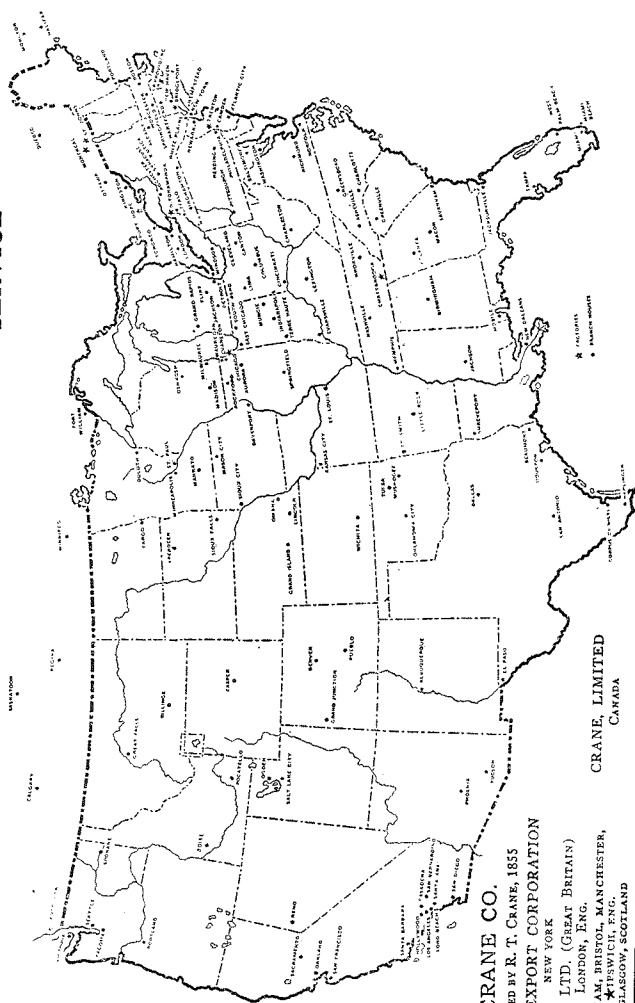
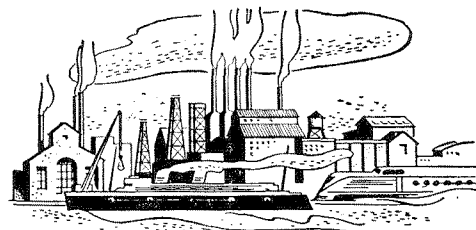


SCOPE OF CRANE SERVICE



CRANE CO.
FOUNDED BY R. T. CRANE, 1855
CRANE EXPORT CORPORATION
NEW YORK
CRANE LTD. (Great Britain)
LONDON, ENG.
BIRMINGHAM, BRISTOL, MANCHESTER,
*KISWICH, ENG.
GLASGOW, SCOTLAND



CRANE PRODUCTS SERVE

All Types of Industry
All Classes of Buildings

VALVES • FITTINGS • PIPE
FABRICATED PIPE • AIR-CONDITIONING
PLUMBING • HEATING • PUMPS



PLAINTIFF'S
EXHIBIT
CRA-169

tabbies

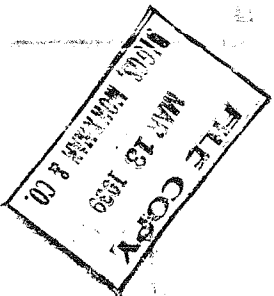
BUSINESS LIBRARY

APR 12 1954

U. I. DUPS.
1950

Annual Report

FOR THE YEAR ENDED
DECEMBER THIRTY-FIRST
1938



CRANE CO.

CRANE BUILDING

836 SOUTH MICHIGAN AVENUE

CHICAGO

Annual Report

FOR THE YEAR ENDED
DECEMBER THIRTY-FIRST

1938

CRANE CO.

CRANE BUILDING

836 SOUTH MICHIGAN AVENUE

Chicago

CRANE CO.

DIRECTORS

JOHN B. BERRYMAN, *Chairman*
 ARTHUR O. CHOATE MARK W. LOWELL
 CORNELIUS CRANE CHARLES B. NOLTE
 A. F. GARTZ, JR. J. L. PALMER
 F. R. LITTLE E. A. RUSSELL

OFFICERS

CHARLES B. NOLTE.....*President*
 J. H. COLLIER.....*Vice President*
 C. R. CRANE, II.....*Vice President*
 P. T. KELLY.....*Vice President*
 P. R. MORGAN.....*Vice President*
 D. G. PARK.....*Vice President*
 L. B. PEEPLES.....*Vice President*
 J. L. HOLLOWAY.....*Secretary*
 WALTER EVENSEN.....*Treasurer*
 F. H. KAISER.....*Comptroller*
 J. S. BELL.....*Assistant Secretary*
 J. A. BROUGH.....*Assistant Secretary*
 J. K. PRENTICE.....*Assistant Secretary*
 L. E. BAKER.....*Assistant Treasurer*
 C. W. DITMAR.....*Assistant Treasurer*

STOCK TRANSFER AGENTS

J. P. MORGAN & Co. W. E. PETERSON, *Transfer Clerk*
 Wall and Broad Streets Crane Co., 836 South Michigan Ave.
 New York City Chicago, Illinois

REGISTRARS OF STOCK

THE CHASE NATIONAL BANK CONTINENTAL ILLINOIS NATIONAL BANK
 OF THE CITY OF NEW YORK AND TRUST COMPANY OF CHICAGO
 Pine and Nassau Streets 231 South LaSalle Street
 New York City Chicago, Illinois

ANNUAL REPORT

To the Shareholders of Crane Co.:

This annual report for the year 1938, covering the 74th year of the operations of your company since its incorporation, is presented by the management with the approval of the Board of Directors.

FINANCIAL REVIEW

Statements of Consolidated Income and Consolidated Surplus for the year and a Consolidated Balance Sheet as of December 31, 1938, together with a certificate of Arthur Young & Co., independent public accountants, are shown on pages 8 to 12.

CONSOLIDATED INCOME AND SURPLUS:

The statements of Income and Surplus are given for the year 1938, together with the Income Account for the year 1937 for comparative purposes.

The Income Account shows a net income for the year 1938 of \$380,697.85, equal to \$1.97 a share on the outstanding 5% Cumulative Convertible Preferred Stock.

Total Consolidated Surplus at December 31, 1938 amounted to \$9,960,945.13 of which \$1,037,189.39 is allocated as Capital Surplus, leaving \$8,923,755.74 as Earned Surplus.

Depreciation:

The amount charged to operations for depreciation for 1938 was \$2,158,799.13 compared with \$2,112,107.55 for 1937. The charge-off for depreciation of machinery and equipment is established on a basis of the estimated life of

the individual item; these items are reviewed annually and the estimated remaining life revised where necessary. The provision for depreciation on buildings and structures is computed at rates established from the experience of this and other companies for the various types of construction. This has been the general depreciation policy of your company during recent years.

Taxation:

During the year 1938 your company paid or accrued in combined direct taxes of all kinds a total of \$2,602,981.53. This amount is equivalent to \$1.11 per Common Share, and is particularly significant when compared with earnings of \$380,697.85 for the year.

Dividends:

Regular quarterly dividends of \$1.25 a share, amounting to a total of \$664,015 for the year were paid on the 5% Cumulative Convertible Preferred Shares. No dividend was paid during the year on the Common Shares.

CONSOLIDATED BALANCE SHEET:

The Consolidated Balance Sheet includes the assets and liabilities of the parent company and of all its subsidiaries, including those in Canada and Europe as well as in the United States.

The current assets and liabilities of the foreign subsidiaries have been converted into dollars at the rates of exchange prevailing at December 31, 1938, which were lower than former "par" rates.

Inventories:

Inventories, valued at cost or market, whichever was lower, amounted to \$24,707,679.58 at December 31, 1938, a decrease of \$5,149,255.96 from the amount at December 31, 1937.

The decrease in Inventories during the year was brought about principally through a reduction in quantities. Values were slightly lower in the aggregate

than at the end of the previous year, due to a minor decline in some raw material costs and reductions in other items of expense.

Open commitments for raw materials, made in the ordinary course of business, amounted to approximately \$175,000 at the end of the year. Prices thereon were as a whole substantially the same as current market quotations.

Inventories have been increased moderately since December 31st and are considered adequate to efficiently serve the estimated demand for the near future.

Financial Condition:

The financial condition of your company is sound. Total Current Assets amounted to \$49,499,795.10 at December 31, 1938 with total Current Liabilities of \$5,240,206.73, reflecting a net working capital of \$44,259,588.37, of which \$15,373,671.66 was in cash. The net working capital shows a decrease of \$556,443.60 from the position at December 31, 1937.

The ratio of current assets to current liabilities was 9.45 to 1.00 on December 31, 1938.

Your company owes no overdue accounts or obligations, and has no bank indebtedness.

OPERATING REVIEW

SALES VOLUME:

The sales of your company and its subsidiary companies for the year 1938 amounted to \$74,307,090.07 being 25% below sales for 1937; the sales in the United States were 28% below sales for 1937.

The decline in dollar volume of sales for 1938 was due to a material decrease both in prices generally and quantities sold. The decrease in demand for industrial products, such as valves, fittings and pipe, was much greater than for plumbing and heating materials.

Your company is operating 162 distributing branches, 134 being in the United States.

MANUFACTURING:

Your company is operating eleven manufacturing plants. Improvements and replacements of machinery and equipment have been made in all plants wherever they appeared to be economically sound. Expenditures for these purposes amounted to \$1,744,800 during 1938.

EMPLOYEE RELATIONS:

Further progress was made by the Department of Employee Relations during the year. Among other things, the Group Life Insurance plan of the parent company and a number of its subsidiaries was revised to provide for increased insurance for all desiring it and to reduce the cost per thousand dollars of insurance to the employee. Under the revised plan employees are eligible in amounts commensurate with their annual earnings, for insurance up to a maximum of \$3,000. Over 95% of the employees are voluntarily participating in this plan.

The confidence and loyalty of the employees have been most gratifying and their welfare will continue to receive constant consideration.

INVESTMENT IN FOREIGN SUBSIDIARIES:

While the combined earnings of the foreign subsidiaries for 1938 were materially below those for 1937, they did not decrease as sharply as the earnings of the company and its subsidiaries in the United States. Both sales volume and prices for products abroad were relatively higher than in the United States.

All of the companies operated at a profit for the year, and the plants and equipment have been maintained to a high standard.

OUTLOOK

The disturbed foreign conditions and the possible effect upon the general business in the United States make it difficult to predict results for 1939. Sales volume, in dollars, for the first six weeks of 1939, was slightly greater than for the same period of 1938. There is a good prospect of increased

building construction which would add to the demand for the products of your company. The immediate outlook is definitely better than it was a year ago.

CONCLUSION

A brief review of the activities and policies of the company is presented as a supplement to this report in the pages following the financial statements. In this manner a concise, current view of the business as a whole is provided in one cover. The shareholders, many of whom are also employees and customers, own the company and all of its assets. It is hoped that this information will enable them to appraise more fully their position as proprietors, and that it will also be helpful to them in their continued efforts to increase the business of the company.

The management and directors are most appreciative of the loyalty and cooperation of the employees, shareholders and customers during the very trying year of 1938.

CHARLES B. NOLTE,
President.

JOHN B. BERRYMAN,
Chairman.

March 4, 1939.

CRANE CO.
(An Illinois Corporation)
AND SUBSIDIARY COMPANIES

CONSOLIDATED INCOME ACCOUNT

For the Years Ended December 31, 1938 and December 31, 1937

	Year ended Dec. 31, 1938	Year ended Dec. 31, 1937
Gross sales, less returns and allowances.....	\$74,307,090.07	\$98,543,063.00
Cost of sales, including selling, administrative and general expenses but before provision for depreciation....	70,408,334.47	82,686,367.20
Provision for depreciation.....	\$ 3,898,755.60	\$15,856,695.80
	2,158,799.13	2,112,107.55
Net operating profit.....	\$ 1,739,956.47	\$13,744,588.25
Other income:		
Cash discounts on purchases.....	\$ 520,680.10	\$ 800,527.84
Interest received	71,290.04	79,226.13
Profits on sales of securities.....	7,266.07	14,188.55
Miscellaneous other income.....	79,993.84	74,080.24
	\$ 679,230.05	\$ 968,022.76
	\$ 2,419,186.52	\$14,712,611.01
Deductions:		
Cash discounts on sales.....	\$ 1,070,028.07	\$ 1,479,346.68
Interest paid	406,862.57	410,768.84
Amortization of debt discount and expense.....	42,144.85	69,893.37
Losses on sale or disposition of fixed assets.....	63,388.19	294,145.19
Miscellaneous deductions	44,520.27	81,422.73
Minority stockholders' interest in net income of subsidiaries	46,639.30	117,490.51
	\$ 1,673,583.25	\$ 2,453,067.32
Net income before federal and foreign income taxes....	\$ 745,603.27	\$12,259,543.69
Provision for federal and foreign income taxes.....	364,905.42	2,494,417.15
Net income	\$ 380,697.85	\$ 9,765,126.54

8

CRANE CO.
(An Illinois Corporation)
AND SUBSIDIARY COMPANIES

CONSOLIDATED SURPLUS ACCOUNT

December 31, 1938

	Capital surplus	Earned surplus	Total
Surplus, December 31, 1937.....	\$ 970,537.72	\$ 9,701,540.13	\$10,672,077.85
Net income for the year ended December 31, 1938		380,697.85	380,697.85
Excess of selling price over cost to company of 10,000 common shares reacquired and sold under option agreement to the president.....		5,000.00	5,000.00
Discount on funded debt of subsidiary purchased for retirement.....		1,367.31	1,367.31
Excess of par value, plus surplus applicable thereto, over cost of subsidiary's stock acquired during year.....	61,651.67		61,651.67
	\$1,037,189.39	\$10,083,605.29	\$11,120,794.68
Deduct:			
Provision for unrealized loss arising through conversion of items in foreign currencies		195,834.55	195,834.55
	\$1,037,189.39	\$ 9,887,770.74	\$10,924,960.13
Cash dividends paid on 5% cumulative convertible preferred shares—\$5 per share		964,015.00	964,015.00
Surplus, December 31, 1938.....	\$1,037,189.39	\$ 8,923,755.74	\$ 9,960,945.13

9

CRANE CO.
(An Illinois Corporation)
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET—DECEMBER 31, 1938

ASSETS		
CURRENT ASSETS:		
Cash		\$15,373,671.66
Marketable securities at cost (quoted market value, December 31, 1938, \$28,073,500)		27,630.88
Accounts and notes receivable—		\$15,401,302.54
Trade	\$ 9,669,190.43	
Sundry	76,906.40	
Officers and employees (partly secured)	19,746.77	
Less: Reserve for doubtful accounts and notes receivable	\$ 9,765,843.60	
Inventories taken by company officials and employees and valued at the lower of cost or market—		9,390,812.98
Raw materials and supplies	\$ 3,593,561.12	
Work in process	5,598,622.80	
Finished goods	15,515,495.66	
		24,707,679.58
Total current assets		\$ 49,499,795.10
INVESTMENTS:		
Securities at cost or nominal value (less reserve for losses, \$18,375.00)		\$ 37,806.26
Other investments at cost (less reserve, \$7,368.98)		227,254.52
		265,060.78
Fixed Assets, at Cost:		
Land, land improvements and leases	\$40,249,765.76	\$ 9,209,935.13
Buildings	13,551,408.51	
Less: Reserve for depreciation		26,698,357.25
Machinery and equipment	\$40,674,427.38	
Less: Reserve for depreciation	21,811,698.30	18,862,729.08
		54,771,021.46
Deferred Charges:		
Unamortized debt discount and expense on fifteen year debentures		\$ 523,298.52
Rents, insurance and miscellaneous items paid in advance		213,925.40
Stationery supplies and sundry deferred charges		30,706.40
		767,930.32
Common Stock in Treasury:		
Common stock reacquired and held in treasury against outstanding option to the president and his assigns and to his heirs and their assigns, under agreement made January 16, 1935, to purchase all or any part thereof, at \$10 per share, on or before March 1, 1940—23,000 shares at cost		218,500.00
		<u>\$105,522,307.66</u>

10

CRANE CO.
(An Illinois Corporation)
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET—DECEMBER 31, 1938

LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued pay rolls		\$ 2,914,148.46
Accrued taxes (general, federal and foreign income)		1,923,691.94
Accrued interest on long term debt		33,166.33
Accrued interest on long term debt		350,000.00
Sinking fund payment, due April 20, 1939		19,200.00
Mortgage, secured by real estate of subsidiary company, maturing in 1939		
Total current liabilities		\$ 5,240,206.73
Long Term Debt:		
Fifteen year 3½% sinking fund debentures, due June 1, 1951 (annual sinking fund payments of \$350,000 due April 20 of each year from 1937 to 1950)		\$12,000,000.00
Authorized and issued		700,000.00
Less: Retired through sinking fund		
Outstanding		\$11,300,000.00
Less: Sinking fund payment, due April 20, 1939 shown as current liability above		350,000.00
		\$10,950,000.00
Funded debt of subsidiary company, less amount held in treasury of subsidiary		103,567.00
		11,053,567.00
Minority Interest in Subsidiary Companies:		
Preferred stockholders (par value)		\$ 49,800.00
Common stockholders (par value \$1,001,700, plus equity in surplus \$18,626.82)		1,020,326.82
		1,070,126.82
Miscellaneous Reserves		
Capital Stock:		
Cumulative convertible preferred shares, par value \$100, callable at \$105—		
Authorized—200,000 shares		
Issued—192,803 shares, designated as 5% cumulative convertible preferred shares		\$19,280,300.00
Common shares, par value \$25—		
Authorized—3,000,000 shares (385,606 shares are reserved for conversion of cumulative convertible preferred shares)		
Issued—2,348,628 shares		58,715,700.00
		77,996,000.00
Surplus:		
Capital		\$ 1,037,189.39
Earned (of which \$218,500, representing the cost of 23,000 shares of treasury common stock is restricted under the Business Corporation Act of Illinois of July 1933, until such stock is sold or cancelled)		8,923,755.74
		9,960,945.13
Contingent Liabilities:		
Customer's notes discounted under partial payment plan, etc.		\$176,550.47
Preferred 7% cumulative shares called for redemption on September 15, 1937, but not yet presented for payment, against which the company has deposited funds necessary for such redemption		\$64,584.00
		<u>\$105,522,307.66</u>

11

*To the President and Board of Directors
of Crane Co., Chicago.*

We have made an examination of the consolidated balance sheet of Crane Co. (an Illinois Corporation) and subsidiary companies as at December 31, 1938, and of the consolidated income and surplus accounts for the year 1938. In connection therewith, we examined or tested accounting records of the company and of its subsidiaries and other supporting evidence and obtained information and explanations from officers and employees of the companies; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

The inventories have been valued at cost or market, whichever was lower. The quantities and condition of the inventories were certified to by the management and the prices and computations were tested by us.

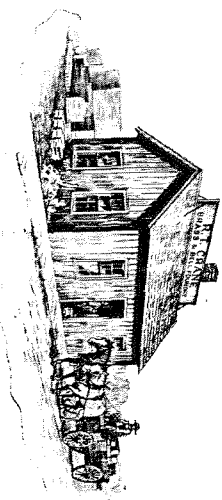
The current assets and current liabilities of foreign subsidiary companies have been converted at the rates of exchange prevailing at December 31, 1938, which rates were lower than former "par."

The basis used in computing depreciation was consistent with that of the previous year.

In our opinion, based upon such examination, the accompanying consolidated balance sheet and related income and surplus accounts fairly present, in accordance with accepted principles of accounting consistently maintained by the companies during the year under review, the financial position at December 31, 1938 and the results of operations for the year.

ARTHUR YOUNG & Co.,
Certified Public Accountants.

Chicago, Illinois,
February 21, 1939.



An Outline of the Business in General

Eighty-four years ago Richard Teller Crane built the small wooden shop, illustrated above, in a corner of his uncle's lumber yard in Chicago—a humble beginning from which has developed the Crane Co. of today.

The steady growth of this business has been due to many factors, underlying all of which have been

- (1) the inherent quality of its products which is a natural reflection of the guiding principles laid down by the founder, and
- (2) the adherence to lines of products which serve common, fundamental needs, and which are closely related to one another, either in actual use or in the channels of distribution.

In the following pages there is presented a very brief review of the Crane Co. of today: its products; the engineering and research back of those products; the manufacturing facilities for producing them; and the distribution system for selling them. In addition, there is a brief sketch of the extent and type of the company's markets and, in conclusion, a summing up of the company's general policies.

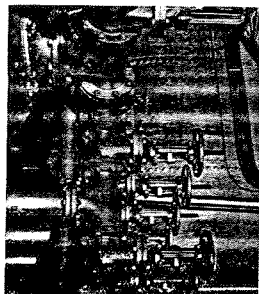
PRODUCTS

Today the company manufactures some 40,000 different items, and purchases for wholesale distribution many accessories and allied items manufactured by others with specialized production facilities.

The company's own products may be described broadly as follows:

VALVES, FITTINGS, PIPING EQUIPMENT AND STEAM SPECIALTIES

for the control and conveyance of water, oil and other liquids, steam, air and gases. These are made both in standard types and sizes and specially to customer's requirements, of brass, malleable and cast iron, forged and cast steel, various steel alloys and other ferrous and non-ferrous metals for use under all possible pressures and temperatures and to resist many kinds of chemicals. The standard lines of valves and fittings range in size from $\frac{1}{8}$ " to 84" in diameter. Pipe, both regular and of many modern alloys, is shaped and fitted or otherwise fabricated in the company's shops to meet the current needs of industry which include a wide variety of piping requirements.

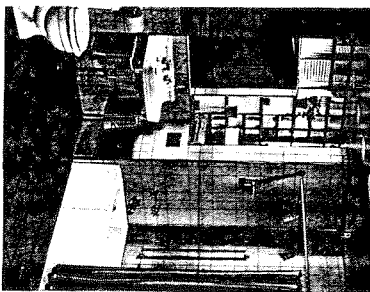


PLUMBING FIXTURES AND EQUIPMENT

of sanitary enameled iron, vitreous china and porcelain, include bathtubs, lavatories, water closets, laundry tubs, kitchen sinks, drinking fountains, etc., and plumbers brass goods and supplies—such as faucets, shower heads, fittings and many kindred items.

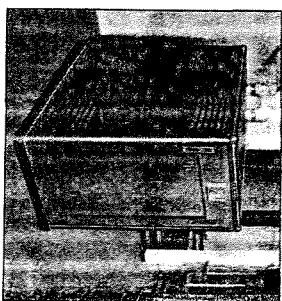
HEATING SYSTEMS, EQUIPMENT AND AUXILIARY APPARATUS

including radiators and cast iron boilers for any fuel and any degree of automatic operation in domestic use.



SHALLOW AND DEEP WELL PUMPS, which provide water supply on farms and in small urban or suburban communities not served by water systems.

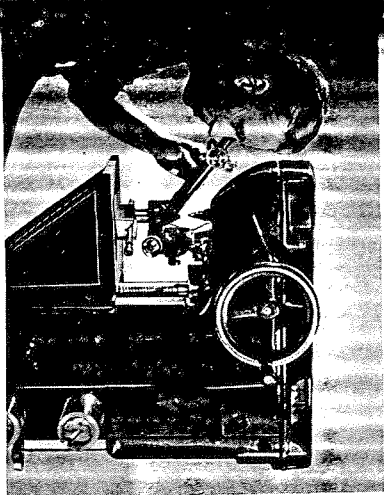
14



ENGINEERING AND RESEARCH

Since its beginning, the company has endeavored to make its products the best in their field. This has required, among other things, exhaustive research, investigation and testing.

The first chemical laboratory of the company was established fifty years ago, and just prior to the turn of the century, the then extraordinary step was



taken of employing an engineer to handle research and engineering work. During the past few years activities in this direction have been reorganized and expanded in a Division of Engineering and Research, employing 255 persons, headed by outstanding experts and with laboratories equipped with the latest apparatus for the proper conduct of its diverse activities. In general, the functions of this division are:

To make possible improvements in existing products and invent, develop or design new products.

To provide the manufacturing division with information required to facilitate efficient and economical production and insure the product being made in accordance with designs and specifications.

To investigate and certify to the engineering soundness of the major products manufactured by other companies but sold by Crane Co.

To provide the sales division with information relating to the application, use and cataloging of products.

To effect and maintain close cooperation with the manufacturing, sales, purchasing, and other divisions of the company so that all products shall be of proper engineering design and shall effectually meet market demands.

This far-reaching search for the best for today and tomorrow is costly and would not be practicably possible, except that the company's large production volume makes the cost per item immaterial in terms of its value.

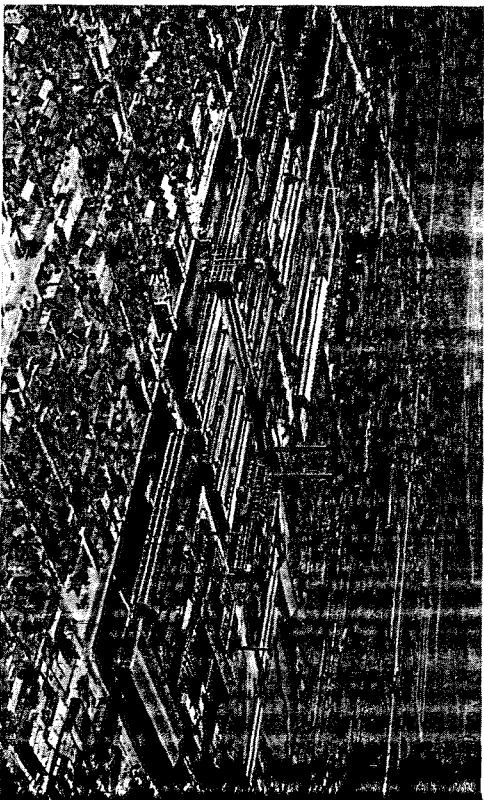
The company is convinced that sound engineering is the primary means of insuring quality, and that creative research is the only pathway to continued progress.

15

PRODUCTION

The company owns and operates eleven manufacturing plants with a combined floor area of over 6,000,000 square feet. Here, findings of the Engineering and Research Division take form in hands having the benefit of the experience gained by the company during its long practice in its field.

Good man power is the first requisite of good production. Among Crane employees are many master craftsmen whose skill and long experience contribute so materially to the inherent quality of the product. But believing that



The Chicago Works.

good tools add to the capacity of even the best men, Crane uses the best tools it can buy or design, maintaining them in first-class operating condition.

The upper illustration on the opposite page shows a lathe built to Crane specifications in 1858 as the market at that time did not provide a suitable one. It was the first lathe built by an organization now recognized as one of the outstanding machine tool builders of this country.

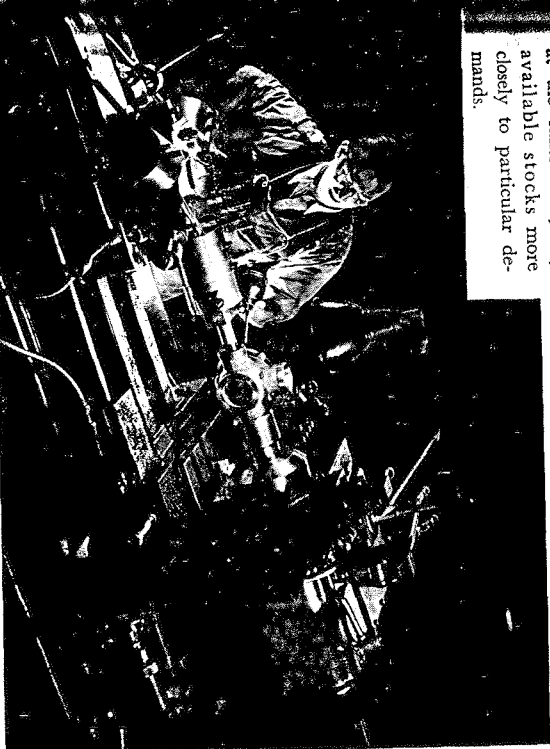
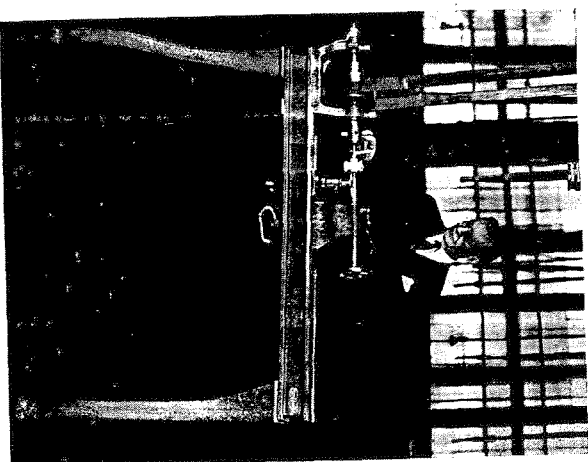
The picture opposite is that of a 1938 lathe, built as many intervening models were, to do a better job.

The uniformly high quality of Crane products, attributable to good man power and good equipment, is further safeguarded by an unusually complete system of independent inspection and testing.

16

A reorganization of the company's largest plant located in Chicago was undertaken and practically completed in 1938. As a result, the already high efficiency of the plant was increased and it is now operated on a functional basis, with an outstanding expert in charge of each type of work and guiding all operations of that type throughout the entire plant.

Likewise, a new plan of production and inventory control has been adopted to more definitely level out production volume over a year, and at the same time, key available stocks more closely to particular demands.



Broadly speaking, Crane sales are made to two markets; (1) industrial users of valves, fittings, pipe and fabricated piping, and (2) plumbing and heating contractors who retail and install plumbing, heating and pumps. To

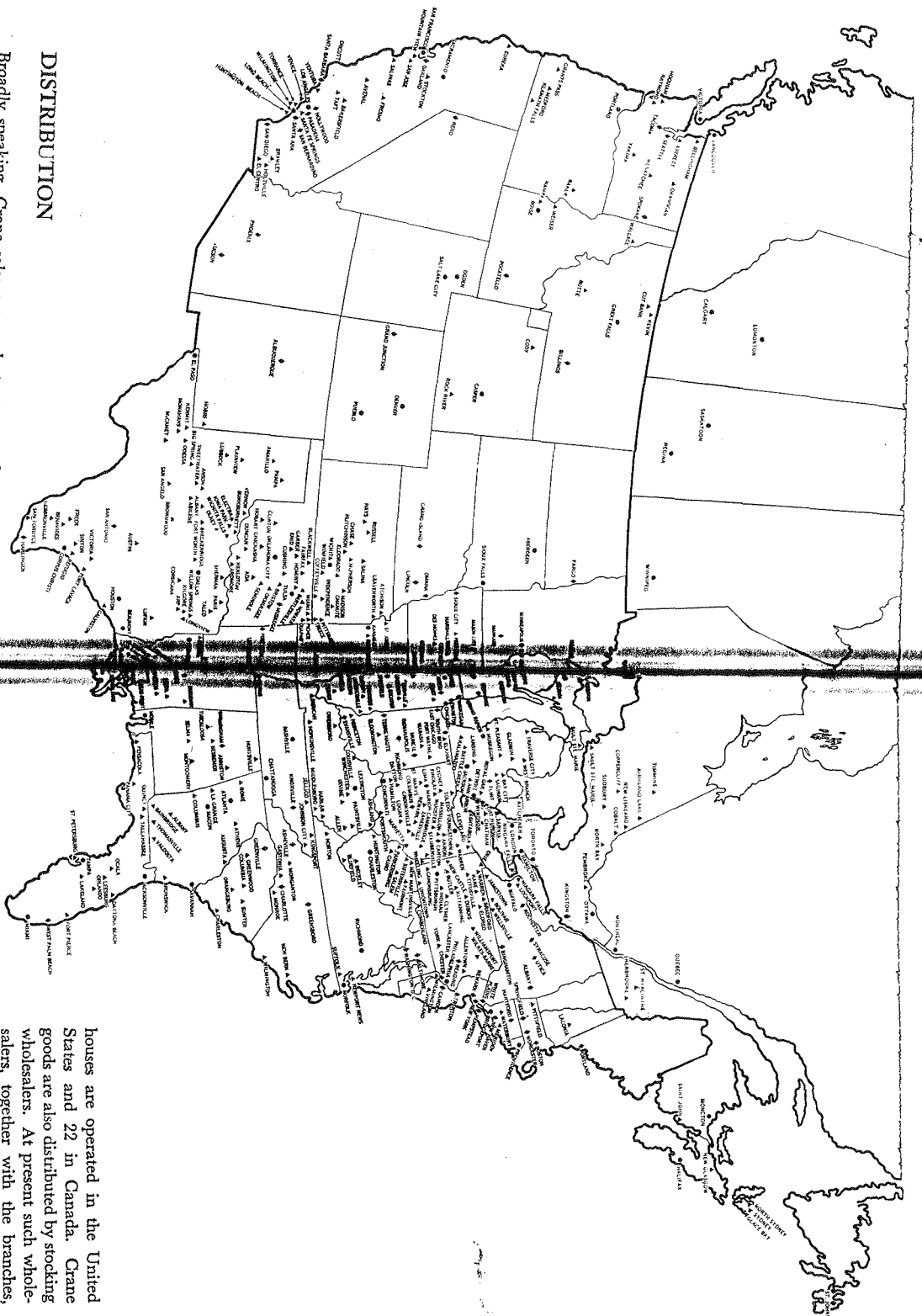
DISTRIBUTION

18

insure adequate and uniform distribution of products to these two large groups of customers, 134 branch

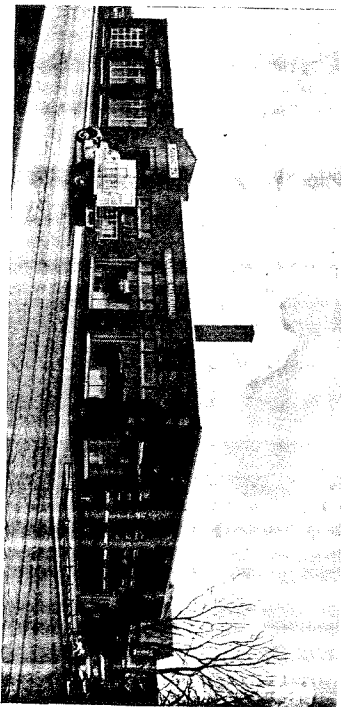
19

houses are operated in the United States and 22 in Canada. Crane goods are also distributed by stocking wholesalers. At present such wholesalers, together with the branches, afford a source of supply of the company's products at 636 locations in 436 cities in the United States alone.

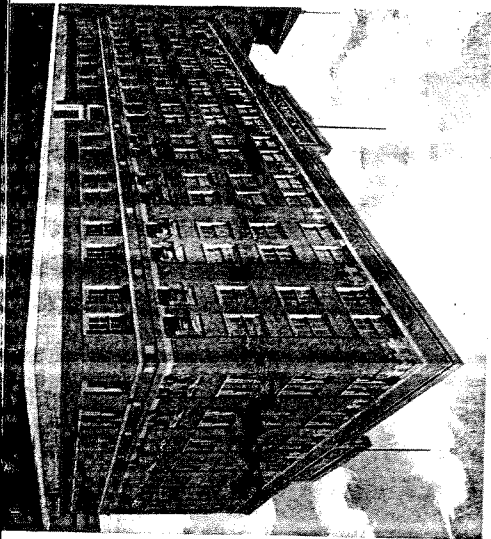


The keynote of this distribution system is Service—to have available promptly in close proximity to every source of demand a supply of all the company's staple products suited to the needs of the territory; with a personnel trained to carry out the policy of rendering helpful service to all classes of customers, in the selection and application of the products. The markets of the past few years have furnished an extremely erratic demand. However, recent improvements in inventory control and the development of a basis for measuring nearly potential demands more accurately should make it possible to meet such abnormal fluctuations with a greater degree of efficiency.

Each Crane branch, while guided by the company's systems and methods, operates as a distinct entity and independent business. The branches are definitely members of their local communities working for the welfare of the community through active participation in Chambers of Commerce and other local civic and business organizations.



Sub-Branch Serving a Local Community in a Large Metropolitan Area.



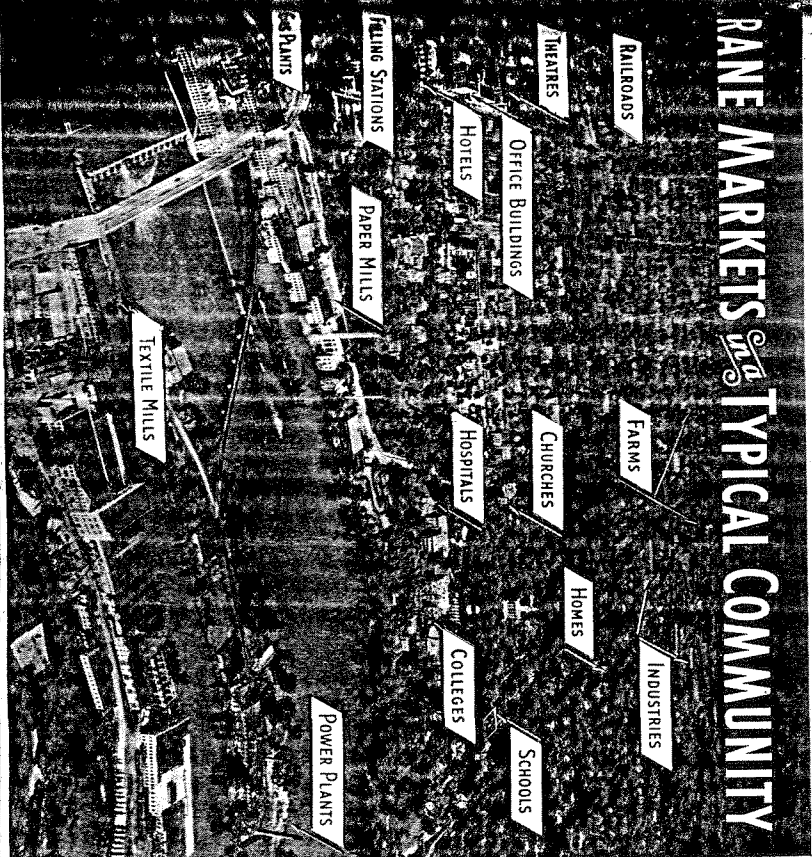
One of the Scores of Main Branches Located in Important Distributing Centers.

MARKETS

Most people in the United States and Canada are served in some way by products of the company, either directly in their homes or at their work, or in some indirect way, as Crane products are used in all major industries as well as for household, office building, hospital, and industrial building purposes. Among the major industrial markets are public utilities, railroads, water works, and the steel, shipbuilding, oil, chemical, textile, paper, and food products industries.

The old saying that every smokestack indicates a prospect for a Crane salesman is true, but his prospects are by no means limited by the smokestacks.

The following photograph of a Wisconsin city of some 25,000 inhabitants, selected solely as a typical illustration, affords another basis of conception of the field for the company's products.



In some of its industrial advertising during the past year, the company emphasized the importance of Crane products in the production of common items of daily use by quoting the number of valves used in typical enterprises. Here are a few of them:

- A GLASS OF TOMATO JUICE —A typical food product plant, canning tomato juice only, uses 1,385 valves.
- A SPOONFUL OF SUGAR —A sugar refinery, daily capacity 2,000 tons, uses 10,967 valves.
- GAS FOR THE KITCHEN RANGE—The gas system in a city of 230,000 uses 51,561 valves.
- A GLASS OF WATER —The water system of a typical midwestern city of about 35,000 uses 18,392 valves.
- A YARD OF COTTON CLOTH —A typical southern cotton mill has 1,472 valves.
- YOUR NEWSPAPER —One of the country's better known paper mills, producing 360,000 pounds of newspaper a day, uses 4,014 valves.
- FIVE GALLONS OF GASOLINE —An oil refinery with an annual 750,000 barrel capacity, has 9,016 valves.

EMPLOYEES, SHAREHOLDERS, MANAGEMENT

The character and progress of the company is a reflection of its employees of all ranks and in every type of work.

At the end of the year there were over 16,000 men and women employed by the company in every State of the Union as well as in several other countries.

It is the purpose of this group to produce and distribute goods of true value at a profit; for the public in the way of economically sound service; for themselves in the form of a wage or salary and the satisfaction of accomplishment; and for the shareholders in the form of dividends or added value to the company. Over a period of years there must be an equitable return to all or the company cannot continue to exist.

The profit to the Crane employee must include not only the pay envelope, but also healthy, safe and the best possible working conditions, opportunity for self development and advancement and security of employment; in short, a job of which every employee can be proud.

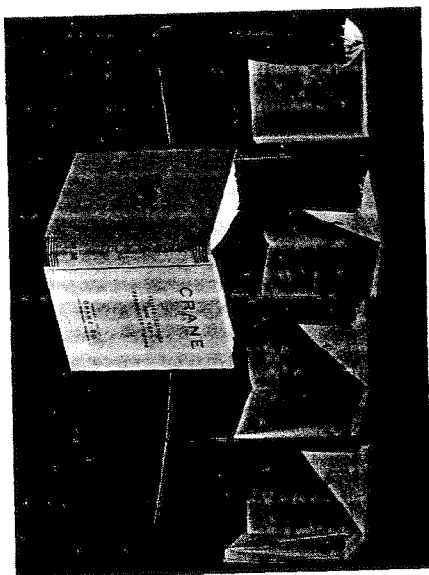
Crane Co. shareholders numbered over 11,000 at the end of the year, approximately 3,000 being employees. The record shows the names of people

representative of most of the walks of life and includes insurance companies, investment trusts and the like, who, in turn, represent many people.

The Crane management recognizes a great responsibility to the company's customers, employees, shareholders, and the commonwealth.

It aims to serve the customers efficiently with a better product of ever increasing value; to provide every employee an opportunity to realize full benefit of his productivity; to preserve the investment of the shareholders and earn for them a fair and equitable return thereon, and to continue to conduct the company's operation on such an economically sound basis that it is of unquestionable value to the commonwealth.

While it is given no value on the balance sheet, the company's greatest asset is good-will.



Locations of **BRANCHES IN U. S. AND CANADA**

Aberdeen South Dakota	Hartford Connecticut	Portland Maine
Albany New York	Hempstead New York	Portland Oregon
Albuquerque New Mexico	Hollywood California	Providence Rhode Island
Ashville North Carolina	Houston Texas	Pueblo Colorado
Atlanta Georgia	Indianapolis Indiana	Quebec Quebec
Aurora Illinois	Jacksonville Florida	Reading Pennsylvania
Baltimore Maryland	Jackson Michigan	Regina Saskatchewan
Beaumont Texas	Jackson Mississippi	Reno Nevada
Bilings Montana	Kansas City Missouri	Richmond Virginia
Birmingham Alabama	Knoxville Ontario	Rochester New York
Boise Idaho	Knoxville Tennessee	Rockford Illinois
Boston Massachusetts	Lexington Kentucky	Sacramento California
Bridgeport Connecticut	Lima Ohio	St. John's Newfoundland
Butte Montana	Lincoln Nebraska	St. Louis Missouri
Calgary Alberta	Little Rock Arkansas	St. Paul Minnesota
Canton Ohio	London Ontario	Santa Ana California
Camden New Jersey	Long Beach California	Santa Antonio Texas
Casper Wyoming	Los Angeles California	San Bernardino California
Charleston West Virginia	Macon Georgia	San Diego California
Charlotte North Carolina	Madison Wisconsin	San Francisco California
Charlottesville Virginia	Manitowish Wisconsin	Santa Barbara California
Chicago Illinois	Manitowish Wisconsin	Saskatoon Saskatchewan
Chattanooga Tennessee	Mankato Minnesota	Savannah Georgia
Cincinnati Ohio	Mason City Iowa	Salt Lake City Utah
Cleveland Ohio	Memphis Tennessee	Seattle Washington
Columbus Ohio	Miami Florida	Shreveport Louisiana
Corpus Christi Texas	Milwaukee Wisconsin	Sioux City Iowa
Dallas Texas	Minneapolis Minnesota	Sioux Falls South Dakota
Davenport Iowa	Mobile Alabama	South Bend Indiana
Denver Colorado	Moncton New Brunswick	Spokane Washington
Detroit Michigan	Montreal Quebec	Springfield Illinois
Duluth Minnesota	Muncie Indiana	Springfield Massachusetts
East Chicago Indiana	Muskogee Oklahoma	Syracuse New York
Edmonton Alberta	Nashville Tennessee	Tacoma Washington
El Paso Texas	Newark New Jersey	Tampa Florida
Evansville Illinois	New Haven Connecticut	Terre Haute Indiana
Evansville Indiana	New Orleans Louisiana	Toronto Ontario
Fargo North Dakota	New York New York	Trenton New Jersey
Flint Michigan	Norfolk Virginia	Tucson Arizona
Ft. Smith Arkansas	Oakland California	Tulsa Oklahoma
Fort William Ontario	Ogden Utah	Utica New York
Grand Island Nebraska	Oklahoma City Oklahoma	Vancouver British Columbia
Grand Junction Colorado	Omaha Nebraska	Victoria British Columbia
Grand Rapids Michigan	Oskosh Wisconsin	Washington D. C.
Great Falls Montana	Ottawa Ontario	Waukegan Illinois
Greensboro North Carolina	Pasadena California	West Palm Beach Florida
Greenville South Carolina	Philadelphia Pennsylvania	White Plains New York
Halifax Nova Scotia	Phoenix Arizona	Wichita Kansas
Hamilton Ontario	Pittsburgh Pennsylvania	Windsor Ontario
Hartford Connecticut	Pocahontas Idaho	Winnipeg Manitoba
		Worcester Massachusetts