas to improve operations took many forms — change of a wiring procedure to save time and material, a switch from wood to fibre shipping containers to reduce material, freight and labor costs, addition of a pin to a jig to improve an assembly operation, development of a device to determine proper switchgear voltage, the use of both sides of a report sheet to reduce by half the volume of paper required.

Many suggesters were highly prolific. Leonard Goldsberry, a Springfield Works assembler, turned in 21. Cedar Rapids record clerk Bill Kuykendall turned in the incredible total of 126. At

LaCrosse Works, Merrill McHenry, a forge shop employee, submitted 25 per cent of the plant's 45 accepted suggestions.

The range of ideas submitted proved again that no job is exempt from improvement. The simplest change can shave operating costs, make work easier and less tedious, or reduce scrap.

Veteran employees can vouch for improvement. Few jobs in any Allis-Chalmers plant or office are identical to what they were 15, 10 or even 5 years ago.

Said Gaulke, "The men who made these changes have done as much to insure the job stability as any others. They recognize that we can't have pick and shovel operations in a power tool economy. By thinking up ways to 'do it better' they are helping us give the customer greater value. The customer is the person who says just how much work we will be doing."



Joe Dunn, Canadian Allis-Chalmers Lachine Works Power Equipment Engineering, is congratulated by Gordon Irving, general manager, Products departments, for improving a grinding operation.



The largest single award paid from the West Allis Works — \$730 — went to John Aspenwall, a serviceman, shown with R. R. Goetz (left) Midwest Region service manager. He designed a generator tool.



LaPorte Works suggester Wilbur Dadlow, (center) general office clerk, won \$90 for a design change of two weld assemblies. Also pictured are J. L. Ovelmen, works manager, and Russell Riley, a superintendent.



Policy Statements on Antitrust, Conflict of Interests

Allis-Chalmers policy has always been that of fair play for its customers, employees, stockholders, suppliers. Allis-Chalmers integrity and that of the people who represent the Company, must be beyond challenge or reproach in any business transaction. In this connection, two statements of Company policy concerning customers and suppliers are being published.

The first concerns "conflict of interests" involving suppliers. This subject has been recently aired in news reports, particularly in connection with a major auto manufacturer. While Allis-Chalmers has in no way been connected with these reports, employees should be acquainted with the Company policy. It is: "No executive or manager and no employees involved in buying in the Allis-Chalmers organization may own any interest in an organization which supplies goods or services to Allis-Chalmers (other than ownership of listed stocks, acquired as a part of a normal investment program, in companies which are incidentally our suppliers)."

The second statement of policy concerns price-fixing indictments brought by the federal government against Allis-Chalmers and other firms, and individuals in these firms, charging violation of the Antitrust laws in the sale of certain electrical equipment. The Company said: "In the first place, engagement in illegal price-fixing activities by any of its employees has never been directed, authorized or approved by the Company. Aside from the law violation aspect, we are firmly convinced that if the economy of this country is to remain free as well as progressive, stable, as well as dynamic, pricing must be determined by sound, informed management judgement, and customers must be earned by quality products and aggressive salesmanship. Any easier cartel-type methods lead only to stagnation, government regulation, or both."

It is the Company's policy "to obey the prohibition of the Antitrust laws against price-fixing or the allocation of production or customers by agreement among competitors.

"No employee of the Company shall agree with any competitor or group of competitors, or advocate or suggest to a competitor the desirability of an agreement, in any line of products of the Company (except in connection with the proposed sale of a product by the Company to a competitor or vice versa), with respect to (a) prices, discounts, commissions, or other terms and conditions of sale; (b) production quotas; (c) allocation of markets or specific customers; (d) methods or channels of distribution; or (e) any other matter concerning the production or sale of products which would tend toward the establishment or maintenance of fixed prices, limited production, or restricted markets.

"More specifically, no employee of the Company shall:

"1. Attend any meeting at which any of the above matters are treated, except regularly scheduled trade association meetings wherein purely historical information of a general or statistical nature concerning said matters may be disseminated, but future plans or policies concerning them are not disclosed or discussed.

"2. Correspond, or discuss orally, with a competitor the desirability of establishing or adhering to specific prices or price levels, terms and conditions of sale, discount schedules, trade classifications, quotas, or markets.

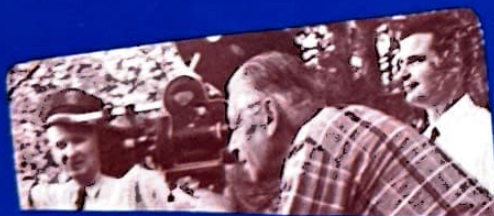
"3. Furnish a competitor, or accept from a competitor, either directly or through an intermediary, any information concerning the establishment or changing of prices, discounts or trade classifications, or terms and conditions of sale, in advance of publication of such information to the trade generally."

a-c scope

ALLIS-CHALMERS MFG. CO.

Box 312
Milwaukee, Wis.

BULK RATE
U. S. POSTAGE
PAID
Permit No. 1019
Milwaukee, Wis.



A-C People on Film

Motion picture cameras were everywhere while shooting footage for "This Town Sure Has Changed," a 27 minute film produced in color for Allis-Chalmers. A few scenes from this film are shown on this cover. The film is the story of Allis-Chalmers people, the products they make, and the resulting contribution to change — to progress. "Progress", the movie script points out, "comes from the vision of men who believe in change, men whose skilled minds and skilled hands produce tools of progress — machines that power a growing world, to build a better world." This entire issue is a commentary on change.

