

Chrysler Makes Rapid Industrial Comeback Under Lynn Townsend

"The Chrysler Corporation, a heavy money-loser only four years ago, underscored its comeback yesterday on several fronts.

"Directors reported a 550 per cent jump in profits. They also proposed to split the common stock 2-for-1 for the second time in less than nine months. In addition, they advocated doubling the cash dividend for the second time this year.

"Earnings jumped to \$100,700,000 for the first nine months of 1963."—New York Times, Oct. 25.

By JAMES STICKFORD
UPI Automotive Editor

The sleek, bronze-colored car zipped with a high-pitched whine through the busy Chicago traffic — the most recent example of an auto company on the move.

It was the first domestically

built turbine car ever delivered to an average American motorist. And the man who marked the occasion was Chrysler Corp. President Lynn A. Townsend, architect of the industrial comeback of the hour.

Townsend, a 44-year-old accountant with a cost-cutting approach to business, took the reins of Chrysler in July, 1961, after a series of setbacks that included poorly styled cars, conflict of interest suits against top officials and legal action initiated by disgruntled stockholders.

Since Townsend has had control, the fortunes of the company have steadily risen and Chrysler has been the talk of Wall Street.

The corporation was founded in the 1920's by a self-educated railroad master mechanic, Walter P. Chrysler, and the finely engineered cars were an immediate success. Chrysler enjoyed steady growth and by the post World War II era enjoyed a solid 25 per cent share of the U. S. car market.

Organization Faulty

Neither Chrysler nor his successor, K. T. Keller, developed an administrative organization necessary for a large corporation and by the 1950's Chrysler was in trouble.

In 1957, the company showed

profits of \$120 million but by the following year showed a loss of \$34 million on sales of \$2.6 billion. In 1959, Chrysler had only an 11.3 per cent share of the new car market.

Townsend came to the corporation as controller in 1957 from the accounting firm of Touche, Ross, Bailey & Smart, where he had worked on the Chrysler account.

His first assignment was to shore up the firm's overseas operations and he rapidly expanded them and talked Chrysler into buying 25 per cent of France's Simca Company.

Trims Expenditures

He became a director when he was 39 and was named administrative vice president two years later. He unlimbered his economy ax and trimmed nearly \$100 million from expenditures.

The results were seen immediately. In 1959 the loss was cut to \$5 million on sales of 2.6 million and in 1961 the corporation earned \$11 million on smaller sales of \$2.13 billion.

Townsend's management theory calls for tight organization and the right man for the right job.

Whenever a soft spot appeared in the Chrysler picture, Townsend has had an answer. During the pell-mell rush to

ward peak production in the late '50's, Chrysler's reputation for quality control slipped disastrously. In some cases, dealers reported the car doors would not close.

Makes Better Car

Chrysler intensified its efforts to make a better car and as a result was able to announce last year a 50,000-mile-five year warranty on power train components, the longest in the industry.

And the automotive future has not been overlooked. Although Townsend approaches costs in a calculated manner, he admits that "million of dollars were spent in developing the turbine car."

The presentation of the first

of the turbines to Richard E. Vlaho, Broadview, Ill., was just the start. When the car pulled in front of the plush Water Tower Inn at Chicago with its jet-engine whine, it marked the beginning of the test evaluation program whereby 200 motorists will drive the cars for three month periods.

If the turbine car catches on, Chrysler will have the jump on the rest of the industry.

And that's what Townsend has been aiming for since he took over.

DENNIS THE MENACE

HEY, MOM! WHAT DO YA DO WHEN THE WATER GETS TOO BIG FOR THE TUB?

Blowdown From '62 Storm Twice What First Estimate Was

The 133 million board feet of blowdown timber from the 1962 Columbus Day storm was about twice the amount estimated originally, Dave Kaiser, of the Rogue River National Forest, stated at the meeting of the Timber Committee of the Southern Oregon Conservation and Tree Farm Association this week.

The regular meeting of the Association will be Friday, Nov. 15, at Rogue Valley Country Club.

Paul M. Sanger of the Medford District of the Bureau of Land Management joined Kaiser on reporting on the year's activities concerning the blowdown timber and the projected timber sales for the coming season.

Sanger said 21 million board feet of the timber has been sold and salvaged and that of the balance of 4 million board feet, 2 1/2 million has been sold and the other 1 1/2 million sale is dependent upon access roads.

Future Looks Good

Sanger said the general condition and outlook for the future looked good for continued timber availability.

Kaiser said the last quarter was the most active on record

in the Rogue River National Forest. He explained that because of the new 10-year program of the Forest Service, the excessive cut resulting from the storm would be spread over a 10-year period. This will allow a continued supply of timber for local sawmills and plywood plants, Kaiser said.

The Jackson-Josephine county area had relatively little damage from the storm compared to other areas to the north, it was pointed out at the meeting. Other areas were plagued with strike conditions, also, which did not weaken the lumber industry here, both agencies and industry representatives noted.

Makes Better Car

HEADS CHRYSLER — Lynn Townsend, architect of the industrial comeback of the Chrysler Corporation, is shown in a 1960 photo. (UPI)

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Welded Steel Rails Reduce Train Noise

CAMDEN, N.J. (UPI) —The Delaware River Port Authority's new rapid transit line linking Philadelphia with Kirkwood, N.J., will use welded steel rail to reduce noise.

James H. J. Tate, authority chairman, estimated the noise level inside trains would be about the same as that experienced by a motorist in a new car traveling 50 miles an hour over a new highway with the car windows closed.

STAR GAZER

By CLAY R. POLLAN

Your Daily Activity Guide According to the Stars

To develop message for Friday, read words corresponding to numbers of your Zodiac birth sign.

ARIES MAR. 21-20 19-21-38-50 44-72-85-88	Taurus APR. 21-20 1-7-18-43 49-71-83-90	GEMINI MAY 22-21 9-20-31-42 44-46-57	CANCER JUNE 23-22 31-48-59-65 76-77-84-89	LION JULY 24-23 14-18-24-29 34-55-66	VIRGO AUG. 24-23 16-22-28-45 51-67-70	LIBRA SEPT. 24-23 20-25-33-36 41-56-61	SCORPIO OCT. 24-23 2-9-11-15 16-23-30-32	SAGITTARIUS NOV. 23-22 26-32-35-47 53-58-74	CAPRICORN DEC. 23-22 JAN. 20-19 3-5-8-23 27-62-68	AQUARIUS JAN. 21-20 12-15-17-40 52-75-79-87	PISCES FEB. 20-19 MAR. 21-20 30-39-42-49 60-78-81-88
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Good (G) Advance (A) Neutral (N)

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Mr. _____ (FIRST) _____ (MIDDLE) _____ (LAST) _____ (STREET) _____ (CITY) _____ (STATE)

NOTE: The Purchaser may, if desired, designate a beneficiary to be named on the bond—but not both. Married women should use given name and maiden name.

This authorization will continue in effect _____ (DATE) unless you change or cancel it.

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