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Public Relations and Political Power: A Case Study of the Caterpillar Tractor Co.

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Public Relations and Political Power:

A Case Study of the
Caterpillar Tractor Co.

Submitted for Honors Work
In the Department of Political Science
Illinois Wesleyan University
Bloomington, Illinois
1966

by
Frank Simpson

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Accepted by the Department of Political Science of Illinois Wesleyan University in fulfillment of the requirement for departmental honors.

[Signature]  
Project Advisor
PREFACE

The central concern of the paper is to present a case study of the public relations activities of the Caterpillar Tractor Co. Caterpillar is the largest private employer in the state of Illinois and the largest single employer in the city of Peoria. It has plants, offices, and parts depots in twenty-two places in nineteen different congressional districts; and the Company also has many facilities overseas. Finally, Caterpillar is a major exporter of heavy machinery. Such an organization would therefore be highly interested in—and sensitive to—the political climate in which it operates.

The purpose of the paper is to provide a description of the relationship of corporate public relations and corporate political activities using Caterpillar as an example. No attempts are made to provide moralistic judgments on the topic. The public relations aspect of the Company’s activities will be discussed in its political capacity of providing corporate political insurance by means of political persuasion affecting the policies of the national and local governments. Consequently, the paper will only bring in public relations principles as points of clarification and explanation since the paper in no way represents an attempt to present a general.
description of corporate public relations activities.

The paper was initiated as part of the Senior Honors Program at Illinois Wesleyan University. Special thanks is due to Dr. D. P. Brown, Project Advisor at Illinois Wesleyan University; and to the Caterpillar Tractor Co., in Peoria, Illinois, and its President, William Blackie. In addition, the writer would like to express his appreciation to Roger T. Kelley, Vice-President; Byron DeHaan, Manager of Public Affairs; Carl Winterrose, Ken Gerber, and Don Herman of the Public Affairs Department; and Fred Prescott, Manager of Employee Relations.
# TABLE OF CONTENTS

**PREFACE** .................................................................................................................. iii

**Chapter**

I. **INTRODUCTION** ........................................................................................................ 1

II. **THE PUBLIC AFFAIRS DEPARTMENT** ................................................................. 13

III. **COMMUNITY RELATIONS** .................................................................................... 24

**APPENDIX I** .............................................................................................................. 30

**APPENDIX II** ............................................................................................................ 44

**APPENDIX III** ............................................................................................................ 47

**BIBLIOGRAPHY** ........................................................................................................ 51
I. INTRODUCTION

There are many definitions and descriptions of corporate public relations—so many that there is no single accepted definition of what public relations is in either a normative or a descriptive sense. It has been called: "...the attempt, by information, persuasion, and adjustment, to engineer public support for an activity, cause, movement, or institution."¹ More simply put: "Public relations is the art of making friends."² Other business people have called public relations activities the chief means of educating the public; and many businessmen frankly admit that much of their public relations work is unabashed selling of their company's attitudes towards community and governmental matters.

Regardless of the many definitions of public relations, most people in the field will at least agree that the primary function of public relations, as practiced by the modern corporation, is to present the "truth" on civic and political issues as the company sees it so as to gain the acceptance of that "truth" by as much of the public as possible.

The working definition of public relations used at the Caterpillar Tractor Company is that public relations is the means whereby the story of free enterprise in general and the tractor industry in particular is told to the public.
The objective is to contribute to the company's profit-making ability by developing an "improved" business climate at the local, state, and national levels. Business climate in this case refers to the factors that affect the cost of doing business in a particular area.\(^3\)

The method of the Public Affairs Department is to tell the story of the free enterprise system to the public and to government officials at all levels. It seeks adjustment of public opinion through the channels of information thereby causing persuasion. The department is interested primarily in building public attitudes and standardizing public opinions about political questions and issues affecting the company.

As Irwin Ross states:

What PR is trying to sell, in an ultimate sense, are the merits of a particular corporation and the merits of the American capitalist system.\(^4\)

It should be kept in mind, however, that the goal of the Public Affairs Department of Caterpillar is not just to merely sell American capitalism—it is hardly a controversial subject anymore. Rather, the department is trying to sell American capitalism as it is presently constituted and as it presently proves beneficial to the company. In short, things should be left pretty much alone except for possible "improvements" in tax areas and union matters.\(^5\)

In any corporate effort in the field of public
relations advocacy, the various prejudices, apathies, and preconceptions of the public must be taken into consideration. At the same time, the typical corporate public relations approach must be a long range one. The purpose of the long range effort is pointed out by Irwin Ross:

...if a company, over a period of time, is swathed in layers of good will, it will not be damaged by an occasional fusilade of abuse.

In short, Caterpillar's public relations effort by its Public Affairs Department has as its goal the education of the public regarding the merits of the free enterprise system and the laying down of an insulation of good will as protection against public reaction in times of bad corporate publicity. The means of bringing this about is described by Irwin Ross:

Thus...enormous attention (is) paid to charitable projects in plant communities, the provision of scholarships to deserving students, the production of educational aids for use in the schools, the assiduous cultivation of good relations with stockholders. The stockholders, when effectively indoctrinated, are in themselves a valuable PR tool for use against an unsympathetic government.

Public Relations and Business Through the 1940's

Before proceeding further with the discussion of Caterpillar, a brief history of business and public relations through the 1940's is needed to lend perspective to the paper. In the discussion of the history of public relations and business, it should be pointed out that the relationship
between the two has not always been a close one. But if their marriage began out of necessity, it has now turned into a deep and permanent love affair.

Until around 1900, the predominant attitude of the average businessman towards politics and the public was one of disinterest—if not aloofness. His was a secure position. Conditions changed, however, and the businessman found himself faced with attacks on business and the capitalistic system in general by the press and magazines. Editorial assaults were soon followed by trust busting attempts by the national government in conjunction with state and national regulation of certain aspects of business activities. As a consequence, the business community found it necessary to make at least token gestures in the realm of public relations in an attempt to placate some of its more outspoken critics and to adjust itself to a new political situation.

The additional rude shock of public indignation and additional governmental regulations in the post depression era lent further impetus to the development of corporate public relations. Once again business had to rebuild its "image" by projecting a new picture of itself to the nation. Irwin Ross summed up the situation in this manner:

The wholesale disesteem which befell American business, in the depths of the depression, pro-
vided the motive force for the establishment of PR departments in a number of large corporations. Charles Huse, second in command of the public relations department at U.S. Steel, vividly recalls the atmosphere when our largest steel producer began concerted efforts to win public favor. "If you look back at 1936, at that time the so-called political revolution was in effect. Much of the suspicion about big business arose from the fact that nobody knew what went on inside. There were high fences around the plants—no one went inside except the workmen. Newer management realized that it had to operate in a goldfish bowl." One of U.S. Steel's first moves, after this revelation broke over it, was to provide conducted tours of the plant goldfish bowls for any citizens who might be curious.

In the 1940's, therefore, industry in general opened its doors to the public. In 1944, the Community Relations Division was formed at Caterpillar.

The Community Relations Division

Prior to 1944, Caterpillar did not have any formal administrative body to handle public relations activities as such. Of course the company did perform several community relations activities, but a need was felt to provide a more formal method of administering the community relations activities of the corporation. Consequently, the Community Relations Division was established in 1944. The purpose of Community Relations, according to Robert A. Newman of the company, was to develop understanding of the company among the citizens of the community. In addition, the division also sought to interpret the meaning and the significance of the American free enterprise system to the community.
Mr. Newman stated:

Lack of public understanding of the American "way of business" could threaten the business existence of all companies, including Caterpillar. Understanding the free enterprise system is like buying good insurance. It may keep the company in business some day.

Mr. Newman's reference to public relations as "good insurance" seems to echo a similar statement that Norton E. Long made in 1937 concerning the public relations effort of the Bell System:

Though widely denounced as immoral, the attempt on the part of business management to insure itself against changes in the political framework—a framework which it must, to a large degree, be able to take for granted if it is to concentrate on its more orthodox economic tasks—seems as logical as insuring against fire or flood.

Community Relations supervised seven programs to accomplish its goals. They were:

(1) Plant tours
(2) Mailings to important community leaders
(3) Assistance to chairmen of various civic groups in the community
(4) Urging of company personnel to take an active part in community affairs
(5) Company donations to charitable groups, hospital funds and other co
(6) Distribution of discarded but usable office furniture and other items to worthy organizations such as schools, churches, and welfare agencies
(7) Community service advertising in area papers, radio, television, and school yearbooks and papers

With the passage of time, however, the need for
expansion of the Company's public relations activities and the need for the incorporation of the public relations function into the new field of public affairs led to the birth of the Public Affairs Department in 1959. The circumstances behind this development are taken up in the next section of the chapter.

**Public Relations and Business after 1957**

The impetus behind the creation of the Public Affairs Department at Caterpillar was President Eisenhower's urging of businessmen to take a more active part in politics—at least this was one reason given by Carl Winterrose of the Public Affairs Department. However, a more thorough examination of conditions at that time is needed to give a correct picture.

The late fifties mark the beginning of an intensive renewal of activities in the public relations area. As things stood up to this point in time, public relations was primarily used as a curative, stopgap measure. The use of corporate public relations with the accent on prevention developed slowly until around 1957 when it came into its own as a political tool. B.J. Mullaney describes the reasons for the new accent on prevention:

...to depend, year after year, upon the usual political expedients for stopping hostile legislation is short sightedness. In the long run isn't it better and surer to lay a groundwork with the people back home who have the
votes, so that proposals of this character (proposals that are not "beneficial" to business) are not popular with them, rather than depend upon stopping such proposals when they get into the legislature or commission?"}

Emphasis was still being placed on community and/or public relations. But the public relations function was now being operated in conjunction with the public affairs function. Business in general began to realize that although the Federal Corrupt Practices Act did rule out direct financial contributions by corporations to political parties, it did not prohibit a corporation from taking positions on issues; and it did not prohibit the employees of a corporation from taking an active part in political affairs. Hence the business in politics movement concentrated on the business individual as the activist and on the corporation as a "citizen" that had the right and had the responsibility to speak out on civic and political matters that affected it.

Background—Starting around 1957, article after article began appearing in business publications urging executives to get into politics. In the Harvard Business Review, Horace E. Sheldon stated the general problem:

...if business is to improve its effectiveness in the legislative process and with government generally, it must become more active and effective in the political process.

Mr. Sheldon's reasons for urging business to enter the political arena were given as the waning influence of
business in government as demonstrated by the results of
the 1956 congressional elections and the mounting influence
of labor in terms of political power. Sheldon's discussion
continued by paying homage to the significance of the free
enterprise system:

The free business system is a cornerstone of
our free society, and its defense and advance-
ment require that business people articulate
their points of view where it counts most.
The tax, spending, tariff, procurement, anti-
trust, and foreign aid policies of government,
all have bearing on business. 17

The November, 1963 issue of Nation's Business
spoke of the results up to that time of the drive to get
businessmen into politics:

Record numbers of executives are studying
the mechanics of practical politics:
examining issues and the backgrounds of
avowed or potential candidates; weighing
which officeseeker to support with money
or personal effort, or both; urging their
employees, regardless of party affiliation
to inform themselves and to participate in
the elective process. 18

The average businessman was now becoming aware of the fact
that his interests were bound up with the decisions of
governmental units at all levels. Thomas Reed, Director
of Ford's Civic and Governmental Affairs Department stated:

What government does is just as much of
interest to Ford these days as what our
competitors do. 19

"So what can I do about all of this?" asks Mr. Average
Businessman. The Chamber of Commerce of the United States
supplies the answer:
Mr. Businessman, it's your country, too. The nation belongs to us all, including you. And we should all have our say in deciding what way it's going. This brings up a subject that is anathema to many business leaders—politics. But it shouldn't be. Politics is the art of dealing with people, of convincing them that it is to their advantage to join with you in getting your proposals accepted.

The means of getting the people to support the business position is public relations. Corporations have fully embraced the role of the "corporate citizen." As a result, they are now taking stands and becoming involved in civic and political affairs. In short, business has taken the final step into complete involvement in public affairs completing the swing away from the aloof position it previously held. The story of how Caterpillar made this adjustment will be taken up in the next chapter along with a detailed description of its public affairs activities.
Notes on Chapter I


3 The definition here is the writer's own.


5 "Improvements" in this instance refer to improvements in relation to the business climate.


7 Ibid.

8 Ibid., p. 162.


11 Ibid., p. 12.


14 Caterpillar Tractor Co., personal interviews with personnel of the Public Affairs Department (Carl Winterrose), June 15, 1965.


17 Ibid., p. 38.


19 Ibid.

II. THE PUBLIC AFFAIRS DEPARTMENT

Prior to 1959, the public relations activities of Caterpillar were handled by different segments of the Company. Publications was under employee relations and legislative activities were part of the administration. Community relations were handled by the Community Relations Department—formerly a division as described in Chapter I. It was decided that a new administrative setup was needed to handle these operations, and Byron DeHaan of Caterpillar conducted an investigation of the public affairs departments at other companies and recommended that Caterpillar create such a department in 1959.

At the start, the Public Affairs Department only included a publications division and a legislative division. The Department's activities consisted of analyzing current public issues, putting the company's position in writing, and communicating the position to company officials and employees. In 1963, the activities of the Community Relations Department were merged into the Public Affairs Department, thus merging the public affairs function of Caterpillar into its public affairs activities.¹

The Public Affairs Department attempts to fulfill its goal of a better business climate and a better understanding of the free enterprise system in two ways: (1) By
speaking out on some of the important issues of the times; and, (2) by encouraging employees as individuals to better meet the responsibility of citizenship. The employee best fulfills his citizenship responsibility by informing himself on public matters and by becoming active in the political party of his choice. In summary, the Department feels that its effectiveness depends on achieving understanding by all and participation by the many. In conjunction with the urging of good citizenship on the part of its employees, Caterpillar also fulfills its role of a corporate citizen through its legislative activities and its community relations work.

**Legislative Activities**

The legislative activities (lobbying) of Caterpillar center around the legislative committees at the various plants and the Public Affairs Bulletins. The Public Affairs Bulletins—which are statements of the Company's viewpoints on current issues—are contained in the Public Affairs Notebook held by ninety management people in the corporation. The purpose of the notebook is to make part-time lobbyists out of some of the Company's best people. Any given bulletin fulfills three objectives:

1. It informs recipients of existing or proposed legislation, or of the need for legislation, either on a state or national basis;

2. It describes the likely impact of such legislation on Caterpillar, and;
3. It often recommends specific action in terms of letters, phone calls, personal contacts, or whatever method of contact seems most appropriate, considering the issue and the time factor.

The processing of a typical bulletin does not include administrative clearance with the President to avoid policy conflicts. Administrative clearance is instead made with the manager of the department and the appropriate administrative vice-president whose area is concerned with the issues covered by the bulletin. The idea is that the vice-president is supposed to know the thinking of the President on the matter--theory, at least.

The legislative committee at each plant is made up of legislative advisors which are individuals in regular departments assigned related legislative areas for consultation. This committee can make the decision as to what course of action is to be taken regarding any given policy bulletin. Letters may be written to legislators or to congressmen. Editorials may be put in local employee papers. Visits may be made to lawmakers. Consequently, direct personal contact is made by Company officials; and, no professional lobbyists as such are used. Roger Kelley, Vice-President of Personnel and Public Affairs at Caterpillar, states the purpose of this method of lobbying:

...the views expressed by local managers—or by managers whose functional responsibility qualifies them to assess various legislative
proposals—carries considerably more weight with legislators than the views of the public affairs staff man. The latter, after all, can look pretty much like industry's full-time lobbyist, unless he assumes his proper role as back-up man, idea feeder, and coordinator for the front-line managers who contact legislators on key issues.

The advantage of the current program of legislative activities according to Mr. Kelley is in the fact that Caterpillar does not utilize professional lobbyists. Over the years, the Company's position on legislative matters has become more sophisticated in the sense that they do not flatly oppose everything. The bulletins usually recommend alternative proposals as substitutes for the item or program that they oppose. In addition, many measures receive the support of the Company as expressed in the bulletins. But, of course, the bills that receive Company support are usually beneficial to the Company or result in the improvement of community relations and/or the business climate. For example, in 1961, the Company supported an increase in the state sales tax. In supporting this proposal, however, the Company was merely reflecting the general policy belief of business that a sales tax—or an increase in a sales tax is preferable to the implementation of a state income tax.

The Public Affairs Bulletins, therefore, set the policy guidelines of the legislative activities of the Company. In attempting to develop among the employees
and the local community a better understanding of legislative matters affecting the Company, eight lines of action are followed by the Public Affairs Department.

1. Analyze and take public positions on many of the important issues of the times, whether their relationship to Caterpillar business is direct or indirect, and without fear of controversy that may lie ahead.

2. Engage in such nonpartisan activity without reference to the positions taken by any political party.

3. Lend support only to those things deemed to be in the best interests of the Nation, as well as on the Company.

4. Promulgate the Company's beliefs through its publications and seek understanding of these beliefs through the issuance of related statements. In accordance with past practice, such statements require appropriate administrative approvals. Whenever possible appear independently of pending legislation ... so that the Company's viewpoints are widely known and clearly understood in advance of new legislative proposals that may relate to them.

5. Foster education, formal and informal, economic and political, on public issues ... and achieve broader understanding among managers as to their rights and limitations under the statutes that govern political participation by individuals and corporations.

6. Communicate with legislators and appointed officials in order to secure better comprehension of each other's viewpoints, and of the effect of proposed legislation on the Company.

7. Follow and report on the performance of legislators and appointed officials. This
may take the form of comment relating to their stands on specific issues, but should not take the form of broad general support or opposition.

8. Work closely with trade and business associations in the advancement of Company beliefs...participating in related committee work, and helping keep the public affairs efforts of such associations concentrated and effective.

In addition to legislative activities, the Department also carries on the all important community relations work; and, it is the hypothesis of the Company—and this paper—that the maintenance of good community relations is the cornerstone of the Company's political activities. A good community relations program is the necessary precondition for any legislative or political activity in any company. Just as the individual citizen desirous of achieving the acceptance of his political views must have the respect of his fellow citizens, so must a corporation have the respect of the community in which it conducts its operations before it can gain acceptance of its political views. The next section of the chapter will deal with the "respect engineering" activities of the Public Affairs Department.

Community Relations

Clarence Randall, former Chairman of the Board at Inland Steel, once stated: "People pay best attention to those whom they most respect." The purpose of community relations work at any company is to build the necessary
"respect" for it as a corporate citizen in a community so that it can have the right to speak out on public issues. The responsibilities that must be met to build respect primarily consist of active participation in community affairs followed by moral and financial support for community programs. Failure to live up to these responsibilities is described by Mr. Randall:

...once a company gets the reputation of ducking its community responsibilities, no one will listen when they pound the table and say that free enterprise must be saved.

In the operation of its community relations program, the Department must take into consideration the size of the corporation in relation to the community of Peoria and other local industries. In short it must avoid creating the appearance of a domineering corporate giant; and, in a community where it is the largest single employer, this proves to be not small task. One member of Public Affairs goes so far as to contend that the best that can be hoped for is that the program prevents people from resenting the Company; it places them on a plateau of neutrality. In other words, community relations keeps latent hostilities latent. To this particular gentleman, the layers of good will are suppressive in nature than lubricative. It is the feeling of the writer that both descriptions could be used—but at different times.

The Public Affairs Department channels the majority
of its community relations work through the hands of O. D. Maddox and the Plant Tours Supervisor, Ken Gerber. Maddox is Mr. Caterpillar to the majority of city officials; when something involving Caterpillar comes up in civic affairs, he is the man sought out for assistance. Maddox is also the man that fills the personnel requests of the various community groups for board members and other positions by seeking Caterpillar people as volunteers for these positions. Occasionally, personnel requests are turned down as the organization is discreetly directed to other sources of manpower because it is felt that there is a certain saturation point beyond which no additional Caterpillar personnel should be used. The reasoning behind this is that they wish to avoid creating the image of a corporate giant ruling the community's affairs. The balance must be struck on the razor's edge so as to not appear to be doing too much or too little. Just as they risk being accused of doing too much, they also run the risk of being accused of failing to meet up to their obligations to the community.

Plant Tours

The discussion of plant tours is set off because the writer feels that the nature of this topic merits close attention. At Caterpillar there are two types of conducted tours: regular, and special group tours. Regular tours are conducted daily for the general public, visiting
Caterpillar Dealers, and customers. The purpose of the regular tour is to create a good impression of the Company and to demonstrate the merits of the free enterprise system. The Company's "dedication to quality" is exemplified and is described as being made possible by the free enterprise system. More bluntly put, the core of the message states that quality products are only possible under the free enterprise system.

The special group tours are conducted yearly with various community groups such as the clergy, barbers, county officials, lawyers, CPA's, doctors, dentists, and women's civic leaders. The program is set up so that each group is cycled through every three or four years. The package program--tailor-made to fit the desires and the characteristics of the group--consists of a meal, product demonstration, and a message.

The message is the key part of the program because it is delivered to the most important people in the community: the "talkers" or opinion molders. During the performance of their duties, members of these groups usually converse a great deal with their customers. If the subject of Caterpillar comes up during the course of the conversation, it is the policy of the Department that the opinion molder (barber or hairdresser) be "properly informed." As an example, suppose a man goes into a barber shop and starts talking about
Caterpillar's overseas activities and how they are taking jobs away from the Peoria area in particular and the United States in general. The barber, if he went to the last Barber's day at Caterpillar, would inform his customer that Cat plants overseas do not take jobs away from the domestic economy. Whether or not this is the case is another story. The important thing is that the gentleman in question will now more than likely return home reassured that Cat's overseas activities are not harmful to the country or to his hometown. More importantly, he will not now be apt to write his congressman on the subject—if ever he felt that strongly in the first place.
Notes on Chapter II

1 Supra p. 7.

2 Byron DeHaan, Manager of the Public Affairs department, gave an explanation of Caterpillar's interest in the business climate of the Peoria area. In a July 30, 1965 interview, Mr. DeHaan said: "We have a right and an obligation to talk about things that affect us. We have been here for fifty-six years, and we have an interest in the area."


5 Caterpillar, however, does maintain membership in business and trade associations and relies on their direct lobbying activities. Membership in such organizations affords opportunities for establishing contacts with the community and those who mold public sentiment. Company men can thus act as spokesmen for Caterpillar; they also perform the equally important role of intelligence agents gathering information regarding the feelings of a particular group towards the Company.

6 This explanation of the possible reason for Caterpillar's backing of the increased sales tax is strictly the writer's own.

7 Policy Letter No. 34, Caterpillar Tractor Co., (July 2, 1959), p. 3.


9 Ibid., p. 67.

10 This description is, of course, an account of an ideal communications setup. In reality, things do not operate as smoothly as the passage may lead one to believe.
III. COMMUNITY RELATIONS

A description of the public affairs program would be incomplete if only the community relations work of the Public Affairs Department was discussed. Although the Department is formally assigned the community relations function, other segments and personnel of the Company regularly participate in community relations work. Upper management people, various departments, and even the President find themselves in civic affairs.

Caterpillar and the All American City

In 1965, Peoria entered the All American City contest sponsored by the National Municipal League and Look magazine. Operating under the auspices of the Peoria Association of Commerce, Carl Winterrose of the Caterpillar Public Affairs Department, led Peoria's candidacy in the competition. As evidence of the progress that Peoria had made in the areas of urban redevelopment and civic progress, several items of "progress" were cited. A closer examination of some of the more important items proves to be quite revealing:

(1) As the first and most impressive bit of "evidence," the rebuilding of the downtown area was mentioned. The major impetus to this redevelopment was the decision by Caterpillar to locate its new World Headquarters building
in what is now the center of the redevelopment area.

(2) In the annexation of the Richwoods Township to Peoria, Caterpillar did not take any public stand. President Blackie, however, wrote a letter to the Peoria Journal Star endorsing the Richwoods annexation on the basis that as a "private citizen" he wanted to put a stop once and for all to the bickering and factionalism in the area. It is conceded by the writer that any "private citizen" can write a letter to the local paper; the letters of some "private citizens," however, just happen to carry a little more weight than those of others—especially if the "private citizen" in question happens to be the president of the Caterpillar Tractor Co. As an interesting sidelight, Carl Winterrose figured prominently in this matter through his work for the Peoria Association of Commerce's Committee on Annexation.

(3) In the campaign for the retention of council-manager government, Carl Winterrose chairmaned the committee that led this drive. The publications unit of the Public Affairs Department contributed space in Company publications showing the accomplishments of the council-manager form of government in Peoria.

(4) The Caterpillar Foundation contributed funds to the Lakewiew Center Fund.

(5) The Company took an official position supporting the Fire Bond issue and the new library refer-
endum in its employee publications.

(6) The Chairman of the Board at Caterpillar was chairman of the St. Francis Hospital Fund drive.

Although the Company did not officially sponsor Peoria's entry into the All American City competition, it must be noted that a Caterpillar employee of the Public Affairs Department was instrumental in bringing about Peoria's entry into the competition. The same employee, other personnel, the President, and the Chairman of the Board, and an official Company position were instrumental in bringing about the community developments that were used as evidence in the All American City competition.

It is the contention of the writer that the entry of Peoria into competition represented the culmination of a string of intentional and purposeful community developments brought about by Caterpillar with a goal in mind. The fact that it was Carl Winterrose who figured so prominently is immaterial. The important thing is that if it had not been Mr. Winterrose, it is more than likely that another Company man would have carried out these duties.

No formal directive or order is necessary except the general order of meeting the normal responsibilities of corporate citizenship through fulfilling civic obligations.

What is the purpose of all this work? For one thing, it would certainly improve the business climate for Caterpillar and the entire Peoria area to have Peoria
selected as an All American City.\textsuperscript{2} The benefits of such a development to a worldwide corporation with Peoria as the location of its World Headquarters are not hard to see—granted such benefits are intangible in nature; but in the field of public relations, it is often the little intangibles that compose the big tangibles of community relations, local political conditions, and the ability to make a profit.

If there is any one point to be made in conclusion, it is that corporate public relations and its political implications are here to stay. Although the paper only deals with the description of the public relations activities at Caterpillar, the underlying principles drawn from the Caterpillar example can be applied equally well to other large corporations. Many companies have adopted the role of the "corporate citizen," and they have also participated more actively in political and public matters than ever before.

Some question may arise as to how far this activity should be allowed to go. It is sometimes contended that the use of public relations as a political tool present a gross distortion of reality, destroys the democratic processes, and manipulates the public in a purely Machiavellian manner. The writer tends to disagree with this viewpoint on several points. In the first place, it seems impossible that any one group—industry in
this case—can gain complete informational control over the citizenry in our society. Secondly, the general effectiveness of any public relations program should be judged in the realization that any given propaganda effort is not all-pervasive. Much of the public relations effort of industry is "tuned out" by the selective processes of the people that it is directed to. Quite often industry's most faithful supporters are the only ones that give full attention to their public relations output. In the third place, although there exists an element of self-interest in the actions of a corporation as a "corporate citizen," the humanitarian and altruistic aspects prompting this activity should not be overlooked. Finally, industry's interest and participation in public and political affairs should be welcomed and not criticised. For it is only through involvement in contemporary affairs that industry will be encouraged to fulfill its responsibilities to the community and the country.
Notes on Chapter III


2. Peoria was one of twenty-two finalists in competition from which eleven All American Cities will be selected and announced by March of 1966.
APPENDIX I

This material pertains to the work of the Public Affairs Department of Caterpillar.
CATERPILLAR'S COMMUNITY RELATIONS PHILOSOPHY

Like all parts of the "relations" group, Community Relations is the implementation of a philosophy of management. And it is the implementation of an enlightened management.

In the field of good human relations, Caterpillar is a leader, having decided a great many years ago that it would put consideration of the right treatment of people at the top of the list.

It did this from the start with customers, deciding that it would build only the best and pricing its products accordingly, yet trying always to keep prices low. The Company's policy of permitting no product to become obsolete is another example of its concern for the customer.

In another area of high concern for people, Caterpillar management has determined that owners shall be rewarded fully for their confidence. Our Company has not missed paying dividends since its formation. Its determination to repay owners for their support has resulted in still further confidence and this is reflected in the public's estimate of the Company's worth.

It has now been many years since a formal program was established to implement our philosophy with regard to Caterpillar people - employees. Believing that the Company's best interests were served by a work force of people who were well paid in every sense of the word, a far-sighted management here has provided employees with a score of "plus values" to their jobs - in addition to good wages and salaries - to make a life-time of work for Caterpillar an interesting, challenging opportunity to contribute both to self and to a constructive force in society.
More recently - in 1944 first and then again a couple of years ago - administrative management further developed its philosophy that a company is a corporate citizen in its community by establishing the Community Relations Department and, later, the Public Affairs Department.

Community Relations' jobs, as I see it, are to develop understanding of the Company and the things it does of interest to community neighbors - and thus to create good will for Caterpillar.

Like every activity, ours must benefit the Company, directly or indirectly. There are several ways, it seems to me, that our program does benefit the Company.

First, and here we go back to one of the reasons for Employee Relations functions, employees who like their company and the community where they live are almost certain to be better employees. It is our thinking that whatever we do to make this place better is a contribution in that direction.

Thus, when we find Caterpillar people who will serve on committees of the Association of Commerce, or on Boys' Club and Junior Achievement Boards, or in other community spots, we believe we have demonstrated that we and our people want this to be the best possible place to live and raise our families.

Now this might seem like a slow way to go about our job ... and we knew when we started in 1944 that it wasn't going to be easy and fast to convince people that Caterpillar was a good neighbor; that you could borrow wheelbarrows and tarps from us for church jobs; that you could drop in and see how we live and how well we keep house - and on occasion you could share a meal with us.

We knew that we weren't going to announce a Community Relations program one day
and have an informed public the next. As a matter of fact, it was our thinking that we were going to make our friends slowly - just a few at a time - and that the best friends we'd make - the ones who would give us a recommendation when we needed it - would be those we got to know pretty well - and who got to know us as well.

What I'm saying is, we have always believed that our staunchest support will come from people who have the kind of confidence in us that comes from first-hand acquaintance with us. These are the friends we make one at a time.

Therefore, the activities in which we've engaged have been those which take time and personal contact. They are such things as the patient listening to thousands of requests for contributions, for all manner of things. For example, we are asked to help local police associations in their work with junior police. We listen to and support nearly every youth program we know about. There is a special reason for our enthusiasm here - this Company and this country will be run by these young people in a few years. We had better do all we can to see that they are prepared for the job.

We are also asked for support for all the usual things. Hospitals have received over a million and a half dollars from us in the past several years. Privately endowed colleges and universities have had many hundreds of thousands. United Fund agencies, the Red Cross and other charitable and welfare programs have had our support. But our gifts aren't all six-figure gifts. Many are for $25 and $100, and some for $1,000 or $2,000.

It has been our philosophy that we will support those programs which our community neighbors believe in and support. For example, it was demonstrated that this community would underwrite new facilities at Carver Center - and we gave $30,000 to that $250,000 project.
But there are many other ways we can give things to people. Country schools and the Human Relations Commission Office -- and little basement churches and others have small budgets. When we have surplus wooden desks and chairs - of little value as trade-ins - we give them to these worthy organizations. We give away old typewriters and research instruments that are out-of-date - even air cleaners to the Civil Defense people for breather tubes for bomb shelters.

I said we support the United Fund. The Foundation does this and does it substantially. A number of years ago we began to feel that employees would do an even better job of charitable giving if they felt one great objection could be overcome. We had already jumped one hurdle when we said we'd solicit them only once a year.

The big problem was that they were being asked to give both in their home community and at Peoria where they worked. After a good deal of study, we hit on the Caterpillar Employees United Communities Appeal, which works with home-town (FAIR SHARE) Chests - to their great satisfaction - in the arithmetical allocation of employee gifts to all 24 Funds in the six counties where Caterpillar people live.

It is almost a full-time job from August through November for Bill Watson to handle all the details of this complicated program, but it has made employees much more contented - and it has certainly tied our neighbor communities closer to us - to have CEUCA. We think we have made many fine and close friends.

If you want real proof of employee satisfaction - let us remind you that employee gifts have, every year since CEUCA started, subscribed more than fifty per cent more dollars than they did before UCA.
Many others of our activities mean personal contacts. Plant visits are, of necessity, personal visits - and neighbors outnumber customers about three or four to one in a year's time. Our plant visits have always been tailored to the individual's interest. We have never had the memorized speech. Our escorts are truly hosts - they act and dress like management men and they talk with authority because they are trained for at least three months before they are given important customers as their guests. It is the close, personal touch - the last ten per cent - that makes the difference between friendship and acquaintance.

We are not now doing it - but I am hopeful that we will again someday set up to take every man's family to his department - and have them here with him for a meal. These are the kind of "one-at-a-time" activities that we think are most effective. After our last family visit program, we had the feeling that many wives would be hard to convince that this was such a 'hell-hole' to work in.

There are, of course, a score of other things we can do to develop understanding. We can find Caterpillar people who will man science fairs and judge exhibits - we can and do take underprivileged children to our Christmas parties - we can and do invite newcomers like clergymen to have lunch with us - each of us in Community Relations belongs to a service club - for the contacts it brings us and the opportunities it gives us to schedule Company speakers at appropriate times. Many of our people serve in church activities, in political and Board of Education assignments.

If some fine community group - a nonprofit organization - wants us to provide a speaker - or just wants to borrow a projector and screen - or a slide projector - or a film - or a public address system - we have these right at hand. In the last ten years, just through our Department, and there are many we do not schedule --
well over a million people have sat in audiences where our speakers or equipment were in evidence. They've seen, in letters a little less than a foot high, "Caterpillar Tractor Co." across the base of a screen. They know we've been of help to them.

One other thing we do to keep our neighbors informed is to let them look over our shoulder at the excellent publications we enjoy. On special issues of FOLKS and NEWS AND VIEWS we mail to the eight thousand opinion molders of the area, teachers, ministers, businessmen and others. Sometimes we mail to a selected 600, or an even finer selection of 100. This is an effective way of keeping contact, too.

Almost everything we do, then, is aimed at face-to-face contact with our fellow employees and neighbors. Our purpose is to develop some liking for Caterpillar - to make folks know that this is a company of people who believe in and support this community - just as any other good citizen would.

There is one thing certain about our jobs. We do not have the notion that we have done more than get a good start. We are always finding new ways to do a better job. We welcome ideas. We welcome help. We are only a dozen people - there are twenty thousand needed for good will ambassadors - and we base our program on that fact.
Soon after the Public Affairs Department was formed in 1959, a set of questions and answers was assembled in response to inquiries from plants. Today these guidelines, for the most part, continue to be the foundation of Caterpillar's program. With some minor changes, they are again offered as a brief re-statement of the general principles upon which public affairs activities in all Caterpillar locations should be based:

1. What are the goals of public affairs at Caterpillar?

   a. Better, truer public "impression" of Caterpillar -- what we are, what we build, what we believe.
   
   b. Better understanding of the fact we are doing business in world markets.
   
   c. Better understanding of the business viewpoint on important national and state legislation.
   
   d. Better understanding of business economic principles.
   
   e. Improved community attitude toward factors which make settlement and growth in a given country, state or locale attractive to business.
   
   f. Increased community confidence in and good will toward the Company, its operations and its people.
   
   g. Greater individual participation in public affairs.

2. What is meant by the term, business climate?

   A community's business climate can be defined as the net result of all the "external" factors that affect the cost and ease of doing business in that area.

3. What are these "external" factors?

   They are listed -- broadly -- below. Most of them are to be found on any plant location survey form. The main point is this: Since these factors are important dollar-and-cents considerations when a new plant site is being sought, they ought to be equally important after the plant is established, and throughout the course of its existence.

   a. Community progressiveness.
   
   b. Honest, efficient government and fair taxes.
   
   c. Good labor-management relations.
   
   d. Availability of skilled employees.
   
   e. Fair and reasonable wage rates.
f. Good services and facilities: fire, police, utilities, streets and highways, and transportation.

g. Good schools, churches and recreational facilities.

h. Evidence of business citizenship in area affairs.

4. What is the difference between partisan and nonpartisan politics?

Partisan politics has to do with political parties, candidates and campaigns. Basically, it is Democrat vs. Republican. The Company should not and largely cannot, under the law, take part in partisan matters. The Company should not become identified with any political party.

Nonpartisan politics, on the other hand, is the field of issues as opposed to that of candidates. Here we can and should take part as a Company, without fear of controversy and without reference to the positions taken by any political party.

5. Does any part of our field of interest relate to partisan politics?

Yes ... as already mentioned, the Company encourages all employees to take part in partisan affairs in accordance with their own personal party preferences.

6. What are some of the ways through which employees can be encouraged to participate in partisan politics?

a. Provide a good atmosphere ... just as is done in regard to community activities such as United Fund, Boy Scouts, etc. Give recognition and encouragement ... urge key people to set a good example ... allow reasonable time off in keeping with Employee Relations Letter 2:19.

b. Provide information on issues and candidates. Give employees the facts on local, state and national issues. Where appropriate -- that is, where information from other sources appears to be lacking -- provide information on candidates. (Note: This could, for example, be in the form of "thumbnail sketches" of all candidates for a particular office. It should not be selective or in the form of an endorsement; as already mentioned, the Company does not want to endorse candidates.)

c. Encourage political contributions by individual employees ... to the parties and candidates of their choice. Good government requires the election of good people; the election of good people requires effective campaigns; effective campaigns require money. When a person contributes to a campaign, he usually becomes more interested in it. So promote the idea ... and facilitate, where possible. (Note: the "facilitate" is a delicate proposition, as you know.) There is no single best answer. Any plan intended for broad exposure should be fair, bipartisan and acceptable to most employees. In any event, these three rules must be observed:

1). An employee should not be solicited by his boss.

2). He should understand that the subject of whether or how much he gave will be treated as a personal and confidential matter.
3). We should not be "pressured." The Company endorses the idea of political giving in general, but not any specific campaign.

d. Get out the vote. Average U.S. voter-participation in federal elections is very low, when compared to other countries. Urge people to register ... to vote in general elections ... and especially in the primaries. Primaries are the forums in which people can make sure their own parties are putting forth the best possible candidates.

e. Support "practical politics" training programs ... designed to increase individuals' understanding of and interest in the political and governmental processes.

7. Of the many "practical politics" courses available, which of these courses, over-all, seems to be the best one?

After a study of many programs, the U.S. Chamber course, "Action Course in Practical Politics," still appears to be the best of the lot ... it is easiest to administer ... and the least costly. In some communities, the local Association of Commerce has given impetus and direction to promotion of the course. Experience has shown, however, that while response is good at the outset, it becomes increasingly more difficult to encourage enrollment in such community courses. A new approach which has shown outstanding results in several plant locations is the in-plant off-shift course. To date, approximately 1200 Caterpillar people (including 142 weekly salary and hourly employees) have completed political education workshops. The Company will share reasonable course costs on a 50-50 basis with any employee enrolling in one of these workshops.

8. Supposing a Caterpillar employee runs for and succeeds in becoming elected to a state legislature or the U.S. Congress. What then?

He should apply for and be granted a formal leave of absence as defined in Employee Relations Letter 2:19. At the close of his term of office, he should return to work ... or, if successful in being re-elected, apply for an extension of the leave. Consistency requires that if an employee is to be granted a Formal leave to hold such elective office, then his time requirements for necessary campaigning for the same office must also be considered. However, unlike the period of service of elective office, the campaign period is difficult to define, and is often made up of widely varying time requirements. It is the Company's desire to limit the undesirable effect of such variations on Company work schedules, and to avoid situations where an employee frequently leaves or returns to work on short notice. Accordingly, the employee-candidate should be encouraged to carefully consider his campaign needs well in advance of the campaign period ... and then to apply for a Formal leave for the extent of such period. Beyond this point, reasonable time off can be given for special occasions and events that may be difficult to anticipate in advance. An example might be a local visit by a national dignitary of the candidate's party. Informal leaves of limited duration may also be appropriate in certain cases. But once again it should be emphasized that the Company desires to plan for such absences as far in advance as possible, in order to avoid upsetting work schedules in factories and offices.
9. As far as nonpartisan affairs are concerned (see question No. 4 for definition), what does the Company do in this field?

Policy Letter No. 34 answers this question in detail. In brief:

a. Analyze and take positions on issues which have an important relationship to Company operations ... approaching issues with consideration of their effect on the nation, as well as their effect on the Company.

b. Promote the Company's position through employee publications and other forms of communication ... with appropriate administrative approval as required.

c. Communicate with legislators and appointed officials to create better mutual understanding of viewpoints and to clarify effect of proposed legislation on Company operations. Follow and report on positions and performance of elected and appointed officials.

d. Encourage employees toward increased economic and political education.

e. Advance Company beliefs with trade and business associations ... help keep the public affairs efforts of such associations effective and meaningful.

10. What can a plant do to implement these activities?

A first step is building and maintaining good personal relationships with local, state and national representatives ... this can be done in several ways, including periodic luncheons at the plant with key plant people. It is desirable that representatives be reasonably familiar with Caterpillar facilities and people ... so that the Company's best interest will be a part of the thinking they bring to bear on any given issue.

11. Does this mean candidates should be given free run of a plant just prior to election?

No. We want to promote better mutual understanding of each other's problems. This can be done at any time ... but is probably best accomplished between campaigns. Candidates should not be allowed to distribute political cards and, in general, promote individual campaigns on Caterpillar property during work hours.

12. Supposing a candidate asks for employee mailing lists?

To satisfy such a request would amount to partisanship. We do not want to give out such lists at any time.

13. What about using a plant auditorium or some other Company-owned meeting place as a forum for political candidates during campaigns?

Can be a good idea ... provided that all partisan groups, whether national or local, are given an opportunity to participate. To do otherwise would amount to partisanship.
14. Supposing an issue, rather than candidates, were involved ... some sort of local referendum, for example?

If Caterpillar has taken a position with respect to such an issue, it would be all right in most cases to use a Company meeting place to help promote our side of the issue. If the Company has not taken a position, both sides should be given an opportunity to participate -- as set forth in the answer to question No. 13.

15. As far as taking a public stand on an issue is concerned, what is first required?

National and state issues should be referred to the Public Affairs Department for study and research. Local issues (city manager referendum, school board proposal, etc.) may be referred to Public Affairs if you believe the Company may already have accumulated some thinking or experience in the same field.

16. What about the plant legislative committees?

These committees have proven to be effective: first, from the standpoint of screening a variety of proposed legislation ... second, for the providing of people to testify before representative bodies on particular issues ... and third, for generating letters and other communications on such issues. Committees should be made up of department heads, or their representatives, from departments most likely to be affected by legislation. Recommendations of these groups should be transmitted to Public Affairs Department.

17. What has been done to facilitate communication on legislative matters?

The principal reference is the "Public Affairs Notebook," which is in the hands of all plant Legislative Committee members, depot managers, and others designated by plant managers.

18. What about Company participation in business and trade associations concerned with public affairs?

The target here is not necessarily to broaden participation ... but rather to adopt a more purposeful view of our memberships in such organizations. They exist because business enterprises, such as Caterpillar, believe they can perform a valuable service. Experience has demonstrated such organizations will "miss the mark" without the participation and guidance of their member firms.

19. As far as the law or self-imposed restrictions are concerned, what are the basic "cannots" and "cans" with reference to the Company itself?

a. The Company cannot make a contribution or expenditure in connection with the election of a candidate.

b. The Company can do all of the things listed under question No. 6.

c. The Company can distribute information on an issue, and defend and promote (or oppose and criticize) a particular side of that issue.
20. What are the basic federal laws in this field?

a. Federal Corrupt Practices Act

Prohibits any corporation whatever, or any labor organization, from making a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section.

b. The Hatch Act

Prohibits any contribution of money or any other thing of value to any political party, committee or candidate for public office or to any person for any political purpose or use by those who have entered into any contract with the United States or any department or agency thereof, either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, during the period of negotiation for, or performance under such contract or furnishing of material, supplies, equipment, land, or buildings.
APPENDIX II

The material in this appendix is a sample "Bulletin" used in the Public Affairs Notebook on the subject of government medical care.
January 26, 1965

MEDICARE

The following letter from Vice President R. T. Kelley has been mailed to members of the House Ways and Means Committee and to all Illinois congressmen. Bulletin recipients outside Illinois are urged to contact their congressmen, as soon as practicable, along the same general lines.

January 26, 1965

Dear ______________:

May I point up a significant feature of the Medicare issue which appears to have largely escaped the attention of the press? I refer to the impressive number of firms who already have comprehensive hospital and medical insurance plans for their own retirees.

Caterpillar, for example, provides such benefits without cost to its 39,000 U. S. employees and their qualified dependents. These cost-free benefits are available to 90% of our currently retired employees, and to virtually all employees who retire in the future.

Under Medicare, each of our active employees would be required to pay taxes during his working lifetime for after-65 medical benefits that he is now entitled to without cost. His individual tax of $25.20 a year would very likely increase with liberalization of this program over the years.

We believe the Caterpillar example is quite pertinent. When the effect is multiplied by the many businesses and industries that have such programs, more than 50 million U. S. workers would be affected.

In addition to our own medical insurance, we have given consistent support to community, state, and national programs providing health care for the needy aged. It seems to us that a public program providing limited benefits to all aged (regardless of financial need and the existence of other coverage) reduces the government's ability to pay adequate benefits to those who really need such protection.

These arguments are not motivated by Company cost factors. At most locations, Caterpillar's liability for health insurance for retirees would be automatically reduced at the passage of Medicare. Increased Social Security costs would then be roughly balanced out by this reduction in our insurance costs.
We believe that a program, completely detached from Social Security, providing low-cost or free comprehensive health insurance to the needy aged, would be a far better solution to the problem ... from the long-term standpoint of both employees and employers.

Sincerely,

/s/ R. T. Kelley

APPENDIX III

The material in this appendix consists of newspaper articles. The article from the Wall Street Journal is included as an example of the kind of situation that an effective public relations and public affairs program should avoid. Editorials from the Peoria Journal Star and the News Letter of the Peoria Association of Commerce are included to demonstrate how the activities of Caterpillar as a "corporate citizen" were received in one instance.
Auto Executives Hurt Own Cause

By DAN CORBETZ

WASHINGTON—So dismal is the auto industry's performance at the Senate's safety hearings that the chances of Federal legislation in the field have markedly increased.

Of the three manufacturers that have testified so far, only little American Motors Corp., emerges with credit. Of General Motors Corp. and Chrysler Corp. on Sen. Kennedy reflects: "I really wouldn't have believed they could be so bad." And Ford Motor Co., appearing tomorrow, may find its "hot car" approach to advertising the most attractive cut in the auto magazine's.

At the outset, both companies attempted to seize the offensive by means that were transparently obvious.

GM board chairman Frederic Donner, whose own salary and bonus last year totaled $833,298, grandly announced the donation of $1 million over the next four years to the Massachusetts Institute of Technology for a study of safety. Yet the decision to make even that modest contribution, Mr. Donner conceded under questioning, wasn't arrived at until after the subcommittee had asked GM officials to appear.

The Ignored Mock-Up

Chrysler vice president Harry Chesebrough proudly announced that his 1966 cars will have "a new concept of door latch release mechanism," whereupon a press agent, unwitted and with no further explanation from Mr. Chesebrough, laid an impressively mounted mock-up of arm rest and door handle on the desk beside Sen. Ribicoff. The chairman, with barely a glance, had it removed. When Sen. Curtis (R., Neb.), the industry's champion in the hearings, walked over to inspect the gadget he couldn't figure out how it worked.

Mr. Donner, also indulged in the costly luxury of displaying annoyance when questions took an unwelcome turn. But evading a query by vastly easier at a GM press conference, as the board president learned, than at a Congressional hearing.

When Sen. Kennedy asked for GM's 1964 profits, a previously published figure, President Jamche Roche tried to argue that it was not germane. The Senator persisted and ultimately Mr. Donner snapped, "I will have to ask one of my associates." When Mr. Roche then gave the information, Sen. Kennedy drew the unfavorable comparison between profits and safety spending that the executives knew was coming.

After Mr. Donner sought to evade commenting on a Cornell University study about the failure of GM door hinges, Sen. Kennedy cut in tartly to insist, "I think you can answer my question. Isn't the Cornell study critical of GM?" Clearly irritated, Mr. Donner replied, "Oh, I suppose so." Sen. Kennedy coldly commented, "That is not the right attitude, if you ask me."

Mr. Donner's few at empts to speak back-fired. In one exchange, Sen. Kennedy asked about expenditures on safety research and Mr. Donner said, "We don't know, Senator, how to add those things up."

Feigning astonishment, Sen. Kennedy asked, "General Motors doesn't know how to add those matters up?"

"It isn't adding," relented Mr. Donner, "it is dividing."

Sen. Kennedy quickly reminded Mr. Donner that the word "add" was his own.

Not Well Prepared

Finally, for men who guide the destinies of corporate giants, the GM and Chrysler executives were astonishingly ill-prepared, suggesting to Sens. Ribicoff and Kennedy a lack of compelling interest in the subject of safety. Again and again Sen. Kennedy sought figures on safety expenditures, but their impressive lineup of officials and public relations aides couldn't provide any. Explanations of why it's so difficult to calculate such outlays were unconvincing, especially in view of Detroit's penchant for cranking out figures when they're more self-serving—the allegedly astronomical cost of switching to the metric system of measurement, for example, or the claimed investment in bringing out each new car model.

Even the technical experts were weak. Harry Barr, GM vice president in charge of the engineering staff, appeared entirely unfamiliar with a Cornell University study which the company had helped finance, and fumbled answers to a number of other questions on safety development. Chrysler's Mr. Chesebrough, chief of product planning, didn't know how long the firm has worked on a collapsible steering wheel or why it isn't ready yet.

"By the time they were through," remarks one subcommittee member, "I had more doubts about the safety of their cars than before they started."

The earlier witnesses, especially Mr. Donner, also indulged in the costly luxury of displaying annoyance when questions took an unwelcome turn. But evading a query by vastly easier at a GM press conference, as the board president learned, than at a Congressional hearing.

The GM-Chrysler showing is doubly unfortunate for them because it was so unnecessary. The American Motors performance showed that the lawmakers could be mollified. Indeed, by the weekend GM's executives obviously had thought better of their techniques, and Mr. Donner sent Sen. Ribicoff a conciliatory letter accompanied by a long-detailed accounting of safety-related spending. The grand total, Mr. Donner wrote, came to $193 million last year.

As of yesterday afternoon nothing had been heard from Chrysler.
Caterpillar's Imaginative Act

The great meeting of top industrial leaders making products used by Caterpillar Tractor Co. this week, in which they were given a tremendous introduction to this area and its advantage for industrial sites, was unprecedented so far as we know here or anywhere else.

It was an imaginative action, and a tremendous plus for this area.

No company could have performed a more significant service, nor expressed more realistically its ties, its concern, and its faith in the whole community in which it functions.

A great deal more than a day off and a few speeches was involved in this production. It had to take months of planning, close attention, and development.

It was one of those things a “fellow” company can do that no “industrial committee” or other promotional civic agency can possibly match, because only the major industrial concern itself, has the position from which to act so effectively.

Something of the nature of the preparation is revealed by the single fact that so many came, that they came from nationally-known firms of great stature in so many instances, and that they did not send “representatives” as is so often the case but the top men came, THEMSELVES.

That didn’t just happen.

That came because of the skillful handling of the arrangements and the personal interest and participation of President William Blackle, beyond a doubt. It couldn’t be done any other way.

The program was clearly and powerfully designed to hammer home in the strongest way possible Caterpillar’s recommendation that they locate new facilities in this area and that they would find it a good place to do so.

This was done by someone of powerful influence with a “brotherhood” and customer relationship, and someone who “talks the same language.”

How can you top that?

And the potential consequences in terms of everything from housing, employment, schools, opportunity, and prosperity are greater than could flow from any other single act or program.
Caterpillar Tractor Co. has again demonstrated, by additional tangible evidence, in a positive, constructive manner, their desire to be good corporate and individual citizens in our community.

On Tuesday, July 27, 1965, Caterpillar was host to some 100 key executives of selected major suppliers who spent the day in Peoria as their guests.

The event was fashioned to demonstrate to their guests the many advantages of the Peoria Area as a place to work, live and operate a business. . . and to suggest to their guests, as it was appropriate to do so, that there are mutual benefits to be gained in having suppliers more advantageously represented near their principal base of operations.

Congratulations, and a sincere thank you, to Caterpillar Tractor Co. ! Peoria Progress Day will provide for broader industrial development and economic diversification for the Peoria Area.

Might we suggest that other Peoria Area manufacturers consider a similar program. One hundred new industrial employees develops into 359 more new employment opportunities in a community.

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BIBLIOGRAPHY
Books

This is a good basic text on the subject.

Bernays has collected several good articles on the subject and presented them in this book.

This collection of writings is similar to the Bernays' book.

An excellent analysis of the political uses of public relations.

Although not directly related to this paper, it does provide an interesting analysis of the society that the process described in the paper takes place.

Provides the views of an industry spokesman.

Excellent analysis of the modern corporation and its problems in contemporary life.

Articles and Periodicals

He speaks of the rising influence of business in politics.

Study of the relationship between these two spheres.
Description of the early community relations work at Caterpillar.

Prediction of further growth of business influence in Washington.


Sheldon urges business participation in community and political affairs—as a means of self-preservation.


Unpublished Material


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