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Personality: A Self-Confident Reorganizer

Evans Believes Own Thinking Is Best—and It Has Been

Crane Chief Wields Heavy Hatchet on Staff, Outlay

By ROBERT E. BEDINGFIELD

Thomas Mellon Evans undoubtedly irritates a great many of his fellow business men.

He is firmly of the opinion that his views on any situation in which he may be involved are far more farsighted, sensible, feasible, profitable and generally more meritorious than the other fellow's. And, to make this attitude even less palatable, so far he has been right.

To a person who meets Mr. Evans for the first time and doesn't have to remain in a business relationship with him and watch him be right, he is a very outgoing and affable man, who appears to have tremendous vitality.

At the moment, he is busily rounding out his latest industrial rejuvenation, the Crane Company of Chicago, by setting out to acquire for that company the Briggs Manufacturing Company of Warren, Mich. For all his bustling, this is one time that Mr. Evans, who became chairman of Crane last spring after accumulating 155,000 shares of Crane stock at prices in the thirties—it's now in the sixties—isn't in a great hurry.

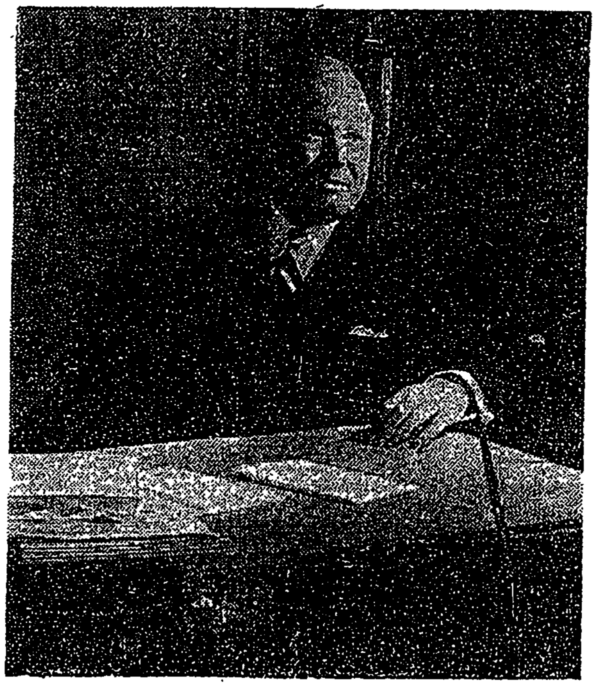
Bigger Stake Eyed

Crane, said to be the nation's largest manufacturer of valves, fittings, fabricated piping and accessories, also is a leading producer of plumbing and heating appliances. Since September it has acquired 136,000 of Briggs' 1,078,834 shares of common stock. It has paid about $12 a share, which is only slightly below the $12.30 book value on Dec. 31, 1958. Mr. Evans is willing that his company buy all Briggs' assets for the $12,900,000 that this price would call for.

Briggs would fit nicely into the Crane setup, Mr. Evans explained in a recent interview. It is a leading manufacturer of vitreous china plumbing fixtures and brass plumbing ware fittings and, in addition to its Warren plant, near Detroit, it has plants in Cincinnati, Cleveland and Abingdon, Ill.

Crane's pottery manufacturing facilities are in Colton, Calif., and Trenton, N. J. Acquisition of Briggs plants, Mr. Evans notes, would extend his company into the Middle West. "We have the distribution facilities," he said, "and we think we could save some money with it (Briggs).

"It is a good name and has lots of fine assets, but it has been run sleepily for a long time. Our interest in it is its plants. We are not planning any proxy fight for control. Our talks with the company have been friendly. Our only request to them is that our proposal be submitted to stockholders to vote upon."



Thomas M. Evans, a specialist in industrial rejuvenation, currently chairman of Crane Company, Chicago.

Mr. Evans is purely a financial man. As head of Crane he draws no salary and insists that his chief interest is as an investor. "It is the only reason for anyone being on a corporate board," he said. In almost all of his ventures he hires specialists to do specialists' tasks. He has become increasingly disenchanted with one specialist he hired last year to help him protect his interest in Crane, before he was a director.

This is Alfons Landa, Washington, D. C., attorney and an old hand at corporate takeovers. Mr. Evans said that when he retained Mr. Landa, he assisted Mr. Landa in purchasing 10,000 shares of Crane stock.

At the stockholders meeting of Crane last April, when Mr. Evans gained two places on Crane's board, he took one seat and gave the other to Mr Landa. Mr. Landa, while he has voted at board meetings for most of Mr. Evans' proposals, has been publicly quoted in the press in the Midwest as disagreeing with some of the ungentle methods that Mr. Evans has used in reorganizing Crane's operations.

Cutting a Wide Swath

Mr. Evans' streamlining of Crane included the dropping of vice presidents summarily, in the fashion for which Sewell Avery, former chairman of Montgomery Ward & Co, was noted; retiring a third of Crane's stock, shutting of scores of the company's branches and sales offices and slashing inventories drastically.

Mr. Evans doesn't hesitate to point to recent published statements attributed to Mr. Landa as the reasons for now considering his attorney "disloyal." These statements have included threats of pushing Mr. Evans out of office. As a result, Mr. Evans has suggested that Mr. Landa might well resign his directorship.

Mr. Evans would seem to be in a relatively safe position in making this suggestion. In addition to his own stock holdings, which he has increased by 7,500 shares since spring to 162,500 shares, he holds an irrevocable proxy for another 140,000 shares owned by Mrs. Emily Crane Chadbourne, the only living daughter of the founder. This gives Mr. Evans close to 20 per cent control. Meanwhile Crane, under the Evans management, has definitely come awake.

Dividend Raised

The quarterly dividend has been raised from 20 cents to 30 cents a share. Although sales fell by $10,000,000 in the first nine months of this year, operating expenses were slashed $17,000,000. The result was that net income leaped to $4,300,000 from $1,700,000 in 1958, as the company's return on sales after taxes rose to 2.1 from 0.7 per cent.

At a luncheon with a group of security analysts the day before Thanksgiving, Mr. Evans remarked that management "is obligated to show a fair return on assets, or stockholders might as well invest in postal savings." When asked if this meant Crane might soon be realizing a 5 or 6 per cent return, Mr. Evans grinned and said:

"Let's don't spoil the stockholders by making them expect too much too soon."

Mr. Evans, as his middle name suggests, is one of the Pittsburgh Mellons—although the relationship is a distant one. While he is a millionaire many times over, his own father and mother were not wealthy. Mr. Evans was born in 1910. He worked his way through Yale, graduating in 1931 after majoring in economics.

He acknowledges that he started out in the chairman's office and "worked down." His first job was as a clerk at $100 a month in the office of William L. Mellon, then head of Gulf Oil Corporation. Mr. Mellon, in addition to giving Mr. Evans a job, urged him to try to strike out for himself. This was easier said than done at the time because of the deepening depression.

But Mr. Evans did hit upon a way of gaining business independence. By trading in Gulf stock on borrowed money, he participated fully in the market recovery of 1936 and 1937. He used his profits to purchase at 10 cents on the dollar the defaulted bonds of the H. K. Porter Company of Pittsburgh, a steam locomotive manufacturer, which had gone bankrupt.

Exchange of Securities

In the reorganization of Porter, Mr. Evans received stock in exchange for his bonds. His stock holdings were sufficient for him to get elected president. He was only 29 years oolod. In 1939, when he first took office in Porter, the company grossed only about $700,000 a year selling spare parts to former locomotive customers The company today, with 75 per cent of its stock held by Mr. Evans, through twelve divisions formed from acquisitions of many old-line concerns makes a broad range of industrial products and in the first nine months this year cleared $5,200,000 on sales of $168,000,000.

Mr. Evans, in addition to being chairman of Crane, also holds that office in Porter, but doesn't consider himself overworked. "Crane is well on its way, now," he said, "and after all Porter pretty well takes care of itself."

Other than week-end golf and some hunting and fishing, his chief diversion outside of his business life, he said, is traveling. "I never get to travel enough," he remarked. Mr. Evans has three sons by a first marriage that ended in divorce. He and his second wife, the former Josephine Mitchell, make their home on Round Hill Road in Greenwich, Conn.

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