

TOWNLINES

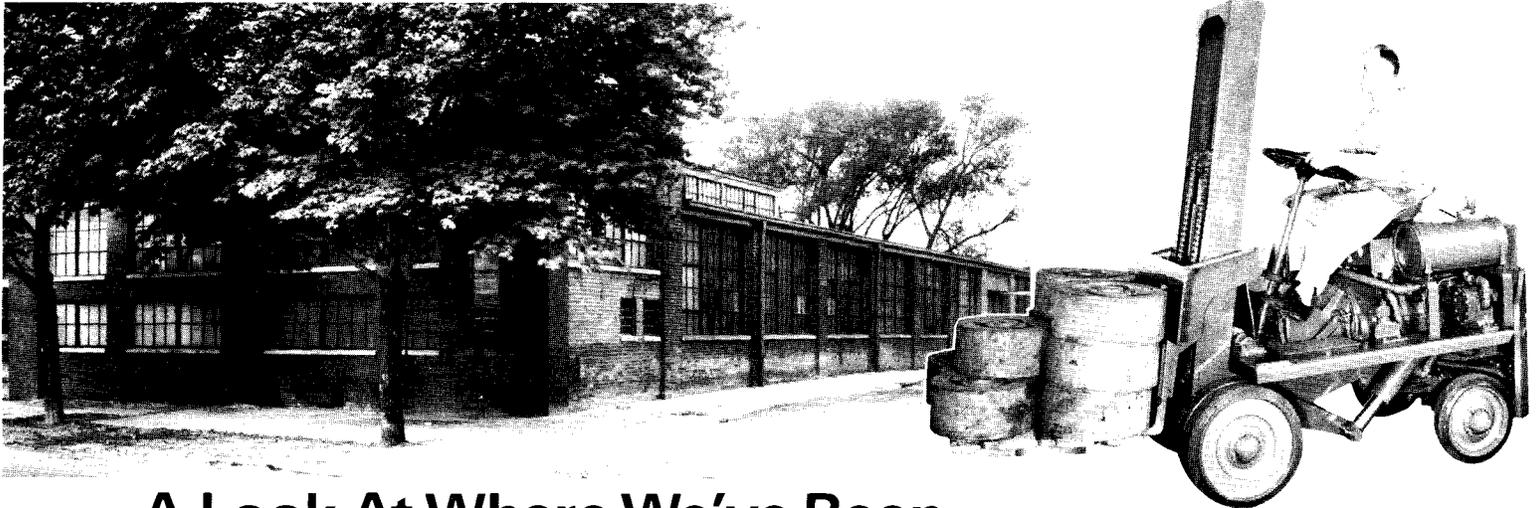
HISTORICAL
ISSUE



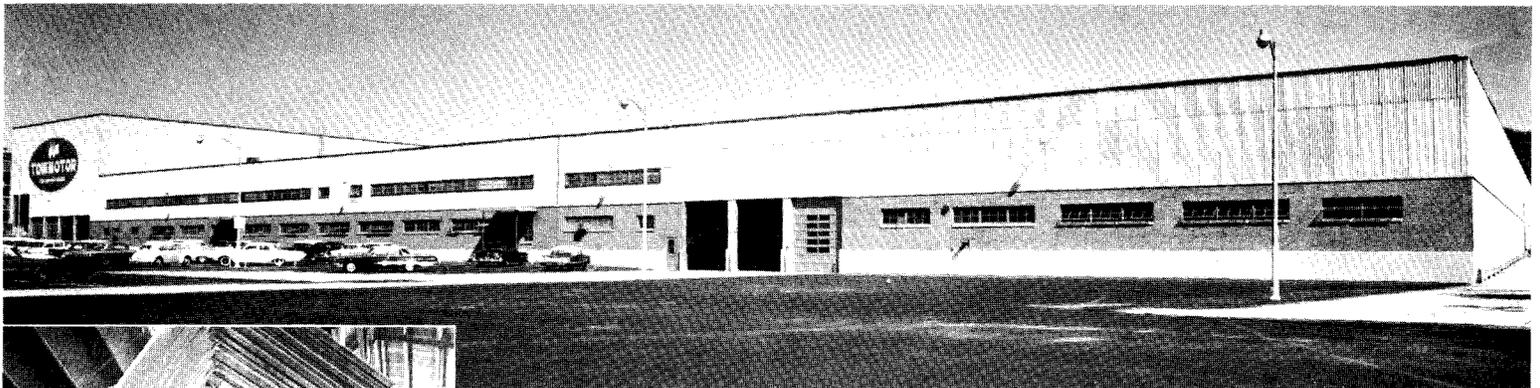
A Newspaper for Employees of Towmotor Corporation, Subsidiary of Caterpillar Tractor Co.

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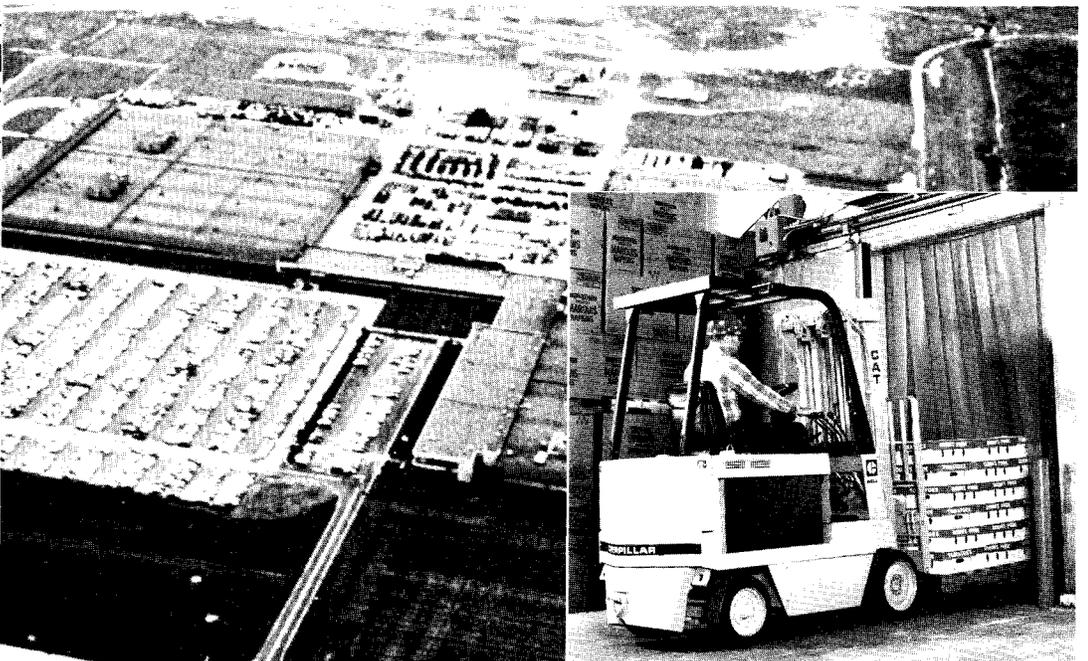
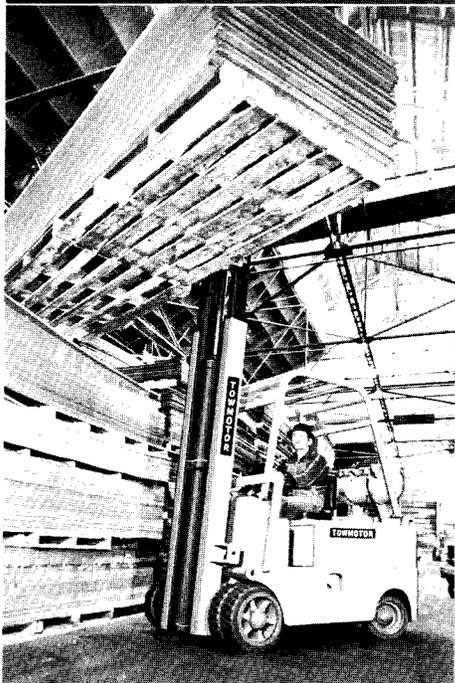
1919 — 65 YEARS OF GROWING — 1984



A Look At Where We've Been . . .



. . . And Where We Are Going!



1919 . . . The Beginning Of A 65-Year History

The State Department in Washington, D.C., proclaimed that the Prohibition Amendment had been ratified, and the Senate adopted a joint resolution submitting to the states the Women's Suffrage Amendment. Crime in Chicago increased and by November, over 300 murders had been recorded. Americans were reading Somerset Maugham and Sinclair Lewis, humming "Making Whoopee," and the Ziegfeld Follies were the going thing.

On the Cleveland front, advertisements in department stores boasted of men's suits selling for \$18.50, and the wage for unskilled labor was \$15 a week. The first non-stop airplane flight between Cleveland and Washington was accomplished in two hours and 58 minutes, an average of 117.5 miles per hour. The May Show was born as an annual exhibition of the work of Cleveland artists. Airmail service began on a regular schedule between New York and Chicago with Cleveland an intermediate point, and transcontinental airmail service was predicted for the near future.

Cleveland and the nation were bracing themselves to be off and running in one of the zaniest eras of our times . . . the turbulent '20s.

All in all, 1919 was an exciting year. Not as glamorous and history-making as some, perhaps, but a year to be remembered nonetheless. And against this backdrop, on May 13, a young engineer-designer premiered a new concept in material handling . . . the first gasoline-powered tractor designed specifically for industrial use. The young man was Lester M. Sears, and, at the suggestion of his wife, Ruth, he called his invention a Towmotor because it was basically a gasoline powered locomotive used to tow trailers loaded with freight in and out of industrial plants 24 hours a day.

The origin of Towmotor actually goes back to November 1918. At that time Lester M. Sears conceived and began the design of a straight gasoline-powered industrial tractor . . . the first "Towmotor." The



Lester M. Sears, our founder

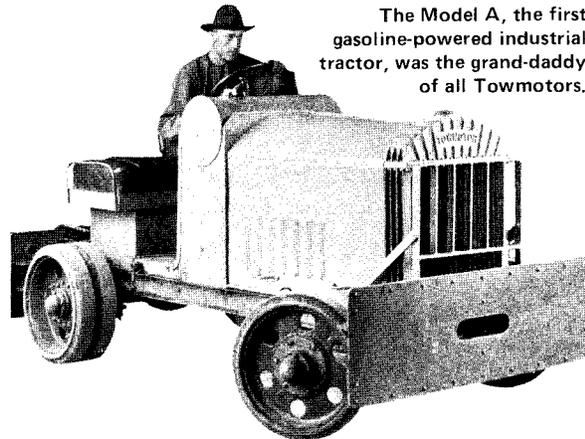
design and drawings were entirely his brain product — the actual manufacture of the first truck, entirely his own handiwork.

On May 13, 1919, Mrs. Sears stepped on the starter and brought the "grand-daddy" of all Towmotors into purposeful life. That day marked the completion of months of intense creative ingenuity and long hours of difficult labor; it signaled the beginning of

a new age in gasoline-powered industrial trucks for handling materials.

The first model was tested at the plants of Parish & Bingham (later Midland Steel Corporation), Peerless Motor, and many others. Confidence started to grow as the first trials of the sturdy Towmotor brought enthusiastic responses from industrial circles. Encouraged by this, Sears decided to manufacture his machine. Towmotor Corporation was born and a new industry was founded.

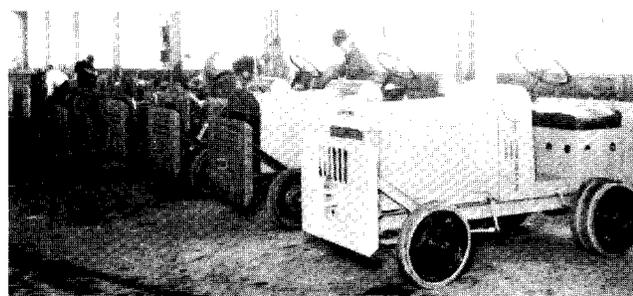
Although the Model A was acclaimed a success, the early years were not easy. At this point, Sears' father, F. W. Sears, entered the business to offer his financial aid and business experience. He became the company's first president. The father-son combination was responsible for maintaining the business through its infant stage until F. W. Sears' death in 1934.



The Model A, the first gasoline-powered industrial tractor, was the grand-daddy of all Towmotors.

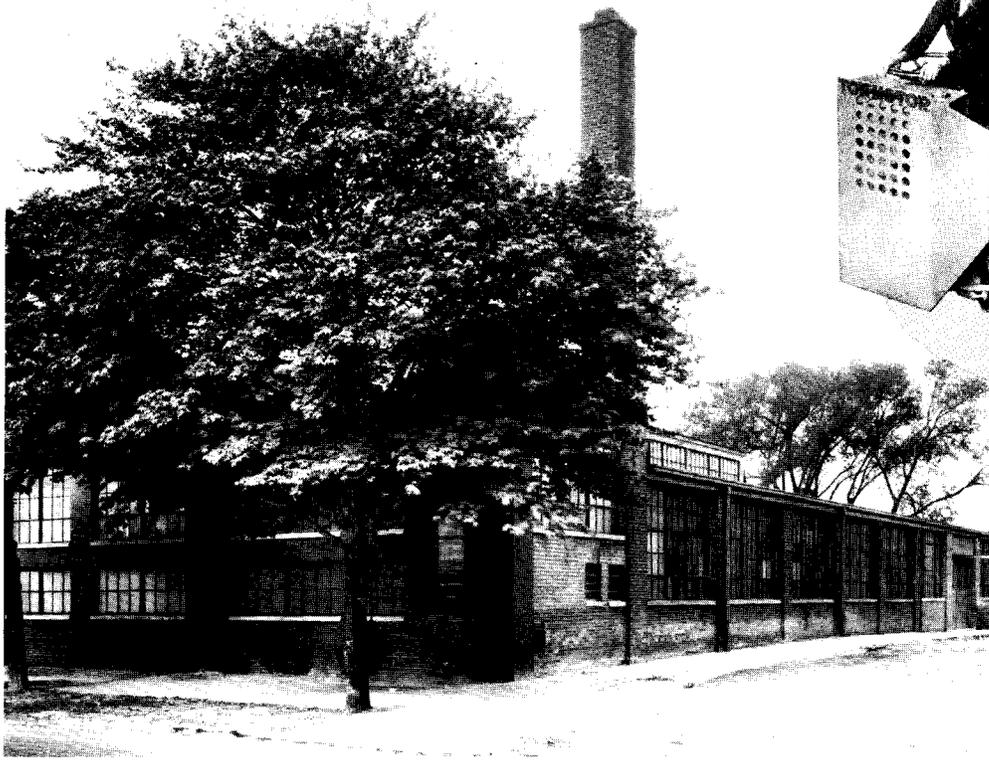


Model A Towmotor pulling trailers loaded with motors into the first plant occupied by The Towmotor Co. In this plant, located on Bliss Road, Euclid, Ohio, the pioneering, development and early production of straight gasoline-powered Towmotor industrial tractors first got under way.



Towmotor's first assembly line at the Bliss Road plant. The first Towmotor off the production line is shown in the foreground. It was sold to the Peerless Motor Car Company, Cleveland, Ohio.

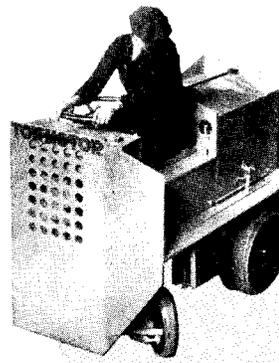
The first Towmotor plant was located on Bliss Road in Euclid, Ohio. It was a spacious modern plant, much in keeping with the determined nature that Lester Sears had for making a success of the business. However, the depression of the early '20s fell hard on the small company. Towmotor was forced to move into a small, 50 x 100 ft., building on East 152nd Street in Cleveland in 1921.



In 1921, Towmotor moved to this small building on East 152nd Street in Cleveland.

The '20s were lean years from the standpoint of monetary gain, but progress could not be impeded. In this period, the major innovation was the development of the

Model C tractor, a more compact machine which featured an extremely short turning radius for added maneuverability in crowded areas. News of the efficiency of this little



The Model C, first presented on October 21, 1922, was a major innovation featuring an extremely short turning radius for added maneuverability.

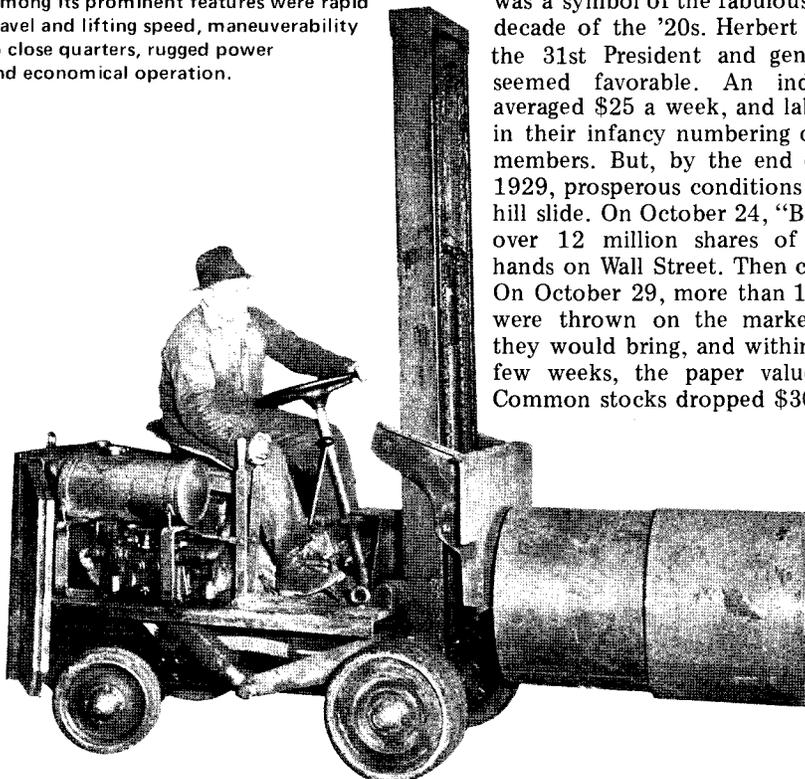
5'-3" RADIUS

giant spread through the waterfronts and throughout the country, constituting a major breakthrough when the stevedoring companies endorsed the Model C. Other principal contributions of Towmotor included high speed travel in reverse as well as forward and the first arc welded all-steel unit tractor frame.

As the '20s drew to a close, Towmotor Corporation was still in business; and, although the Founder had taken an advertising sales job as Ohio representative with Chilton Publishing Company of Philadelphia to help pay the bills, he continued to work on the Towmotor drawing board at night and on weekends.

1929 Sparked The Depression Of The '30s

On July 12, 1933, the first Towmotor Fork Lift Truck, Model L, was completed and shipped. Among its prominent features were rapid travel and lifting speed, maneuverability in close quarters, rugged power and economical operation.



Walter Chrysler's colossal New York skyscraper of 77 stories was under construction. Proclaimed the world's tallest building, it was a symbol of the fabulous money-making decade of the '20s. Herbert Hoover became the 31st President and general conditions seemed favorable. An industrial worker averaged \$25 a week, and labor unions were in their infancy numbering only 3½ million members. But, by the end of the summer, 1929, prosperous conditions started a downhill slide. On October 24, "Black Thursday," over 12 million shares of stock changed hands on Wall Street. Then came the deluge. On October 29, more than 16 million shares were thrown on the market for whatever they would bring, and within the space of a few weeks, the paper value of American Common stocks dropped \$30 billion. Stores

and manufacturing plants finding a lack of customers for their goods began to work part time or close; this brought on a cycle of more unemployment and diminished business. Then came the hunger marches and many asking, "Brother, can you spare a dime?"

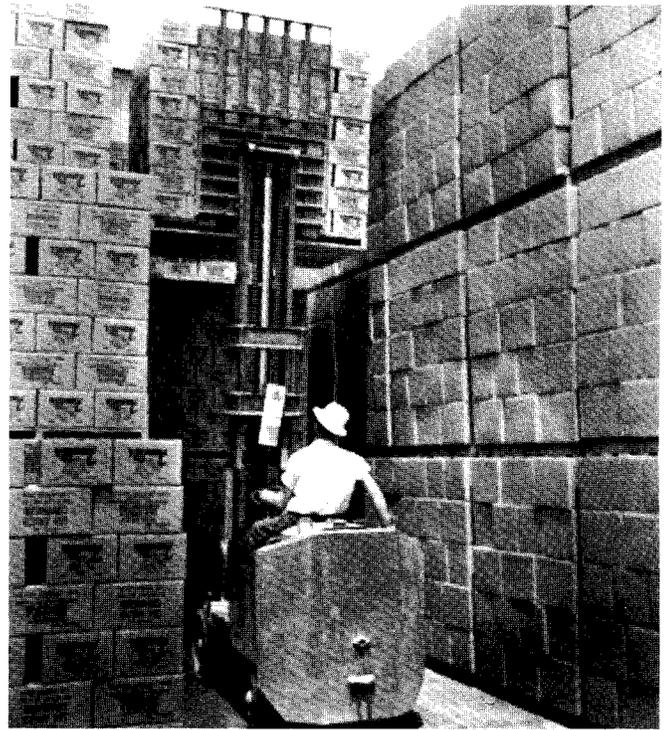
Cleveland in 1929 followed the pattern of the nation; the people were shocked by the screaming headlines announcing untold losses. At first, the depression didn't seem so devastating, but the landslide had only started. After the first rebound in 1930, prices skidded daily, lower and lower, until the middle of 1932. In Cleveland in 1933, the banks began to open, and the slow gradual upward climb had begun . . . a glimmer of hope finally shown through.

The years following 1932 also brought new hope to the fledgling Towmotor Corporation. The greatest step forward was when Lester Sears developed and manufactured the first gasoline fork lift truck — the Model L. This was introduced in 1933, and proved a major advance in materials handling. The first Model L stayed in operation for over 20 years with the original purchaser. It featured innovations later to become standard in the lift truck industry, such as under-the-load front wheel drive, rear wheel steering, hydraulic lifting and tilting, center seat control, and equal high speed forward and reverse gears.

The Model L met depression demands for



In machine shops and similar places the extreme maneuverability of the Towmotor Fork Lift Truck in tight quarters plus its ability to lift and transport heavy loads made it a materials handling favorite almost overnight.



Towmotor's ability to pick up many items at one time and stack them neatly to space-saving heights proved from the very first to be a boon to all users, especially those with warehouse and storage problems.

top efficiency and economical operation. At this time the reduction in cost of handling material and goods in production was a vitally important factor.

The introduction of the high lift fork truck had an added advantage. Its ability to stack loads increased efficiency of space utilization. Inefficient and costly warehousing was transformed by Towmotor lift trucks into a much more economical operation as greater percentages of cubic space were employed. The acceptance of Towmotor increased steadily, and its number and variety of customers continued to grow.

It was during this period that the name "One-Man Gang" came to be applied to Towmotor trucks.

In the year 1937, a modified version of the Model L was introduced and designated as the CL Model, commonly known as the carloader. In 1939 the CL Model evolved to the LT-46 and LT-53. The "T" in the model designation was introduced to identify the truck as being equipped with a telescoping mast.

Through the '30s the Towmotor crew was comprised of a small, but energetic nucleus of people. One man comprised Engineering,

all office duties were done by one woman and the whole Machine Shop consisted of one employee. In addition to these key people, there were a few production workers. Sears had remarked, "There weren't many of us then, but what a versatile group we had."

Lester M. Sears assumed the Towmotor presidency in 1934 following the death of his father and guided the progress of the company through the boom years of the war and the post war reorganization. As Towmotor took on new prominence around the nation and the world, it was President Sears who spurred it on.

The War Years Of The '40s

Attempts by President Roosevelt to obtain assurance from Hitler and Mussolini against attack on any of 31 European and Far East nations in April of 1939 only resulted in German denials of aggression, but with unreasonable claims. An appeal made in August by the President to King Emmanuel of Italy and Führer Hitler to arbitrate their differences with Poland also bore no hope of success. England signed a mutual assistance with Poland; Germany increased its extreme demands on Poland; all sides stepped up their military preparations. On September 1, Germany attacked Poland, and two days later, England and France declared war on Germany initiating World War II. The United States declared itself neutral, but stepped up its military preparations.

Clevelanders were busy too. The east and west sides of the Main Avenue Bridge were linked together by driving home a golden rivet. The city was introduced to night

baseball and became the nation's leading "Health City."

Then, on December 7, 1941, the bombs crashed down on Pearl Harbor. The nation was involved in its second global war.

By 1940 Tomotor Corporation had come into its own. The plant on 152nd Street was expanded, but still it was crowded. The company could now name as customers some of the most important concerns in industry. In 1942, Towmotor gained a most influential customer — the United States Armed Forces. Thousands of Towmotors were supplied to the Army, Navy and Air

Retiree Clara Fisher became Towmotor's first WAVE as she joined the Navy in 1944. Hired in 1942, she also had the distinction of being the first woman to receive a 25-year pin from the company.



Force who found that it was possible not only to speed the loading, unloading and handling of essential war supplies, but to release large numbers of men for actual combat. The military forces unofficially rated a Towmotor Lift Truck as capable of doing the work of 40 men.

On the homefront, Towmotor employees were working overtime. A third shift was added and Towmotor worked 'round the clock in its wartime production effort.

In recognition of outstanding production performance, Towmotor Corporation was the first manufacturer in the lift truck industry to receive the Army-Navy "E" Award — and was subsequently awarded four service stars to account for five awards in all.

It was 1943 when the first *Towlines* rolled off the presses and became part of the life of company employees and their families. The main purpose of this publication, as stated in the first issue in March, was to give news of Towmotor people at work, at home and at war.

Building additions made in 1940 and 1944 increased five-fold the area available for machine shop, tool room, assembly operations, and service parts and repair departments.

Production thrust forward. More space was needed to meet the government's demand for trucks. A separate plant on an adjacent site was acquired from the government in 1946. Meanwhile the need for more production area continued at such a pace that additional ready-made space for offices, manufacturing operations and warehousing was obtained in 1946 with the purchase of property and buildings immediately adjoining the original plant site on East 152nd St.

By 1946 Towmotor was prepared to introduce new models to the market. To provide a lift truck that was efficient in rough terrain operations, Towmotor introduced its first pneumatic tired vehicle, the Model LT-60, in 1946. It was specifically designed for the concrete block industry.

Johnny came marching home, and Towmotor continued to grow.

In 1947 the company embarked on an

Don Griffey, now retired, was awarded the Purple Heart in 1944 for wounds received in action against the enemy.



Retirees Dan Weed (left) and Ford Christian frequently wrote letters home for publishing in *Towlines* and visited the plant when home on leave.



Towmotor loading one of the cargo planes of the Naval Air Transport Service at the Cleveland Airport preparatory to its flight to the Pacific Island battlefronts.

ambitious program of customer studies, and as a result many new standard and special attachments and accessories were designed to meet the varied individual requirements. Towmotor stepped up its emphasis on

research and development.

The "One-Man Gang" had proven itself during war and peace and it had come of age. The uncertainty of the future was a challenge welcomed by the company.



Jack Consla, now retired, was among the first to join the company when it began its rapid growth (January 1939) — he was the 26th man on the payroll. He was also the first employee to go to war.



In 1947 hemlines were lowered to 14 inches from the floor. Bob Lundblad was pleased to measure the new fashion on a coworker.



The office and warehouse of the Cozier Container Corp. was purchased in 1946 to provide additional office space and more production area.



The first pneumatic tired truck, the Model LT-60, made its debut at the National Air Races in 1946. Retiree Mike Mucci drove the special white LT-60 at the national sports event.

Postwar Progress And The Fabulous '50s

The year was 1949 . . . the year in which Russia made the bomb. The cold war was one of the dominating forces, and Harry Truman introduced Americans to the Fair Deal. The Yankees beat the Dodgers in the World Series, and Sam Snead was the "Golfer of the Year."

"Pyramid Clubs" began to flourish in Cleveland in '49 threatening to exceed the chain letter craze of the earlier years. Members of the Cleveland Transit System Union struck and through six days at Christmas, Clevelanders were without public transportation.

Towmotor was moving into prime years. The line of equipment available included 10 versatile models with a capacity range of 1,500 to 15,000 pounds with any variety of attachments. The nationwide system of authorized Towmotor service branches covered 28 major cities, and of these, five were direct factory branches.

In 1951 Lester Sears turned over the presidency of the company to C. E. Smith and assumed the office of chairman of the board. In this position, he was able to devote



The Noble Road Plant was constructed in the mid '50s adding 155,000 square feet of space.

his attention to guiding the organization along the high principles he established as founder. President Smith led the company's spirited battle against inflation and charted the way for an ambitious program of construction and expansion.

Steps in foreign industry included a license

agreement in 1952 with J. A. Lawton & Son of Australia (later a subsidiary of Freighters, Limited) to manufacture Towmotor products for distribution throughout Australia. A similar agreement was made with Brodrene Vestergaard of Copenhagen, Denmark, in 1953 for the manufacture and distribution of company products in Europe. In 1959 a joint company — Towmotor (Aust.) Ltd. — was formed by Towmotor and Freighters.

Product demands increased. Once again in 1954 Towmotor felt growing pains. This resulted in the construction of the Noble Road Plant which added 155,000 square feet of space and improved the efficiency of manufacturing operations. In all, Towmotor Corporation was now operating in over 300,000 square feet of space.

Growth by acquisition was the next step. The Gerlinger Carrier Company of Dallas, Ore., was acquired in 1956 to add heavy capacity pneumatic fork lift trucks and material carriers to the ever expanding Towmotor product line. Because Gerlinger lift trucks ranged in capacity from 8,000 to 40,000 pounds, the complete Towmotor-Gerlinger line at the end of the decade consisted of 37 truck models with capacities ranging from 1,500 to 40,000 pounds, not including the heavy-duty material carriers with capacities of 12,000 to 60,000 pounds.

The acquisition of Gerlinger made Towmotor the largest single manufacturer of material handling equipment offering the widest range of capacities in the industry. In addition, the company offered special accessories for handling every type of product, whether solid, liquid or bulk.

Once a subsidiary, Gerlinger became known as the Dallas Plant.

Product development made significant strides throughout the decade of the '50s beginning with the introduction of the Streamliner Series — Models 390, 420, 460, 480P and 400P. These trucks featured hydraulic brakes and larger engines with increased horsepower. A series of high free lift masts were designed for incorporation with these new models.

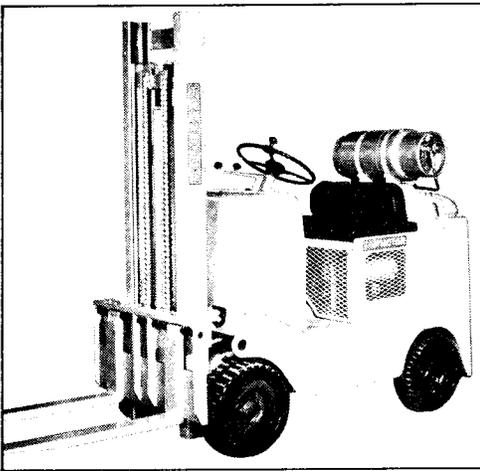
To meet the growing demand for diesel-powered units, yet retaining all the basic



The first Towmotor Union contract was signed Sept. 15, 1950. Shown are members of the Union negotiating committee with company representatives C. H. Hubbard and C. E. Smith.



The first "Ladies' Night Out" program was held in 1950. The group represents a portion of the ladies attending.

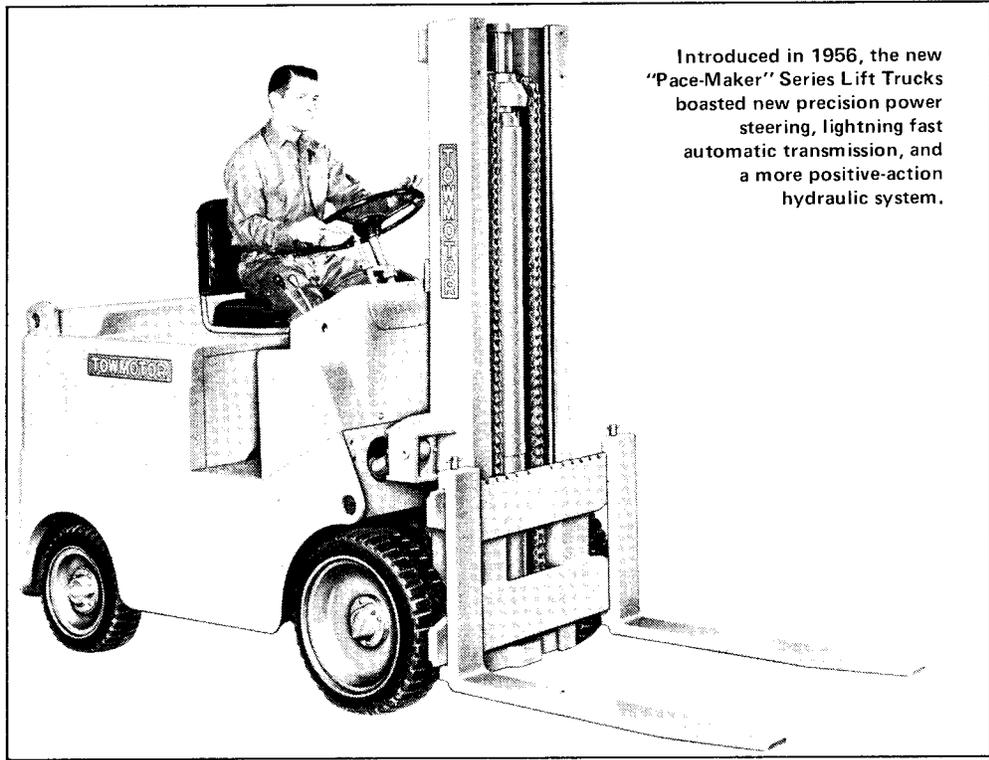


Lift trucks with LP gas fuel systems were introduced in 1955.

operating features of gas-driven equipment, Towmotor Corporation announced production of trucks with diesel engines. At about the same time TowmoTorque, an automatic transmission designed specifically for fork lift trucks, was put on the market.

In March, 1955 Towmotor introduced lift trucks with LP gas systems. Many months of research, engineering and on-the-job testing preceded this announcement. Many refinements had been incorporated in the Towmotor LP gas fuel system to make it one of the most efficient fuel systems in the field.

The "Pace-Maker" series introduced in 1956 offered an entirely new line of trucks



Introduced in 1956, the new "Pace-Maker" Series Lift Trucks boasted new precision power steering, lightning fast automatic transmission, and a more positive-action hydraulic system.

which featured the greatest range of capacities yet designed. Shortly after, Towmotor customers were offered the triple lift mast which permitted extremely high lift with low overall height.

In 1958 Towmotor announced the devel-

opment of a new power transmission called Towmostatic, based on the principle of hydrostatics. It enabled the operator to control all forward and reverse movements with a treadle-type pedal operated by the left foot — a simple heel and toe action.

The '60s. . . A Period Of Change And Growth

Material progress reached new highs in 1959; easy time payments with negligible down-payments made innumerable products available to the maximum number of people. A giant steel strike during this year resulted in a loss of over \$1 billion in wages for those laid off. Soviet Premier Krushchev toured the United States negotiating with President Eisenhower, and the Soviet Union later announced that it hit the moon with a rocket. Fidel Castro became the dictator of Cuba.

The St. Lawrence Seaway was the big story in Cleveland in 1959 . . . and the city became a seaport. Progress was made on the innerbelt. In fashion news, hemlines were on the rise and by the end of the decade pant suits for women became fashionably acceptable office wear.

As Towmotor kicked off the '60s, Galen Miller was named president. His conviction was, "Future progress of the company is limitless — so long as we maintain our incentives and perseverance to move ahead."

The executive, sales, general office and engineering facilities were moved to a new Central Administration Building at 16100 Euclid Avenue in East Cleveland in 1961. Across from the Central Administration Building, on Noble Road, the Office Services Building was acquired for printing operations.

In 1962 a 67,000 square foot addition was added to the Noble Road Plant bringing



Executive, sales, general office and engineering facilities were moved to the Central Administration Building at 16100 Euclid Avenue in East Cleveland in 1961. The building was renovated in 1965.

the total area of the Cleveland plants to about 500,000 square feet. Also in '62 the Experimental Engineering group relocated to the Wheeler Building at 1637 Collamer.

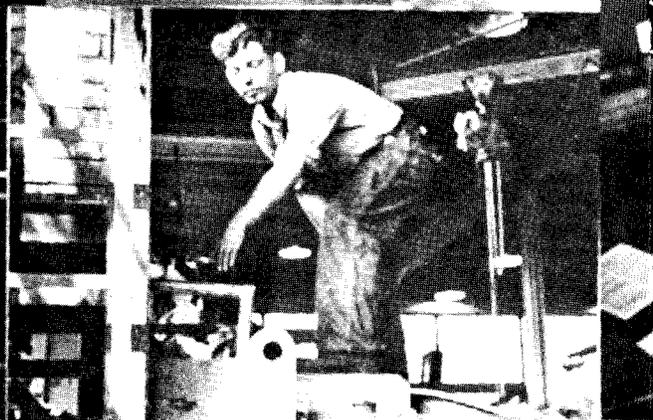
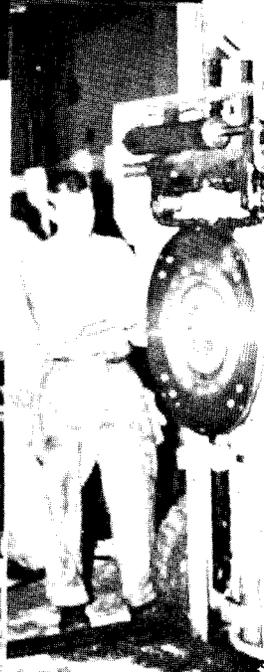
A license agreement was consummated in 1961 with Lansing Bagnall Ltd., Basingstoke, England. Through this agreement Towmotor secured a source for the manufacture and distribution of its products in England.

Towmotor Corporation purchased the Strad-O-Lift Carrier Co. in 1961 as a contin-

uing effort toward product diversification. The Strad-O-Lift trailer, a tractor-hauled, over-the-road trailer, was manufactured in the Dallas, Ore., Plant for six years.

In 1963 Towmotor Corporation acquired Ohio Gear Company, a Cleveland-based producer of a broad line of gears, sprockets, shafts and speed reduction units. The acquisition marked the company's first venture into markets outside the materials handling business. A wholly owned subsidiary to

FAMILIAR FACES FROM



Towmotor Corporation, it became known as the Ohio Gear Division.

Located on East 179 St., Ohio Gear had been a supplier of component parts for Towmotor products for many years. Acquisition of this important supplier brought about operating efficiencies at Towmotor Corporation which helped sustain growth in a highly competitive market.

A new plant in Liberty, South Carolina, Socar Manufacturing Co., Inc., was completed in January 1964 and was used for the sub-assembling and warehousing of speed reducers.

The year 1965 is significant in the history of the company because of four major events: 1) In February, Towmotor Corporation earned the right to be listed on the New York Stock Exchange. This move provided a broader base for trading of the company stock as well as other advantages attractive to current and potential investors. 2) Also in February, Robert L. Fairbank became president of the company. 3) In August, 180 acres of land were purchased in Mentor, Ohio, for future development of plant operations. 4) On November 9, Towmotor Corporation became a wholly-owned subsidiary of



The first trade on the New York Stock Exchange Feb. 24, 1965 marked the listing of the Towmotor Corporation. Galen Miller (center), Towmotor's president, bought the first 100 shares of stock.



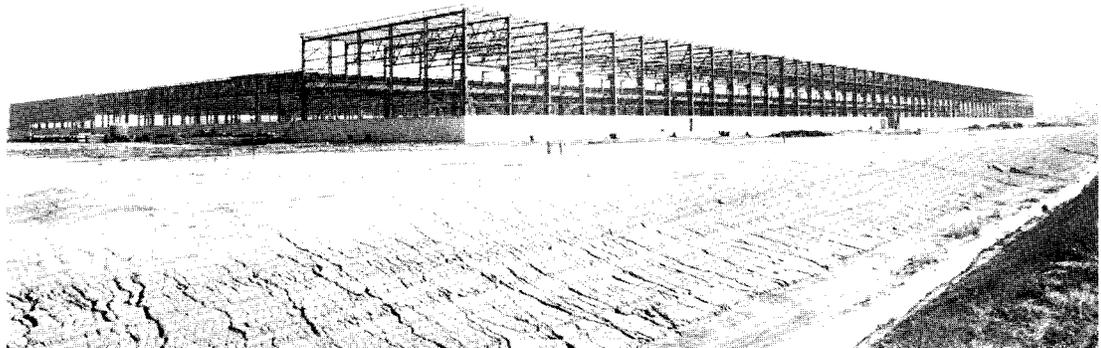
Robert L. Fairbank became President in 1965.



Ground clearing operations began in 1966 for the construction of the Mentor Plant.



One of the first employees to work at the Mentor Plant was Security Officer Russell Dew. Operating on a three-shift basis, four security officers began their round-the-clock protection duties on June 8, 1969.



Steel construction work on the Mentor Plant began in 1968.

Caterpillar Tractor Co. The acquisition enabled Towmotor to take full advantage of Caterpillar research and development programs, facility planning groups and management training programs. Employees began to reap the benefits of Caterpillar's payroll and benefit provisions.

Change and growth occurred.

The Export Department expanded to the International Department as the company began to utilize Caterpillar's vast sales and parts operations throughout the world.

Other departments also began to grow in 1966. By 1967, the company had added, expanded or reorganized the following de-



H. M. (Ham) Schafer joined Towmotor Corporation in February 1968 as the company's first plant manager.

partments: Safety & Security, Education & Training, Sales Training, Service Training, Plant Engineering, Tax, Pricing, Product & Market Development, Planning & Tooling, Machine Order, Systems & Procedures, Government Sales, Data Processing, Traffic and Compensation.

To accommodate this expansion, several buildings were occupied in the surrounding company area, such as the Murray Building in 1966; Central Administration Building annex, 1966; and the Peck Building, 1967.

In 1968 Towmotor Fork Lift Trucks were produced in two new locations — Caterpillar Belgium, SA, in Gosselies, and Caterpillar of Canada Ltd. in Toronto. Construction work on the Mentor Plant began.

In 1967 UAW hourly employees were included in the central agreement between Caterpillar Tractor Co. and U.A.W.

Product innovations were prominent throughout the decade of the '60s. The new Model 950 was added to the Towmotor line in 1962 featuring big capacity and compact size. One of the principal innovations contributing to the compact size of the Model 950 was the use of a horizontally opposed six-cylinder engine.

In 1964 Towmotor released another exclusive in the area of mast design . . . the quad mast. Capable of stacking loads as high as twenty feet, yet having an overall collapsed height of 82½ inches, the quad mast opened many avenues of opportunity for Towmotor lift trucks in applications where low clearances and high stacking were prerequisites. This solved a warehousing problem for the D. H. Overmyer Warehouse Co. resulting in a 500 truck order . . . the largest single non-governmental order ever received for Towmotor lift trucks.

In 1965 the 760P, 860P and 960P Series was introduced. Their long wheelbase, low profile design was a complete departure from conventional lift truck design. Lighter overall truck weight was the significant advantage of this design.

In 1967 Towmotor announced the hydrostatic transmission. The hydrostatic transmission introduced a new opportunity to claim a larger share of the lift truck market due to its efficient performance.



The new Model 950 was added to the Towmotor line in 1962 featuring big capacity and compact size.

The '70s Begin In Promise, End In Recession

Japan's lift truck industry aggressively hit the U.S. market in 1970. The Japanese lift truck industry was exporting on a worldwide basis more than 10 percent of their annual lift truck production. The U.S. represented 41.2 percent of the total Japanese fork lift truck exports.

People were making more money than ever before but found they had less to spend. Inflation kept prices rising . . . and rapidly gained momentum. A dramatic step in 1971, President Nixon imposed a 90-day freeze on wages, prices and rents.

In 1973 a worldwide energy crisis developed. Mandatory gas curtailments were passed into law. Fuel shortages drove up the price of gasoline. Car pools became popular, and energy conservation became a way of life.

Watergate was the government scandal of the '70s and President Nixon was forced out of office.

In 1976 the nation celebrated its bicentennial year.

Toward the end of the decade, gloomy economic signs were being reported — the dollar, industrial output, housing starts and auto sales were all down. Inflation, oil prices,

interest rates, unemployment were all up. Economists claimed that as of the second quarter 1979 the U.S. went into a recession. Towmotor began the decade with a move to new facilities. Assembly operations started in the Assembly Building in 1970 and on Jan. 8 the first lift truck chassis was built at the Mentor Plant. The chassis, a Model T-40, made the historic trip down the high volume assembly line in approximately four hours and was able to be driven after it was taken off the main conveyor line.

In January 1972 a new president was elected, and George Wellner assumed his new duties on Feb. 1.

That same year, for the first time in Towmotor's history, the company began producing a piece part in the Machine Shop which was not intended for use in lift trucks . . . a roll over protective structure bracket for use on earthmoving equipment produced by the Aurora, Ill., Plant.

During 1972 the Ohio Gear Division phased out its plant and many Ohio Gear employees were offered opportunities at Mentor.

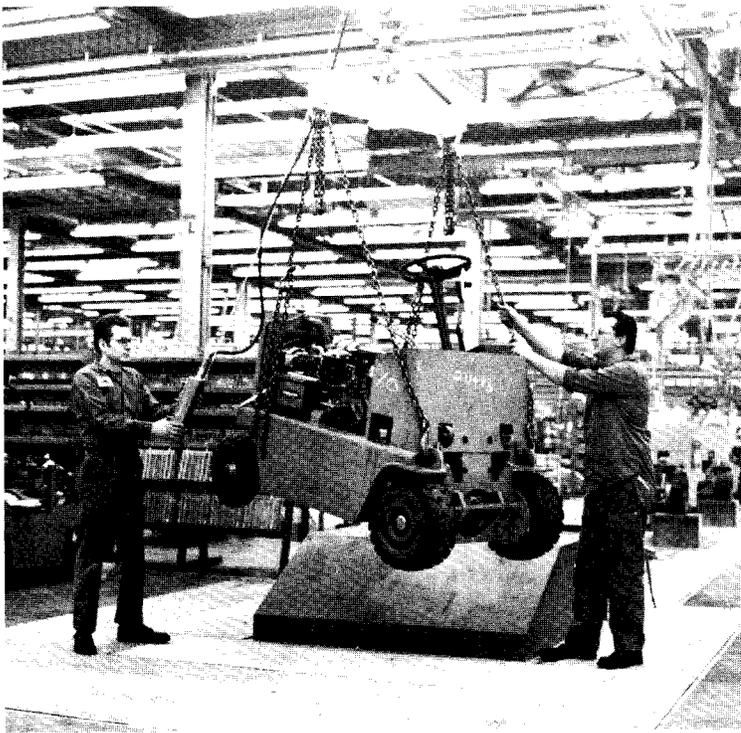
Effective Oct. 1, 1974 all Towmotor lift trucks prominently displayed vertical "CAT"

decals on the mast.

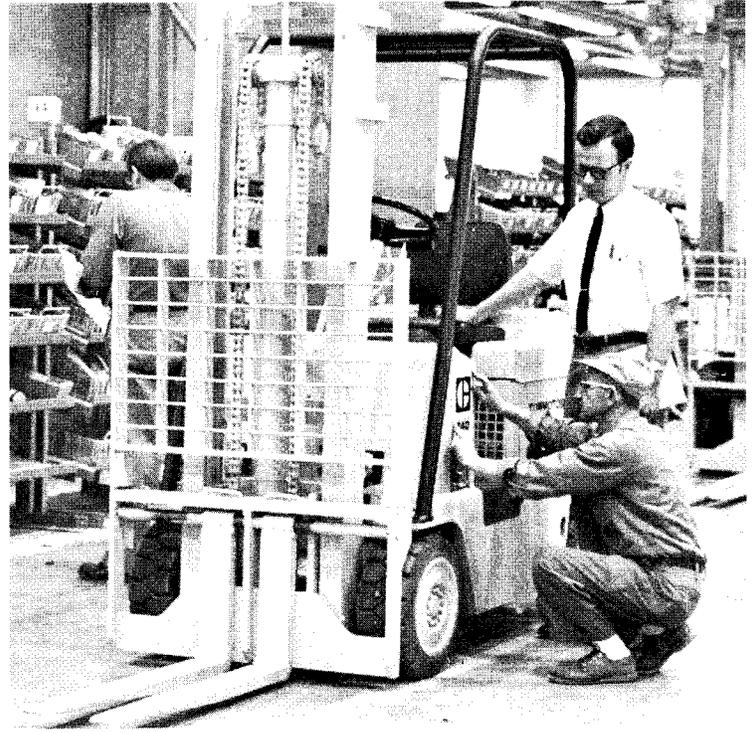
Then in 1975 the official product of Towmotor Corporation was renamed "Caterpillar"



On Feb. 1, 1972, George Wellner assumed the presidency of Towmotor Corporation.



History was made at the Mentor Plant when Steve Stepp (left) and John Rugola took the first chassis for a Model T40 off the main assembly line. Prior to final finish operations moving to Mentor, all chasses were returned to Assembly at E. 152 St. for final finish.



As Ken Rosenberg looks on, Tony Mastran puts the finishing touches on a Model T40, one of the first trucks to be assembled and ready for shipping at the Mentor Plant. By Feb. 17, 1970, the major assembly line operations were in production allowing trucks to be completely assembled at the new plant.

Lift Trucks" to increase opportunities among current and prospective lift truck users.

Towmotor leased the 102,000 sq. ft. Wickliffe Warehouse on Lloyd Road in 1975 for the storage of stock trucks and material.

A Cat Lift Truck facility was built in Leicester, England, in 1976 to produce electric, diesel and gasoline powered trucks.

Mandatory gas curtailments had forced the Mentor Plant to reduce its use of natural gas by as much as 35 percent. In 1976 Towmotor Corporation became one of the first industrial plants in Lake County to drill for natural gas on its own property. Six wells

were drilled on Mentor Plant property to supplement gas from East Ohio Gas for heating and process equipment.

President Wellner retired in 1977 and Dale W. Turnbull was elected president of Towmotor Corporation, effective Feb. 1.

Inventories were growing requiring additional warehousing space for storage of stock trucks and materials. Towmotor leased the 104,000 sq. ft. KV warehouse, next to the Mentor Plant on Tyler Blvd., in 1978.

In July 1978, to emphasize that Towmotor makes lift trucks bearing the Caterpillar trademark and to increase the association

with the general public between the facility and the product, Caterpillar Lift Trucks, the Towmotor sign on the building was replaced with a Caterpillar sign.

As the recession approached, Towmotor was at its peak employment with 2,750 employees.

Towmotor made marked progress in extending its product lines during the '70s and in strengthening its sales and service capabilities.

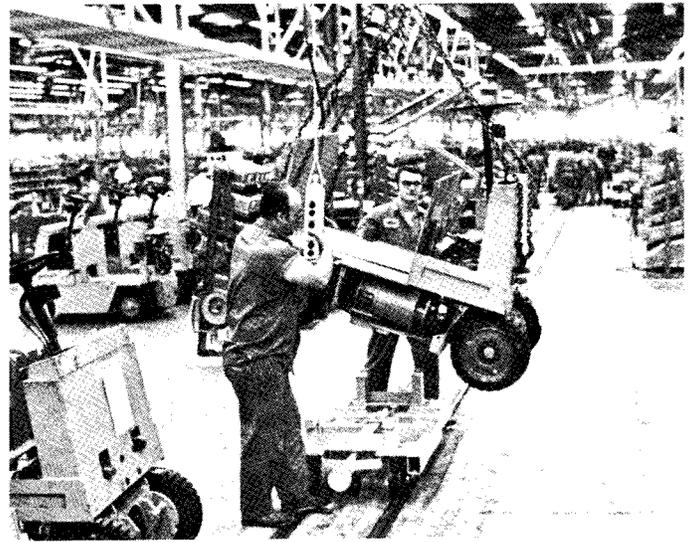
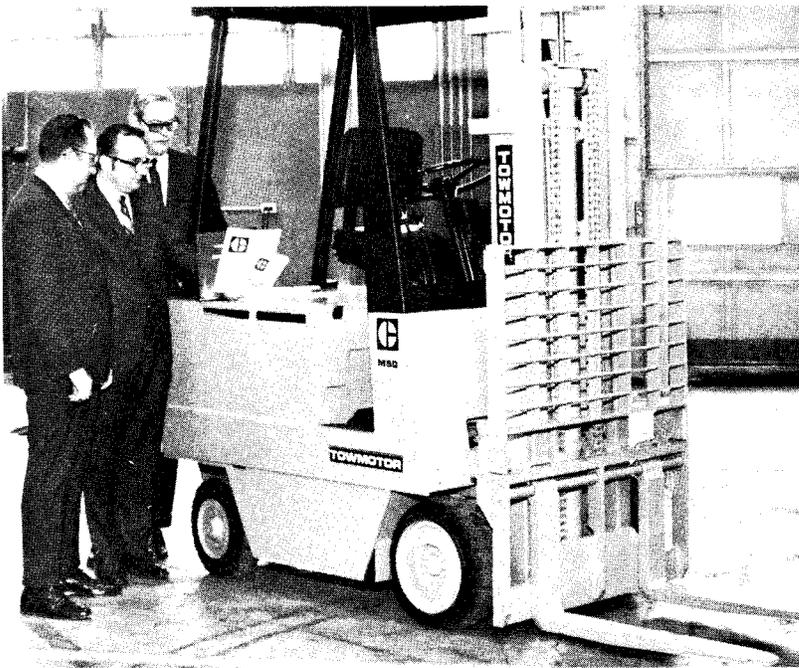
A new series of electric sitdown rider type lift trucks, dubbed the M-Series, was introduced in 1970, marking the company's



Office employees began moving to the Mentor Plant in March 1970. Shown are employees from the Planning and Tooling Division, Quality Control and Manufacturing.



Dale Turnbull became president of Towmotor Corporation on Feb. 1, 1977.



The new electric assembly line was completed in 1974. Dave Syktich and Joe Brozovic lifted off the first truck completed on the new assembly line.

Towmotor introduced the M-Series electric lift trucks in 1970.

entry into the electric truck market.

A new Model 422S was added to the cushion tire line in 1972 offering customers a light duty, quality lift truck at a lower price than competitive models.

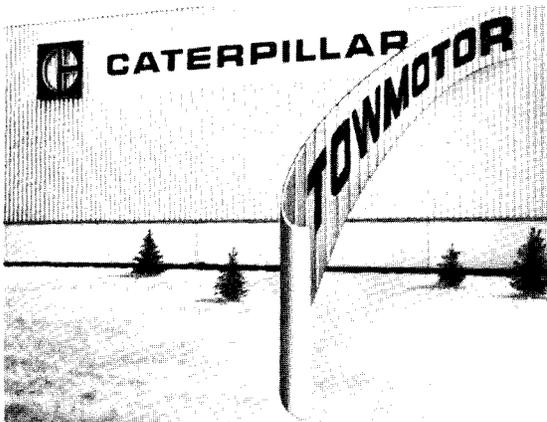
Because of a need to enter low overhead clearance areas with an overhead guard equipped electric truck, Towmotor introduced the new Low Profile M-50 in 1973.

Introduced in June 1975 were new pneu-

matic tire lift trucks — V60C, V70C and V80C. The new line, ranging in capacities from 6,000 to 8,000 pounds, featured new design concepts and improvements that gave the user maneuverability and performance characteristics normally not found in trucks of this size.

A prototype electric lift truck, featuring Caterpillar Lift and Drive Controls, was previewed at the 1979 National Material

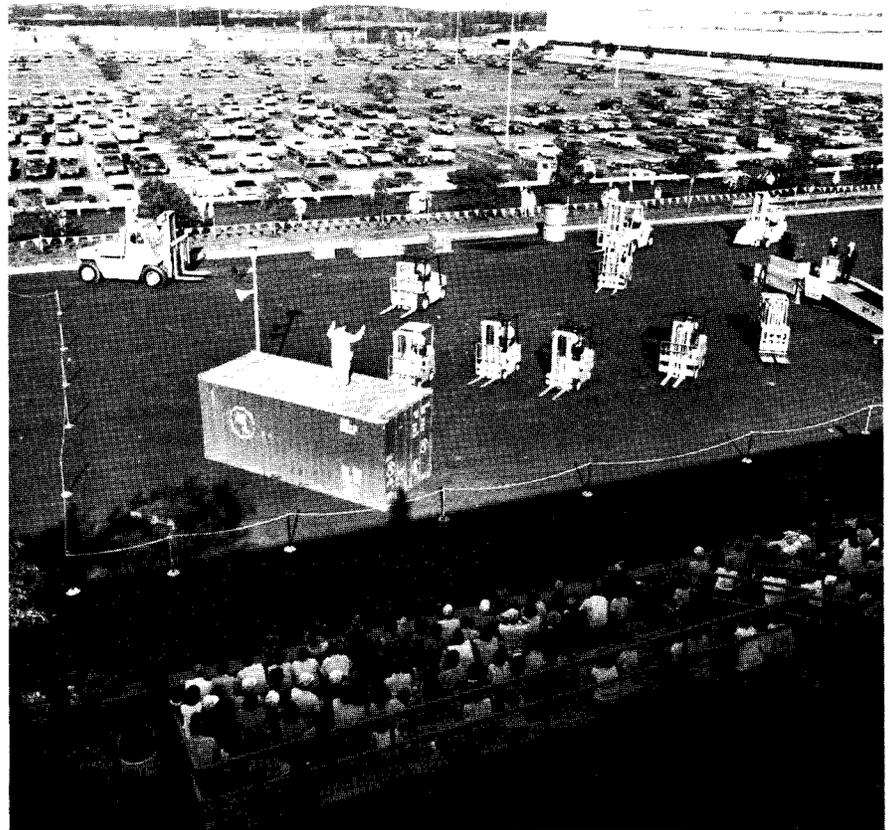
Handling Show. The Cat Lift and Drive Control panel provides SCR (Silicon Controlled Rectifier) controls in both lift and drive circuits for efficient motor speed control. These and other major improvements featured on the prototype became an integral part of the Caterpillar Electric Lift Truck Line in 1980.



In 1978 the Towmotor sign was replaced with a Caterpillar sign to emphasize that Towmotor makes lift trucks bearing the Caterpillar trademark and to increase the association with the general public between the factory and the product.



Effective Oct. 1, 1974, CAT decals were displayed on the masts of all trucks. In 1975 the official product was renamed "Caterpillar Lift Trucks" to increase opportunities among current and prospective lift truck users.



Some 5,800 people attended the "Land of Lift Trucks" on Sept. 16, 1978, which included employees and retirees and their families, community leaders, industrial neighbors and suppliers. Visitors consumed 17,000 cookies, 5,500 cups of ice cream, 195 gallons of punch and over 100 gallons of coffee.

The '80s . . . A Change In Direction

The decade of the '80s was launched under clouded, uncertain conditions. A classic recession was unfolding as consumer spending declined triggering inventory liquidation and cutbacks in capital spending. The U.S. economy exhibited significant imbalances: declining real income, record consumer debt, excess business inventories, and tight mortgage credit.

The U.S. recession had adversely affected end user demand for Caterpillar Lift Trucks more rapidly and more severely than anticipated. Despite curtailment of hiring, reduction in overtime work, working ahead on future schedules and a two-week layoff in August 1980 affecting 1800 employees, it was necessary to reduce employment. On Sept. 1 approximately 400 employees were placed on indefinite layoff.

The recessed economy and resulting decline in lift truck orders began a series of one and two week shutdowns. After scheduled temporary shutdowns were found inadequate to deal with the depressed economy, additional indefinite layoffs were necessary and continued throughout the next three years.

The recession was taking its toll on other organizations, too. Deere announced in June 1980 that 25 percent of its hourly work force at Dubuque and Davenport, nearly 1500 employees, would be placed on indefinite layoff. Clark laid off 3500 workers, or 26 percent of its work force on its wheel loaders, axles, transmissions and fork lift trucks operations.

At the end of 1981 Ham Schafer retired and Wayne Zimmerman became the second, and last, plant manager at the Mentor Plant.

Anticipated economic recovery did not materialize in 1982 requiring additional belt-tightening tactics by the company.



Wayne M. Zimmerman became the second plant manager of the Mentor Plant in 1981.

Salaries were frozen on June 1, 1982 affecting all Caterpillar management and weekly workers.

On August 1, salaried employees' paychecks were trimmed 3 to 9 percent, depending on salary level.

Caterpillar announced on Sept. 28 that the outlook for sales and profit for the balance of '82 had continued to deteriorate.

On Oct. 1, UAW employees began the



Former Plant Manager Ham Schafer congratulates Dwight Scott as the best lift truck driver at the Mentor Plant. Runners up (from left): Gerald Wetzel (3rd place), Roy Russell (5th place), Avery Ford (2nd place) and Al Hefner (4th place). Scott took first place honors in the I.C. Division of the Northern Ohio lift truck rally regional finals.

longest strike in Caterpillar's history, lasting for seven months.

Then, on Dec. 8, Caterpillar announced that it had determined that lift truck production at Mentor Plant should be phased out. Operating costs, excess plant capacity and severe price competition from both foreign and domestic manufacturers were cited as major considerations for this determination.

It was also announced that negotiations were being conducted with foreign sources for possible manufacturing of certain models at a later date. Further corporate uses for the Mentor Plant were under consideration. By year end, employment had dropped to 1300.

Caterpillar reported their first loss in 50 years for 1982 . . . \$180 million. The loss was attributed to depressed worldwide economic conditions, a retrenchment in energy development projects, a stronger U.S. dollar against major foreign currencies and the continuing strike by the United Auto Workers union that shutdown operations for the fourth quarter.

In June 1983 the decision had been made to phase out all production operations at the Mentor Plant. Mentor's lift truck capacity would be picked up by Leicester, England, and Dallas, Oregon, Plants. In addition, Towmotor Corporation entered in an agreement with Daewoo Heavy Industries Ltd., a Korean company, to produce new families of lift trucks.

Approximately 800 UAW employees on indefinite layoff were placed on permanent layoff in July 1983. Employees were notified of specific benefits available in accordance with the "plant closing" terms of the UAW contract. Special counseling meetings were held with affected laid-off employees and their spouses to provide them the best possible information and understanding to select the best option for them and their families.

On Aug. 15 it was announced that alternate manufacturing uses for Mentor Plant had not proved feasible. Major considerations were unfavorable cost levels relative to foreign competitors—particularly the Japanese.

Therefore, a decision had been made to close the Mentor Plant, probably late in 1985, then offer it for sale.

Salaried employees on indefinite layoff were placed on permanent layoff at this time.

Caterpillar later announced closings at San Leandro, California; Newcastle, England; Burlington, Iowa; and Edgerton and Milwaukee, Wisconsin.

1983 ended with Caterpillar reporting its second consecutive annual loss of \$345 million.

The Caterpillar Lift Truck line continued to improve and expand in the '80s.

A new family of Caterpillar F-Series Electric Lift Trucks was designed for indoor or outdoor applications. These new 4,000 and 5,000 pound capacity pneumatic tire electric lift trucks quietly handle shuttle loading indoors and economically transport materials outdoors.

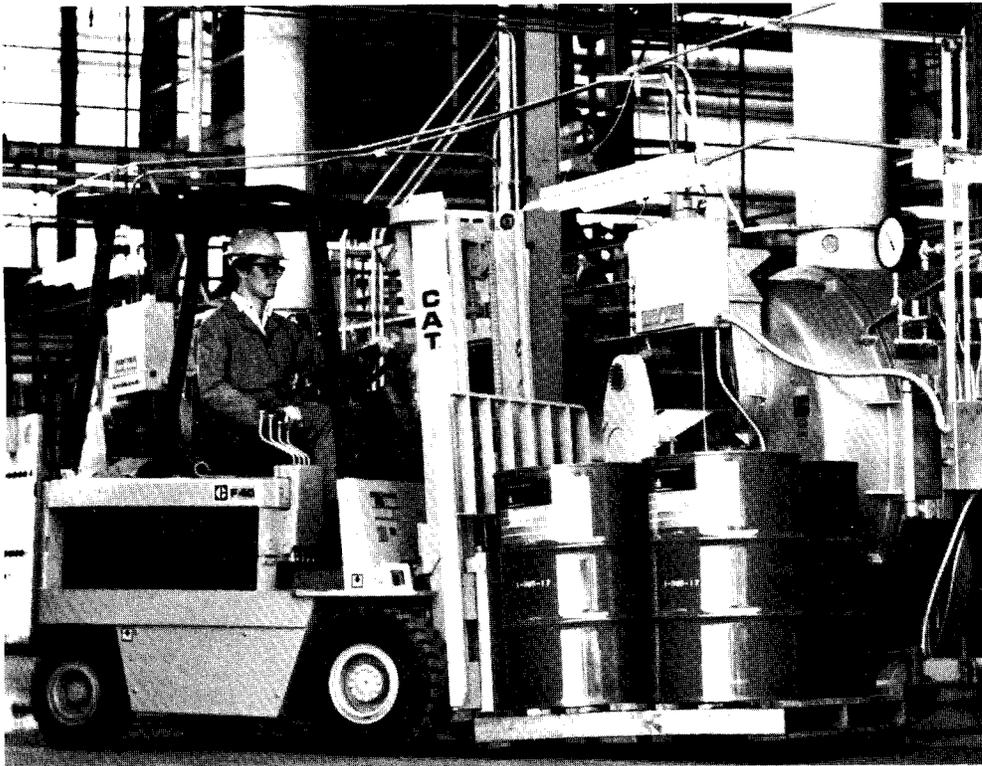
In 1983 the largest trucks in the Caterpillar Lift Truck product line, the V925, made its debut. Designed to address the needs of the worldwide container handling industry, the V925 is manufactured by Kaldnes mek. Verksted A/S of Norway.

The first three-wheel electric trucks, the F30's, were introduced in 1983. Designed for industrywide application with capacities ranging from 2500 to 3000 pounds, the F30's feature the most extensive design, engineering and marketing innovations available today.

The F30's three-wheel design is more compact in length, height and turning radius dimensions and is more maneuverable than four-wheel trucks of comparable load capacity.

Caterpillar intends to remain a major competitor in the lift truck industry. Despite uncertainties, the company continues a favorable longer-term outlook.

The major long-term manufacturing arrangement with Daewoo Heavy Industries Ltd. will further improve Towmotor's position against other international competitors. The all-new lift trucks produced in Korea will maintain Caterpillar quality standards



The F-Series family of Caterpillar Electric Lift Trucks was introduced in 1982.



Caterpillar's first three-wheel electric lift truck, the new F30, represents the most recent product innovation.

in products offering high value at very competitive prices.

The contract with Kaldnes of Norway brings together specialized design and manufacturing capabilities at Kaldnes with Caterpillar technology and worldwide marketing resources.

It's obvious that Towmotor has played an important role in developing material handling equipment. Practically every year since its beginning to the present Towmotor has released a new design. This indicates a constant effort being made to make the best product for the customer.

As 1984 begins, the Mentor Plant continues production of Caterpillar Lift Trucks. Current plans are to continue production through at least the end of the year, then use the facility as a distribution center for imported product through 1985. The Mentor Plant, which was at one time Mentor's largest tax producer and Lake County's largest employer, will then be offered for sale.

The closing of the Mentor Plant is most unfortunate. The impact on employees, their families and the community can only be felt, not described. The company is working, however, with all concerned to lessen that impact.

To date, 119 permanently laid off employees have been recalled to the Pontiac, Ill., Plant under the Master Recall provision in the Caterpillar/UAW 1983 Agreement.

As some operations phase out of the Mentor Plant, others will be adding to their staff. In many cases, these additions will provide opportunity to those adversely affected by the phase out.

Towmotor's 65-year history has not been without stumbling blocks. Decades of the company's history have been rife with war, depression or serious recession. The company, however, continued to make tremendous strides forward. The challenge of the '80s is to keep ahead of competition in cutting costs and developing new and improved products. Each and every Towmotor employee will figure prominently in the future success of Towmotor's business. You, the employee, will write the company's history in the '80s and '90s through your efforts today . . . thus continuing the success that Lester Sears and all of us have built in the past.

The Towmotor story is a story of success. We all shared in that success and its many blessings.

TOWLINES

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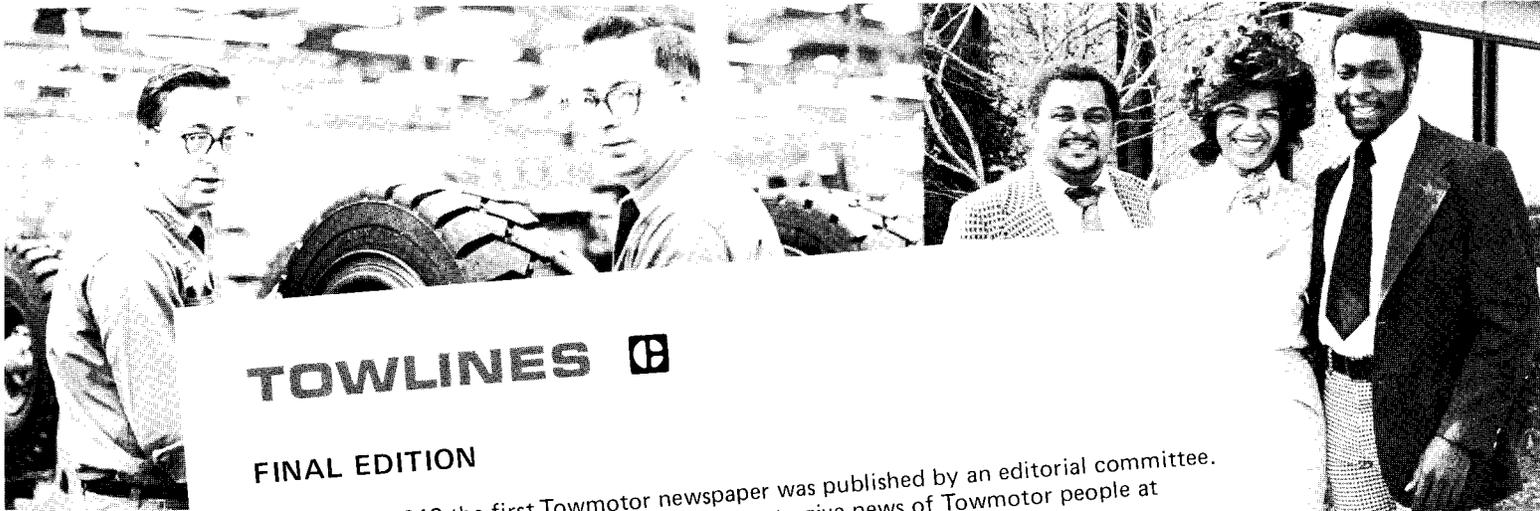
No. 2

Elaine Newman, editor

. . . and a staff of
volunteer reporters

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An Equal Opportunity Employer



TOWLINES

FINAL EDITION

In March 1943 the first Towmotor newspaper was published by an editorial committee. The main purpose of initiating a newspaper was to give news of Towmotor people at work, at home and at war.

Other aims of the newspaper included to present news of future events planned at Towmotor Corporation, review events that have taken place, relate information of new laws and rules that affect us at our work, and pass along thoughts and ideas that could be valuable to others.

These guidelines set the beginning for a publication to serve Towmotor's Ohio employees for the next 41 years.

Through the years TOWLINES has told the story of Towmotor — its people, product, programs, plans, policies, progress and problems. It has been an exciting 41 years.

When publication began, the United States was in the depths of World War II, and there were stories to be told . . . stories of production records, bond drives, employees in service, homefront activities.

During the succeeding years, TOWLINES followed the progress of the company and its people. It visited throughout the plant and captured many Towmotor people in their many complex activities.

TOWLINES witnessed many significant events that are now history . . . the introduction of new product lines . . . expansion of Cleveland facilities . . . the building of the Mentor Plant . . . the acquisition of Gerlinger Carrier Co. and Ohio Gear . . . the merger with Caterpillar Tractor Co. The list goes on and on.

TOWLINES has told of employees' participation in civic and community affairs, it has recognized outstanding work efforts and improvement ideas, and reported the plans of retirees. It spoke of the benefit program and of accident prevention.

TOWLINES has attended countless Long Service Recognition Dinners, picnics, Christmas parties and other activities reflecting the events through the eyes and reactions of Towmotor people.

With 41 breathless years behind us, wonderful years of telling the stories of Towmotor and its people, TOWLINES presents this special historical issue as its final publication. It is dedicated to all who have been part of Towmotor's history . . . all employees past and present. Thank you.

Edaine Heuman
Editor

