

tion's large companies equal employment opportunities regardless of race, creed, color or national origin. Brake Shoe has initiated efforts throughout the company to accelerate the employment, training and advancement of capable people from minority groups.

ORGANIZATION AND MANAGEMENT CHANGES

William T. Kelly, Jr. was elected first vice president on February 13, 1964. He is a member of the Board of Directors and has 37 years of service with the company.

Victor L. Persbacker was elected vice president for finance on February 13, 1964. He was formerly vice president and treasurer. Mr. Persbacker has spent his entire business career of 31 years with Brake Shoe.

Owen B. Cottle, formerly assistant treasurer, was elected treasurer to succeed Mr. Persbacker and Ralph J. Switzer was elected assistant treasurer.

Maynard B. Terry, president of American Brakeblok Division, was elected vice president of the company on February 13, 1964. Mr. Terry has 22 years of service with the Brakeblok Division.

On May 13, 1964, Robert W. Biggs, president of the S. K. Wellman Division, was elected a vice president and director of the company.

Boyd E. Bridgwater, formerly president of the Bridgwater Machine Division, was elected a vice president of the company on September 9, 1964. Mr. Bridgwater is also executive vice president of the newly formed Engineered Products Division.

The Engineered Products Division of the company was formed on January 1, 1965, through

the consolidation of Engineered Castings, Bridgwater Machine and National Bearing Divisions. N. George Belury, formerly president of the Engineered Castings and National Bearing Divisions, is president of the new division. This consolidation of three separate units will bring greater efficiency with integrated manufacturing operations, and also will provide a better sales and service organization for our customers.

Effective January 1, 1965, Thomas W. Russell, Jr. was elected chairman of Dominion Brake Shoe Company Ltd. and Allan C. MacDonald was elected president of the Canadian company, succeeding Mr. Russell. Mr. MacDonald comes to Brake Shoe with many years of experience in executive positions in Canadian industry and government. Mr. Russell, a vice president of American Brake Shoe, has assumed new duties at company headquarters in New York.

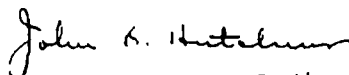
LOOKING AHEAD

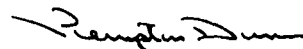
This report on the developments of 1964 would not be complete without some indication of our hopes for future years.

This is an era of unprecedented technological advance, constantly bringing forth more complex problems, yet offering more opportunities. Industry has an increasing need for new and better products to meet higher, and still higher, performance requirements.

Brake Shoe people are alert to these ever changing demands of our customers and are always seeking opportunities for the company to provide better products and services. We believe that 1965 will be a year of improved operations, and another year in which the company will gain in strength and momentum.

Sincerely,


President


Chairman