Convention

Report

hire

JOURNAL OF THE HIRE INDUSTRY Vol. 8 No. 3 October/November, 1975



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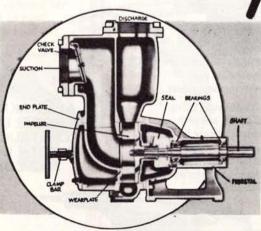
PUMPS FOR THE HIRE INDUSTRY

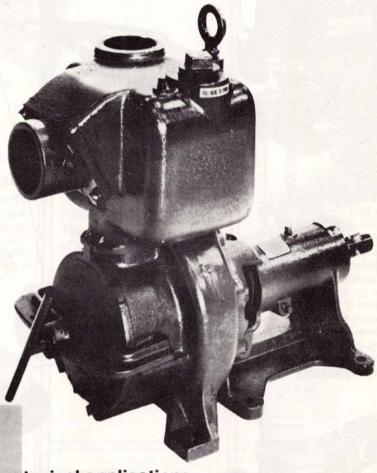
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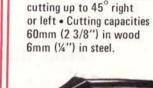
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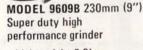
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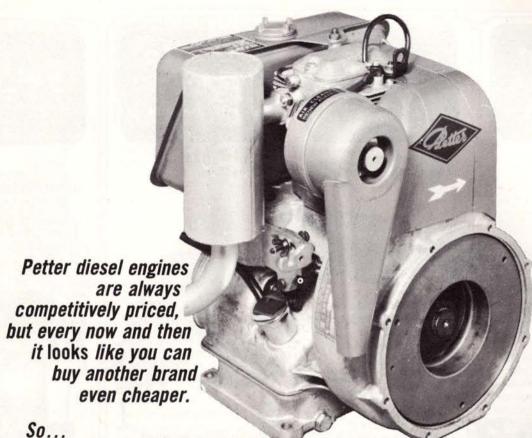
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President's Message



Mr. Ern Turner, President, Hire Association of Australia

Editorial

The convention is now a happy memory, but a lot of firsts occured and it gives me pleasure to be able to specially congratulate Moss Keller and his committee together with his public relations man Don Goss for so ably translating these firsts into action. I am sure the Queensland Hire Association under Tom Cioccarelli will be alert to try and make 1976 in Brisbane better still.

One of the highlights was the presentation of the President's Award to Neville Kennard, a very worthy recipient. Neville is really the founding father of your national association. Of course, the second big feature was in having representatives from three major overseas bodies with Ray Burns, President of the American Rental Association, John Rogers, immediate Past President of the Hire Association of Europe, and Patrick Chose, immediate Past

Hire or rental? Which is the better word for the industry and the public? One could argue with the resourcefulness of Solomon all day for either, and still not reach a verdict. So the industry should guit stalling and face facts. Fact number one: two thirds of the delegates to the Adelaide Convention of the Hire Association of Australia appeared to favour the word "rent" or ' 'rental". Why not settle the issue convincingly one way or the other by holding a national secreta ballot among association members.

Fact number two: In the event of a majority vote against "hire", there is the danger that the entire matter will be left in limbo, floating off into history like a CIG helium balloon. Surely, the association could also have a secreta ballot on any recommended timing for the introduction of the word "rental".

There are obviously two practical problems which would concern every organisation. Firstly, the tremendous cost and legal difficulties that would result from changing company names, and all of the promotional literature, signwriting, advertising, stock-marking, etc. Secondly, it would be senseless to capitalise on the word rental if the Yellow Pages declined to commence appropriate rental sections.

There are sufficient difficulties evident to make one favour a

President of the Rental Service Association.

Plans are proceeding for another study tour for the next ARA convention and you will be notified of this shortly. At the time of writing the winners of the Houston trip have not yet been announced, so you still have hope yet. The national association on your behalf would like to extend the thanks of all of us to the exhibitors who once again gave us their backing with attractive displays. I hope that you in the months to come will reciprocate with your orders. Discussions held at the convention in open forum will be considered at the national meeting on November 11.

Once again the friendship shown throughout the convention proves the value of regular meetings. Urge your State Associations to plan assemblies on a regular basis.

fairly drawn-out and staggered introduction of the word "rental", if the majority of operators favour it. The Hire Association of Australia in time would possibly become the Rental Association of Australia. Even this magazine would have to review its title.

But what does the average manin-the-street think? Would he prefer to hire an item or rent it? Why doesn't the association try to find out. Surely an appropriate psychologist consultant could frame some suitable questions that could then be asked via telephone at random by a few association volunteers. Most hire operators would be vitally interested in the results. No doubt a sample of at least 500 people would be needed.

Whatever the pros and the cons of the hire-versus-rental argument, a national vote may help to either bury the "rental" corpse or to slowly strangle "hire". And, no doubt, whatever the result, there will still be a substantial number of operators who will disagree and go their own way. And this is their right. The marketplace is a free one which will, we trust, always have a place for everyone, no matter how radical or independent their views may be. And for a few of those independent views we now refer you to a random survey done recently in Sydney, which appears on an inside page.



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Adelaide hosts 250 visitors

About 250 delegates and exhibitors attended the successful fourth annual convention of the Hire Association of Australia, held from September 24 to September 27 at the Hotel Australia in Adelaide. Among international visitors were Mr. Ray Burns, President of the American Rental Association, and his wife Evon; Mr. John Rogers, immediate past president of the Hire Association of Europe, and his wife Mary; and Mr. Patrick Chose, immediate past president of the Rental Service Association of America, and his wife Connie.

Guests were hosted by Mr. Moss Keller, president of the Hire Association of South Australia, and his wife Lola; and by Mr. Ern Turner, president of the Hire Association of Australia, and his wife Bet. Among speakers at the convention were: Mr. Burns and Mr. Chose; Mr. Reg. Pattison, divisional senior security officer for Myer SA Stores Ltd.; Mr. Ri chard Pyne, an inspector with the Department of Industry in SA; Mr. Graham Mawer, general manager, personnel, for Simpson Pope Limited; Mr. R.R. Johnson, Managing Director of Coates and Co. Ltd.: Elizabeth



S.A. delegate Stan Loeber acts as a dummy for commedian Ron Parry



S.A. President Moss Keller relaxes with wife, Lola

Manley, Chairman and Managing Director of Bi rrell Kain Advertising (SA) Pty. Ltd; and Mr. Barry Nott, senior training officer with the Australian Public Service Board. The summaries of various speeches are contained in this month's publication.

The Wayville trade displays attracted much attention and although the total number of displays did not live up to organisers' expectations, many leading companies were represented: These included J.I. Case Australia Pty. Ltd.; Coates and Co.Ltd.; T.W. Crommelin & Co. Pty. Ltd.; The Commonwealth Industrial Gases Ltd.; Compair (Aust.) Ltd.; Hire Kingdom; McDonald Montgomerey & Co. Ltd.; Pannell Plant Pty. Ltd.; Abbey Rents; Rent N. Clean Pty. Ltd.; Stevequip Pty. Ltd.; Stihl Chain Saw (Aust.) Pty. Ltd.; Sykes Pumps Aust.; Warburton Franki

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Among scenic highlights of the convention was a visit to the Barossa Valley where guests sampled and bought South Australian wines. There was also a visit to the historic german settlement of Hahndorf in the Adelaide Hills. The convention was opened by the Lord Mayor of Adelaide, Mr. John Roach, who said the hire industry would have to learn to educate its customers. The end user had to be made aware that certain goods were available for hire. In future years it would become more difficult for the public to own items, and the Australian public would have to be educated wisely. Customers would also have to be educated to return goods in as good a condition as they received them.

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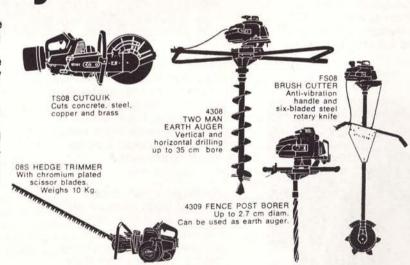


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Photos at Convention



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address by R. R. Johnson, chairman and managing director, Coates & Co. Ltd., to the Hire Association of Australia Convention September, 1975

'FINANCING INFLATION'

When requested to participate in this convention, I readily agreed to do so because it provided the opportunity to deal with a subject which is certainly the most important facet of Australian business of concern to management. The fact that the Hire industry contains many smaller companies whose financial resources are somewhat limited, should result in this paper being of interest to such members of the industry.

The importance of this activity is so great that should the present inflation rate continue for any significant period, the viability of the free enterprise system may prove to be insupportable as no Australian corporate body is capable of funding an inflation rate of 20% per annum from retained earnings and so, in consequence, working capital will continue to be eroded by the amount of shortfall between the retained earnings factor and a 20% inflation rate when both are related to working capital.

BASIC PROPOSITION

My basic thesis is that the capital of an organisation should be kept intact and that taxation should be levied against real profits (and not levied on "inflation profits") and should not be levied in such a way as to erode the capital of the business. I believe that in a time of severe inflation, there is a tendency to tax both real profits

and "inflation profits" and that the taxation on "inflation profits" is really a tax on capital.

It is reasonable, I believe, once an organisation is established, that it should be able to generate sufficient cash flow to maintain the same real level of business as that which it was capable of generating through its original investment.

For example, if a company instals certain equipment capable of producing goods to a volume of say 10,000 units per annum, then the profits and cash flow from the business should enable the company to continue to produce 10,000 units. It should not be necessary for the company to provide more capital when the equipment is to be replaced in order to maintain an output of 10,000 units. In other words, the depreciation allowance claimed by the company, together with retained earnings should be sufficient to enable the 10,000 units to be produced on a continuing business basis. At the same time the company should be capable of paying a reasonable return on the investment to its shareholders year by year. This is another way of saying that the real capital of the company should be kept intact.

I believe that this thesis would be generally accepted as a reasonable requirement for investment in a mixed economy.

As a second example I would cite the position of a distributor who provides certain facilities of a physical nature to allow for the distribution of say 5,000 tons of product per annum. In addition to providing the facilities to warehouse and distribute this tonnage, the company must also supply working capital to finance stocks and debtors. The normal profit from such an operation together with depreciation allowances is necessary to pay a reasonable return on the initial investment and also to provide for the replacement of fixed assets and stocks as they are required.

I again believe, it is reasonable that the company should be able to maintain the initial level of business in real terms without a further injection of capital. This assumes, of course, normal efficient management operations.

EFFECT OF INFLATION

The effects of inflation are that companies are forced into either raising new capital or borrowing additional funds (the interest charges on which increase the cost of operation) in order to either replace plant and equipment or replenish stocks to the same physical level as that existing beforehand. These moves in themselves are inflationary as there is no increase in real productive capacity, no increase in real economic activity, and therefore, there is a decrease in the productivity of money and no increase in the productivity or availability of employment.



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In the case of stocks, the problem arises where the cost of replacement of such stock to the distributor is consistently escalating. It is normal in such cases for distributors to increase their prices in order to generate sufficient cash flow from sales of existing stocks in order to finance its replacement by new stock at a higher price.

The problem in the case of plant replacement is that accumulated depreciation provisions are generally grossly inadequate to meet the cost of new plant where provisions are made in accordance with existing taxation legislation. Since plant has a life of several years depending on its nature and usage, the effect of inflation on the difference between original cost and replacement cost can be calamatous.

SHORT TERM ALTERNATIVES WITHIN THE SCOPE OF THE PRIVATE SECTOR

A company faced with the unavoidable fact of rising inflation and determined to stay in business, must adopt whatever courses are available to increase its cash flow in order to maintain its stocks at a consistent real level or maintain its productive capacity.

Inflationary periods are frequently accompanied by extremely tight conditions in capital markets with high interest rates and depressed share prices, as we have experienced in the last two years. Companies seeking to raise additional funds to finance more expensive stocks and plant replacement are forced to borrow at exceptionally high interest rates or raise equity capital at depressed market values. Both of these steps must adversely affect company profits and consequently higher prices results as companies attempt to pass on the increased expenses.

A company prevented from seeking additional funds from the capital market may attempt to overcome its liquidity problems caused by escalating costs of stock and plant by raising its prices for goods and services sold. Any increased profit that may flow from such action will be subject to tax.

There will be many businesses unable to raise funds or increase prices due to a variety of constraints.

These companies will be forced to reduce the level of their production or sales to within the capacity of the limited funds at their disposal. Such a move must result in lower output, lower levels of economic activity and lower employment opportunities. Profits will decline and the level of taxation revenue will suffer.

Whichever way the company operates in any of the circumstances above, whether it be by raising increased capital or borrowing, by increasing prices or by contracting its business base, it is operating against the interests of the community in that its actions are inflationary, they reduce economic activity and in addition, they erode the real capital base on which the business was founded.

If this situation is allowed to develop across the whole spectrum of business, Australia will ultimately develop businesses whose capital bases have been eroded and whose capital structures are inadequate for the task at hand.

LONG TERM SOLUTION

There is, fortunately, in our community a growing recognition that wealth and prosperity must first be created before they can be distributed. Many of the social and humane objectives of all political parties depend on national wealth and prosperity.

In the present Australian context this has been satisfactorily developed and provided by the private sector. However, the combined effect of inflation itself and the taxation of "inflation profits" has weakened this sector to a stage where some competent people doubt its ability to provide and create the prosperity and wealth of the nation on a satisfactory long-term basis.

On the assumption that the vast majority of Australian people would reject socialisation as an alternative method of the creation of wealth, it is clear that some reform in regard to the taxation of company profits is one of the pre-requisites of a more healthy and virile private sector.

While many arguments may be put forward as to the method by which this can be achieved, I believe that two particular reforms would do much on the one hand to correct the capital structures of companies and to prevent the erosion of real investment and on the other hand would minimise the alternative inflationary effect of restoring companies' profitability through increased prices.

The two reforms which I suggest are as follows:

 That companies be permitted to use Lifo (Last in, first out) for valuation of stocks for taxation purposes. As we understand it, the present tax laws do not allow the use of Lifo and this automatically imposes a tax on the inflation profit generated when stock is replaced at higher prices.

I believe that the Lifo concept is reasonable on the basis that companies are continuing in business and are replacing their stock on a

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continuing basis in order to allow for maintenance and expansion of their operation. In the long run the Commissioner of Taxation would simply be foregoing some taxation on ultimate profits on a temporary basis. For example, if a company finally sold out of a particular produt a large profit would result upon the final sale which would then be taxable at that point.

The concept of Lifo is well established in the united States where it has been an alternative choice available to companies for many years.

There has also been a recognition of this stock valuation problem in the United Kingdom where, as a result of the latest budget, companies are now allowed a further tax deduction in respect to the effect of inflation on stocks.

Whilst I am not expert in the taxation field, I believe that an equitable arrangement could be developed in Australia whereby the effect of "inflation profits" on stocks could be eliminated.

This would amount to using Lifo for tax purposes and it simply remains for the particular method of applying the formula to be developed.

The second major reform suggested is that depreciation of plant and equipment be allowed on a replacement basis. The concept in this regard is that the return from the use of equipment should be sufficient to allow the company to replace that equipment when it is worn out so that the same physical production capacity is retained.

There will always be academic arguments as to whether the same equipment is replaced and whether equipment with a

higher level of technology will be obtained. Whilst these arguments have some merit, it should be pointed out that in periods of high infaltion the cost of replacement, regardless of whether it is the same equipment or not is so inflated that it is clear that some relief is required.

A number of companies in Australia have adopted depreciation based on replacement cost for many years in the preparation of their internal reports. The amounts charged for depreciation in their accounts have not, of course, been allowed as tax deductions. Two companies which are leaders in this field are the Broken Hill Proprietary Co. Ltd. and Philips Industries Ltd. Whilst I am not familiar with their methods, I believe that they have thoroughly developed what they regard as appropriate replacement depreciation policies for their circumstances.

It may well be that principles developed by these companies could be adopted in most industries.

I would not discount the necessity for a somewhat arbitrary view to be taken in this regard initially. For example, analysis of the B.H.P. and Philips methods may provide some long-term relationship between the amount charged for depreciation in their accounts as against the amount for taxation purposes. Perhaps initially, this factor could be applied to all depreciation allowances.

I would emphasise that I see this approach to depreciation of plant and equipment as being more satisfactory to companies than the previous investment allowance which tended to be subject to too many ad hoc policy changes to be reliable as a long-term factor.

Regardless of the method by which the increased depreciation allowance is determined, I feel

that the case for increased deductibility in this area is irrefutable on the basis that if adequate depreciation allowances are not allowed for the replacement of plant equipment, then the taxation levied represents another tax on "inflation profits".

SUMMARY

I believe that the introduction of these two reforms will ultimately strengthen the capital structures of the private sector and will increase investor confidence. All of these factors are essential for a healthy and prosperous economy in Australia.

Of equal significance, I believe, is the likely anti-inflationary effects of these moves.

There is no doubt, if we are to have a prosperous economy, that the private sector must be strengthened. If this is not achieved by equitable taxation reform, it is most likely to be achieved by increased prices. There is now a recognition in Australia that the share of the G.N.P. being enjoyed by wages is greater than it ought to be and that company profits should take a larger share of G.N.P. In my view, the Government's share of G.N.P. has also increased disproportionately due to the progressive tax scales for personal income tax and also due to the taxation of "inflation profits".

Calls for wage restraint, which might be accepted in the short term, will soon fall on deaf ears if prices charged by companies continue to increase. I see this as the real dilemma facing economic management in Australia, particularly if the share of G.N.P. is to be readjusted in favour of companies by price rises alone. I believe that it should be adjusted by both price rises and taxation reform with the greater emphasis on taxation reform.

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32 Flanders Street, Salisbury North, Qld. 4107. 221 Plain Street, East Perth, W.A. 6000. Phone 25 2099. 127 Invermay Road, Launceston, Tas. 7250. Phone 31 7866. In the final analysis, the real concern of companies is for their retained earnings and cash flow. In this regard, a reduction in corporation tax has the same end result as an increase in price. If it is possible to improve and restore the profitability and cash flows of companies through taxation reform, then prices need not be increased to the extent which would be necessary in the absence of such reforms.

The reforms which I suggest would result in companies' profitability and cash flows being restored without unnecessarily increasing the cost of living. In this way the calls for wage restraint would carry more weight and conviction with those dependent on wages and salaries for their income. Whilst there would be some loss of revenue to the public purse there would also be a correspondingly slower growth in public spending due to the smaller increase in wages and salary payments and other costs in the public sector as a consequence of a lower level of inflation.

This would allow the nexus between wage and price inflation to be cut once and for all and provided that firm policies were established for the future the possibility of real economic growth, real prosperity and an improvement in the Australian standard of living could be achieved.

By way of illustration, although I have no information other than that published in that company's annual report, I believe that the position of B.H.P. is significant.

By all reports, the profitability of its steel business is now at a negligible level. It would appear, in the absence of taxation reforms that the main way of correcting this is for there to be further significant increases in the price of steel. This in itself will be inflationary as steel is a basic product which touches the lives and the pockets of all Australians in their daily life.

It would appear to me that if B.H.P. was allowed a tax deduction for depreciation on a replacement basis similar to that provided in their accounts, then the return on their steel business

would be significantly upgraded. In other words, the Government could at one stroke do much to restore the profitability of steel production in Australia without any increase in steel prices. I believe that the same situation could well apply to a multitude of companies and products across the whole spectrum of Australian industry.

We hear much these days of the need for national unity and national effort to contain inflation and to promote an improved economy with greater posperity for all Australians. I believe that these reforms could well provide the spark which is required to ignite a co-operative community-wide effort to fight inflation and to restore real economic prosperity to our country.

I am sure that the private sector would not be found lacking in recognising the benefits conferred upon it and would, therefore, cooperate to the maximum possible extent. The Government would also find that its calls for wage restraint would have a real basis of creditability and provided that a firm policy were adopted against politically motivated industrial action, then the prospects for real progress would be very bright indeed.

I would like to conclude my address with a short story which puts the Australian position in a nutshell. It is an old fable recently updated and, unfortunately, depicts what is happening by way of Australian business being disincentived.

Once upon a time there was a little red hen who scratched about and uncovered some grains of wheat. She called her barnyard neighbours and said, "If we work together and plant this wheat we will have some fine bread to eat. Who will help me plant it?"

"Not I," said the duck. "Not I," said the goose. "Not I," said the cow. "not I," said the pig. "Then I will," said the little red hen . . . and she did.

The wheat grew tall and ripened into golden grain. "Who will help me reap the wheat?" asked the little red hen. "Not I," said the duck. "Out of my classification,"

said the pig. "I'd lose my unemployment insurance," said the goose. "I'm filling in Government forms," said the cow. Then it came time to bake the bread.

"That's overtime for me," said the cow. "I'm a drop-out and never learned how," said the duck. "I'd lose my welfare benefits," said the goose. "I'm on retraining" said the pig.

"Then I will," said the little red hen . . . and she did. She baked five loaves of fine bread and held them up for her neighbours to see. "I want some," said the cow. "I want some," said the duck. "I want some," said the pig. "I demand my share," said the goose.

"No," said the little red hen.
"I can rest for a while and eat
the five loaves myself."

"Excess profit," cried the cow. "Capitalistic leech," screamed the duck. "Company fink," grunted the pig. "Equal rights," yelled the goose.

And they hurriedly painted picket signs and marched around the little red hen singing "We Shall Overcome". And they did.

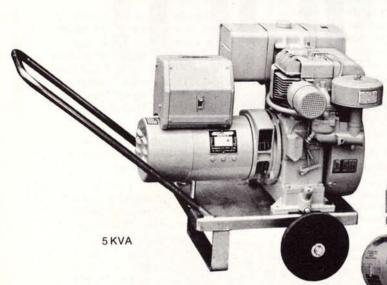
For when the farmer came to investigate the commotion he said, "You must not be greedy, little red hen. Look at the oppressed cow. Look at the disadvantaged duck. Look at the under-privileged pig. Look at the less fortunate goose. You are guilty of making second class citizens of them."

"But . . . but . . . I earned the bread," said the little red hen.

"Exactly," the farmer said.
"This is the wonderful free enterprise system, anybody in the barnyard can earn as much as he wants. You should be happy to have this freedom. In other barnyards you would have to give all five loaves to the farmer. Here you give four to suffering neighbours and keep one for yourself."

And they all lived happily ever after, including the little red hen, who smiled and clucked "I am grateful." But her neighbours wondered why she never baked any more bread.

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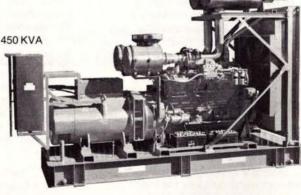
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Neville Kennard wins first President's Award



Neville Kennard (left) being congratulated by Ern Turner (right)

Neville Kennard has made history this year by becoming first recipient of the treasured President's Award, made in Adelaide by the National President, Mr. Ern Turner. Mr. Kennard can now add this award to his long history of "firsts" in the industry. Neville was foundation president of the Hire Association of Australia, and chaired the first steering committee of the Hire Association of New South Wales.

HIRE pays tribute to Mr. Kennard, together with the industry. He has always been a capable and strong leader. The standards that he has always expected of himself and those about him have always been demanding. He has shown leadership, vision and enterprise at a remarkably young age. For instance, he entered the hire business at the age of 18, went to his first American convention at the age of 27, and became national president at the age of 33. This record speaks for itself.

Neville today operates Kennard's Hire Service, owned by himself and his brother Andrew. It is one of the leading hire companies in Australia, with four branches in Sydney, one in Newcastle and one in Ipswich, Queensland. Neville's father started in the hire business in 1951 before Neville joined him at Dickson Avenue, Artarmon. In 1971 Neville proposed and organised the first national

meeting of State Associations. He was then elected the first president of the Hire Association of Australia. The following year Neville was the first Australian hirer invited to be a guest speaker to an ARA convention. In 1974 Neville became first Australian and first National president to attend the Hirex convention in London.

In 1960 they moved to Greenwich on the Pacific Highway.

In 1964 Andrew joined Neville. And in 1965 Neville went to his first American convention. Two years later he started gethering hire people together, and in 1968 he chaired the first steering committee meeting of the Hire Association of New South Wales at the Kogarah Hotel, and was elected president.

In 1969 Neville organised the first hire convention. It was at the Hotel Metropole in Sydney for half a day and there was one speaker. The following year he organised the first full convention of the Hire Association of New South Wales at Terrigal. The following year he arranged the first overseas guest speaker at a Terrigal convention. It was Bill Ristow, then president of the American Rental Association.

Mr. Ern Turner says he can recall that convention. The first yard tour was organised in a mini-bus.

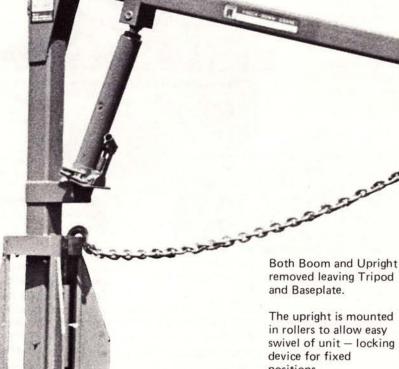
"I was in that bus, and Gordon Esden was driving. He grated the gears. It brought the house down when someone yelled: 'don't worry — it's only on hire'."

While taking a prominent role in the association Neville was also devoting his time to the expansion of his own company. The company showed its greatest expansion after Neville and Andrew began working as a team. The company spread to Victoria Road, Rydalmere, in May, 1967, to Botany Road, Alexandria, in February 1969, and Newbridge Road, Moorebank, in October, 1970. January 1971 saw the opening of Kennard-Fearon Hire Pty. Ltd. at Griffiths Road, Newcastle, and also the U-Do-It Centre at Wyndham Street, Alexandria, In February 1972 the Greenwich branch and head office moved to Herbert Street, St. Leonards. In April 1972 the small firm of Fasta Equipment Hire was acquired at Boyce Street, Ipswich, in Queensland. The name was changed to Kennards Hire Service, In January 1971 U-Move one-way trailer rentals was commenced. Kennards Hire Service also has an interest as a major shareholder in Shed Hire Pty. Limited, of St. Ives, which hires temporary site offices, storage sheds and toilets.

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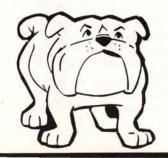
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NATIONAL T.V. CAMPAIGN RECOMMEN DED TO HIRE INDUSTRY

Advertising expert Elizabeth Manley favors a mass national television campaign to educate the public about hire. This was one of her conclusions reached in her address to the fourth convention of the Hire Association of Australia. Ms. Manley is Chairman and Managing Director of Birrell Kain Advertising (SA) Pty. Ltd. She is the only female Fellow of the Australian Institute of Management and is President and Fellow of the Royal SA Society of the Arts.

Ms. Manley was asked how much she felt a national campaign by the industry would cost. She said it would be improper to produce an impromptu figure, but if invited she would be prepared to make a submission to the industry. Australians were not aware enough of the hire industry, she said. If there was a limited budget available then national television would be favored because it was a live media which could show action. The hire industry had to act quickly because the time for educating the public was right

It might be that any contributions for the program could be based upon a percentage of turnover, and perhaps on a twoyear contract basis. There would thus be sufficient time to receive feed-back. If a program was not initiated then it would be a struggle for the industry. If the program was done on a great and grand scale then the industry could fall back, "but you have to get the locomotive going". Ms. Manley said she believed the word rental would be more readily acceptable to the public than the word hire. People were allergic to the word hire but rental was a softer word. "People look over their shoulders in using the word hire. I would prefer to rent an item rather than hire it."

Ms. Manley said the advertising industry had changed dramatically in recent years. In the 1950's all an advertiser had to do was build a better mouse-trap and then offer a unique selling proposition. At the end of the product era had come the avalanche of "me-too" products. There had been much competition, and advertising had not always been honest.

In the 1960's successful companies had sold their images rather than their products. Every advertisement had been an investment in the long-term nature of the product. The noise level had been such that few companies had succeeded, and those that had made it had done so with particular technical achievements. To that point, little thought had been given to failure.

Today the hire industry had to ask itself a number of questions. Does the industry have great potential? Is such potential in selected areas or right across the product range? Does the public know about it? Do people think hire is an alternative to purchase? Does hire have negatives? Does the public see the industry as

serving them? But the real question was "Do any of us know how the public thinks about the hire industry?" Industry research among the people could give only veiled answers. Adequate research was sometimes under the noses of operators in their own files.

Association awareness could be a powerful tool in developing or recapturing a market. Total potential of the hire industry had hardly been scratched yet. There was no better time for the industry to establish the hire habit than now. Councils were hard-pressed for funds. Any program developed by the industry would have to be much better than low-key leaflets. A national umbrella plan was needed that could operate in each State. There had been many industries which had mounted national campaigns. The carpet industry had mounted the three-year program and the air conditioning industry had also been active.

Companies that already had images should stick to them. They should not be side-tracked by brilliant ideas. They should not try to be all things to all people. Today 50 per cent of the population were women yet they controlled 80 per cent of the decision making on purchases. Although the hire industry today was only a babe in arms, it should grow into a very healthy boy or girl. But the industry should understand that promotion and advertising should be a 365day job every year.

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hire or rent?

Hire or Rent?

hire or rent?

For this issue HIRE conducted a random telephone survey among a number of Sydney hire companies. The question that was asked of each respondent was: "Do you think the hire business in Australia should change over to the word 'rental' instead of 'hire'?"

Comments made were as follows: -

Mr. Ron Starr, Director of Warringah Tool and Plant Hire Pty. Ltd.: "I believe that many members of the association seem to be taking kindly to the word rental. And I know that the Americans do not use the word hire. I believe that it is a matter of what the public becomes accustomed to. Larger companies would probably have to give very deep consideration before they decided on a change. We would probably follow whatever became the natural trend. Any step should not be taken lightly. For instance, even newspapers today use the word hire when they publish supplements or editorial information.

Mr. John Brookfield of Hire Kingdom, Moorelands: "Yes, I support the word rental. It has softer connotations and is very acceptable to the community. The public use the word rental to a great extent. They rent a house. They rent a television set. And it would be no great problem for them to rent a power tool or a piece of equipment. The word hire may sound a little dearer to them and it may be more related to industry than the householder."

Mrs. Betty Gillespie, of Artarmon Rental Service: "The public accept both hire and rental. For instance, we also operate Gillespie's Hire Sales and Service. I think that for short-term usage of equipment the word hire fits well, but for longer-term the word rental is better."

Mr. Walt Reynolds of Barwicks Hire: To rent sounds better. But when you get down to it they both mean the same in the dictionary. The words are synonymous. Barwicks Rental Service would sound quite good. I think the common people do not understand the word hire. I get plenty of people who ask what I do when I say I am in the hire business. All we have done is follow a pattern and the Yellow Pages have done it too."

Mr. Gordon Esden, Managing
Director of Silverwater Plant Hire
Pty. Ltd.: "We are already using
the word rental. I have always
considered it to be a softer word
than hire and it implies longerterm. I think I would be in favour
of it, but whether it is practical I
do not know. We have registered
the name Rental Centres because
we could not get the name Hire
Centres."

Mr. Jeff Marsh, of Toongabbie Hire Service Pty. Ltd.: "I think it is a matter of evolution. The terminology may gradually change. But I do not think any such change should be forced or artificially encouraged. After all, there might be another word that may spring up that may be better than either hire or rental. For all we know such a word might be entirely unknown at the moment. There are a number of new words that have arisen over the past 10 years. I can remember when I was studying, all we ever learnt about was a material called U 282. It was only later that the words ' atomic bomb' came into use. Our culture is advancing very fast and a great number of words are only recent ones. Various words in the drug scene, for instance, are entirely new. Let's only have our industry change by evolution. There is no doubt that the word hire is a difficult one to say. Yet the phrase 'Hire Kingdom' is a good one,"

Mr. Lawrence Lockart, General Manager, Abbey Rents N.S.W., and Patti's Hire Service, "Hire or rental doesn't really matter because we use both. The
Australian public has been
educated to accept the name
hire. The only thing you can find
under rent or rental in the Yellow
Pages is for cars, buildings and
land."

Mr. Frank Davies, Manager, Clark Rental Systems (forklifts) of Alexandria: 'We have always used the word rental. I tend to think it is more appropriate. The only problems we had in making the public understand we early, but that was about three years ago. And we still have to explain to some."

Mr. Walt Reynolds, owner of Barwicks Hire Service: "We all rent goods. Hire is just an Australian slang term. We rent goods, not hire them. The word hire was given its greatest impetus by Kennards Hire who really pushed the word hire in the early years. Then we all followed suit. If one looks the two words up in a dictionary today, a very similar meaning is placed against both words, namely, to engage in services for payment, or to provide temporary use for payment."

Mr. David Spankie, Managing Director of Tiger Plant Hire Pty. Ltd.: "I think the concept is hire. On motor vehicles it is called rental, but for most other things the word hire is established."

Mr. F.W. Nairn, Managing Director of NAVA and Projector Hire Service: "The American convention seems to be to use the words rental company, but in Australia the term seems to be hire companies, I think rental is the better description, but it would need a re-think by the people in the hire business to change over. We have talked about this anomaly ourselves as a national group. Customers usually say they would like to hire an item, and because the customer is always right, the Australian scene is pretty firmly bound to the name hire.

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Australian hire operators are now being invited to two overseas conventions next year, one in London, and the other in Houston, Texas. The London group tour is for the Hirex Convention and the American group tour is to the American Rental Association convention.

Cost of the London trip, from Saturday, January 24, to Thursday, February 19, is estimated at \$1,270, and cost of the American trip, from Wednesday, February 25, to Friday, March 12, is \$1,072.

The London trip would be organised by Paxtours Holiday-makers Pty. Limited. Interstate and intrastate passengers would fly to Sydney to join the departing tour on January 24. There would be a 4 p.m. departure via Lufthansa. There would be a direct flight straight through to Frankfurt in Germany and a one-and-a-half-hour stopover before reboarding for London.

London arrival would be at 10.15 a.m. on Sunday, January 25. On arrival passengers would go straight to the Esso Motor Hotel where they would be accommodated for the next eight nights. During the following five days, Monday to Friday, delegates would attend Hirex, and would then have the following weekend free to do sightseeing around London. From Monday, February 2 to Thursday, February 5, quests would have to make their own arrangements on accommodation. It is expected that some delegates may wish to visit points in Great Britain which are some distance from London, On

Friday, February 6, visitors would fly to Brussels to commence a European tour. The following day they would spend in Amsterdam, and on Sunday morning there would be a half-day organised tour of Amsterdam, visiting the Rijksmuseum where some of Rembrandt's most famous paintings are on view. There will then be a visit to a diamond cuttery.

Next stops on the tour would be Cologne and Heidelberg in Germany, Geneva in Switzerland, then Paris by Friday, February 13, when the morning will be taken up by a half-day tour, with visits to the Notre-Dame Cathedral, the Latin Quarter and Louvre Palace before Montmartre. The following day visitors will return to London and stay overnight at the Holiday Inn Hotel.

Departure from London will be on Sunday afternoon. The aircraft will fly direct to Singapore, where guests will spend two nights at the Hyatt Hotel.

Tuesday, February 17, will be left free for shopping. On Thursday, February 19, a Lufthansa aircraft will carry members of the European party to Australia where the trip will terminate at Sydney.

Departure for the Houston trip will be via Qantas at 9 p.m. on Wednesday, February 25, from Sydney. It will be a 747 jumbo. Because of passing the international dateline via the flight, travellers will arrive in San Francisco at 7.05 p.m. the same day that they left. They will stay at the Canterbury Hotel. The following day there will be a morning tour of the City area to Fishermans Wharf, Telegraph Hill, Japanese Tea Gardens, etc.

On Friday members of the hire party will fly to Las Vegas, stay at the Las Vegas Holiday Inn, and will be able on Saturday if they wish to tour the Grand Canyon with Scenic Airlines. This flight would cost extra.

On Sunday, February 29, quests would fly to Houston where they would stay for five nights at the Holiday Inn. From Monday to Thursday delegates would attend the official ceremonies of the American Rental Association convention. On Friday they would fly to Los Angeles to stay at the Annaheim Holiday Inn, adjacent to Disneyland, On Saturday there would be a full day's visit to Disneyland. On Saturday travellers would move to a hotel closer to the heart of Los Angeles and a visit would be made to Universal Film Studios. The following day, guests would fly to Honolulu where they are due to stay at the Reef Towers Hotel at Waikiki Beach.

The following day there would be a morning cruise tour to Pearl Harbor, and departure for Australia would not be until 1.30 a.m. on Thursday, March 11. Arrival in Sydney would be at 9.55 a.m. on Friday, March 12. Tour organisers have indicated that the return from Los Angeles could be via Tahiti if travellers wanted it, but this would be a little more expensive, probably about \$50 a person. Any members of the hire industry who wish to take part in either of the two trips are asked to contact Mr. Rolf Schufft, national secretary, Hire Association of Australia, Box 3968, G.P.O. Sydney, 2001.

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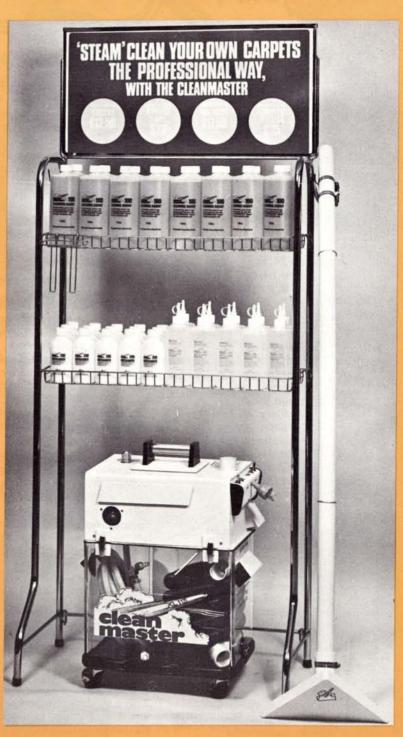
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Large survey shows better profit return in poor economic conditions

President of the American Rental Association, Mr. Ray Burns, revealed at the Adelaide convention that the tightening of the economy in America had actually resulted in many hire firms showing a better profit on rental investment than normal. He gave HIRE permission to reproduce several pages of a detailed financial study of the American rental industry. The study shows that in 1974 the average profit on rental investment (net income before taxes divided by net rental equipment) was 30.2%.

This return compared with 23.2% in 1973, 22.6% in 1972 and only 14.5% in 1971. The survey reported that although 1974 was a poor economic year, rental firms had performed remarkably well. There had been improved profitability, a more liquid financial position, the average collection period was down, and net worth had increased. It had been estimated that in 1974 the total revenues of all ARA members in America had totalled close to half a billion dollars.

1974	1973	1972	1971
1.2	1.1	1.1	1.1
.66	.60	.61	.55
32.1%	30.6%	29.5%	19.1%
9.4%	9.3%	8.5%	6.3%
35 days	41 days	38 days	43 days
30.2%	23.2%	22.6%	14.5%
3.2 times	2.5 times	2.7 times	2.3 times
	2,74,22,722,733,23		
2.1 times	N/A	N/A	N/A
	1.2 .66 32.1% 9.4% 35 days 30.2% 3.2 times	1.2 1.1 .66 .60 32.1% 30.6% 9.4% 9.3% 35 days 41 days 30.2% 23.2% 3.2 times 2.5 times	1.2 1.1 1.1 .66 .60 .61 32.1% 30.6% 29.5% 9.4% 9.3% 8.5% 35 days 41 days 38 days 30.2% 23.2% 22.6% 3.2 times 2.5 times 2.7 times

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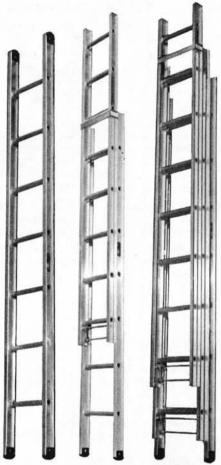




Showing the perfect crim-ping and swaging of rung to stile. Our unique method gives a solid join with no possibility of turning of rung.



Illustrating completely smooth finish of swaging of rung to stile.



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TABLE 1-3: SUMMARY OF BALANCE SHEETS, ALL RESPONDENTS

	1974		1973		1972		1971	
	Dollars	Percent of Total Income	Dollars	Percent of Total Income	Dollars	Percent of Total Income	Dollars	Percent of Total Incom
CURRENT ASSETS:								
Cash	3,802,626	5.28	3,988,935	4.46	3,188,395	5.57	2,636,633	5.31
Accounts Receivable (Net)	9,856,929	13.70	12,513,667	13.98	7,615,698	13.31	6,778,711	13.65
Merchandise Inventories	9,197,436	12.78	9,039,860	10.10	6,693,933	11.70	6,338,175	12.77
Marketable Securities	1,260,405	1.75	531,389	.59	(a)		(a)	
Prepaid Expenses	1,784,814	2.48	2,136,684	2.39	1,133,148	1.98	1,436,766	2.89
Supplies Inventory	169,596	0.24	1,319,502	1.47	(b)		(b)	
Other Current Assets	912,126	1.27	597,325	.67	643,531	1.12	1,100,589	2.22
Total Current Assets	26,983,932	37.49	30,127,362	33.65	19,274,705	33.69	18,290,874	36.84
Rental Equipment-Net Book Value	31,887,682	44.31	44,297,717	49.48	27,540,148	48.14	24,946,707	50.25
Other Fixed Assets-Net Book Value	10,536,981	14.64	12,057,044	13.47	7,446,392	13.02	6,411,124	12.91
Total Fixed Assets	42,424,663	58.95	56,354,761	62.95	34,986,540	61.15	31,357,831	63.16
Other Assets	2,562,246	3.56	3,039,541	3.40	2,949,789	5.16		
Total Assets	71,970,841	100.00	89,521,664	100.00	57,211,034	100.00	49,648,705	100.00
Current Liabilities		I. Denosardasas			and the second contraction	1	A. 10 * 10 * 10 * 10 * 10 * 10 * 10 * 10	7-9-55-9-50-911
Accounts Payable	5,768,369	8.01	6,030,564	6.74	4,002,518	7.00	3,842,201	7.74
Current Notes Payable	9,079,405	12.62	10,220,359	11.42	5,696,719	9.96	5,465,500	11.01
Contracts Payable	3,453,180	4.80	6,240,396	6.97	4,721,660	8.25	4,878,516	9.83
Customers' Rental Deposits	124,545	0.17	146,890	.16			11	
Accrued Expenses	1,637,564	2.28	1,864,068	2.08	(c)		(c)	
Taxes Payable	1,331,539	1.85	2,904,326	3.24				
Other Current Liabilities	1,068,214	1.48	959,217	1.07	3,222,322	5.63	2,766,518	5.57
Total Current Liabilities	22,462,816	31.21	28,365,820	31.69	17,643,219	30.84	16,952,735	34.15
Long-term Debt	17,516,700	24.34	25,666,615	28.67	15,572,460	27.22	13,684,118	27.56
Other Liabilities	2,014,549	2.80	1,988,043	2.22	2,839,900	4.96		
Total Li abilities	41,994,065	58.35	56,020,478	62.58	36,055,579	63.02	30,636,853	61.71
Net Worth	29,976,776	41.65	33,501,186	37.42	21,155,455	36.98	19,011,852	38.29
Total Liabilities and Net Worth	71,970,841	100.00	89,521,664	100.00	57,211,034	100.00	49,648,705	100.00
NUMBER OF RESPONDENTS	252		237		198		223	

NOTES:

⁽a) Included in cash these years.

⁽b) Not asked for as a separate category in these years.

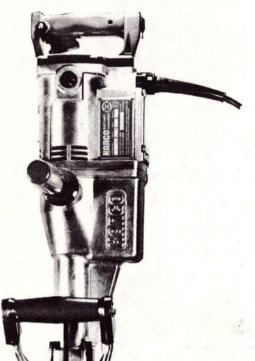
⁽c) Detail not available for these years.

⁽d) Due to rounding, percentages in this and other tables may not add to the one-hundredth of a percent.



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H8-2-1A

The story of rental in America as told by leading visitor Mr. Ray Burns



Mr. Ray Burns, President of the American Rental Association, took time out in Adelaide recently to tell HIRE about the history of the rental movement in America.

Mr. Burns, of Idaho, said that there had been astounding progress in the 20 years since a small group of men had met in Moline, Illinois, on a Sunday morning. The group had met to discuss ways to form a cooperative venture through which they could solve business problems.

From that small meeting eventually emerged the American Rental Association, the largest rental organisation in the world. The ARA today has more than 2,200 members, many of them in Australia. There were 21 men at the historic meeting. They represented eighteen United Rent-All franchise stores. The men had previously attempted to purchase the franchise organisation, but ultimately decided they should form a national organisation in order to solve their own problems.

Among pressing problems facing the men were procurement of equipment, instituting an advertising program, testing untried equipment, securing proper representation in matters involving local, state and federal governments, and disseminating information concerning the maintenance and repair of equipment. (Does this sound familiar?)

The name selected for this group was National Rental Operators' Mutual Association and Article III of their constitution stated:

"The purpose of the organisation is to foster better business methods used by the members; to disseminate information of value, to aid new member operators in furthering their businesses; and to promote the interests of N.R.O.M.A."

The concept that was started at that small meeting has been carefully nurtured and today has matured. Several name changes later, and after expanding their sights to include all rental operations (not just United Rent-Allis) they started to conquer one of the last frontiers of the American free enterprise system.

A second meeting of the N.R.O.M.A. group was held that same day, at which time their proposals were formally adopted. The group chose Leonard A. Hawk, Moline, Illionois, as temporary president. Little did he realize that his temporary appointment would stretch out to a four year period.

Among the first items of business was the establishment of annual dues (set at \$60) with \$10 payable upon application for membership. Nine of the original members made their initial \$10 payment immediately and it became a part of the official record that Hawk should open a two-signature bank account in the name of N.R.O.M.A. (Today, the base dues of A.R.A. is \$100 and increases in increments of \$25, according to gross volume).

A second item of business that day was to instruct the temporary president and temporary secretary to immediately prepare a mailing inviting all U.R.A. franchise owners in the United States to join N.R.O.M.A.

What of the original twenty-one men meeting in Moline that March day in 1955? Some are still actively operating their rental businesses, a few have since passed on and others have retired or sold their rental interests. Many of the men listed here are still active in Association activities in one form or another.

The founders of the American Rental Association include these rental pioneers:

R.F. Alongi, Rockford, III.
A.E. Clearman, Rock Island, II.
Leonard A. Hawk, Moline, III.
Edw. Kanive, Joliet, III.
J. Mickle, Aurora, III.
Paul Murphy, Davenport, I.
H.S. Newton, Saginaw, Mich.
James C. Schafer, Lafayette,
Ind.

A.H. Schmalz, Dubuque, Iowa. Edmund A. Stumm, Elgin, III. Clay White, Omaha, Nebraska. Howard Burnett, Salt Lake City, Utah.

Clark A. Cook, Peoria, III. Rex Hoffman, Madison, Wis. B.L. Korty, Lafayette, Ind. A.E. Miller, Council Bluffs, Ia.

A.D. Newton, Bay City, Michigan.

Bryon Phillips, Omaha, Neb. Walter J. Schafer, Lafayette, Ind

D.H. Steel, Rapids City, S.D. Harry Thompson, Omaha, Nebraska.

Some of the original group will participate in A.R.A. activities. Howard Burnett continues to write articles for industry publications and is an acnowledged

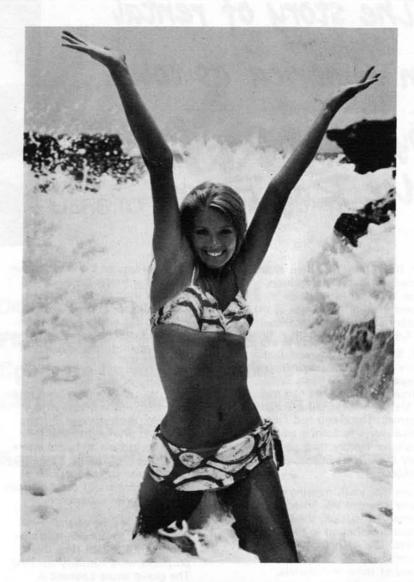
Sweden isn't just beautiful girls

…it's Grindex submersible pumps too!

A Swedish beach in the peak of summer season. That's the right place to meet her-the beautiful Swedish girl. Probably the most well known Swedish "article" ever exported. Fresh-looking, slender and not seldom just as blond and blue-eyed as expected.

But, as said above, Sweden isn't just beautiful girls. It's also a country of world-famous engineering products. Often with ingenious simplicity of function and design as their distinctive feature. The GRINDEXpump for example, a submersible drainage pump of highest quality. Designed for continuous long-term operation under the toughest conditions. On building-sites, tunnelling jobs, dam projects, etc.

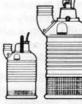
However the GRINDEX-pump isn't just one pump. It's a complete program comprising 6 models from the tiny Minex-a 600 lit/min tuck-under-your-arm portable - to the new water-hungry Matador with it's 6000 lit/min capacity. And they are all sold in more than 40 countries all over the world.



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SY004PRM

"ZIGGY AND HIS WIFE SET THE PACE"

authority on O.S.H.A. matters. Cook, Hawk, Hoffman and Korty have remained active in both local and national association work, serving on committees and helping when and wherever necessary. A.D. Newton is active on the state level in his home state of Michigan. James Schafer is prominent in local and state organizations.

Harry Thompson and Byron Phillips are deceased. Clay White is in retirement. The others in the group have sold their businesses or are unaccounted for. The record of the first N.R.O.M.A. meeting did not show Norman Floyd, Kansas City, as being in attendance but he was elected to the original Board of Governors as were Bernard Korty, Howard Burnett, Albert Newton and Rex Hoffman.

Examination of the original records and subsequent correspondence indicate that the amount of time spent in the organization and promotion of N.R.O.M.A. was immeasurable. The enthusiasm of the group was evident and each original member devoted many personal hours of time, money and effort to the furtherance of the aims and objectives of the organization.

Although some of the early records — between March 1954 and 1955 — are not indicative of the activity of N.R.O.M.A. it, has been established that in 1956 the name of the group was changed to American Associated Rental Operators. At a meeting held in Kansas City in Jan. 15, 1956, with 25 people in attendance, a draft of the A.A.R.O. constitution was accepted.

In a 1955 newsletter the following accomplishments were noted during the first year of operation:

- The insurance program (many members had participated);
- 2. The trade mark advertising for yellow pages;
- 3. The monthly newsletter;
- 4. The national convention held in January in Kansas City.

Although he started his career with A.A.R.O. as a part-time executive, "Ziggy" was soon spending more hours on the job than he had anticipated. As the Association grew and demanded more of his time it soon became apparent that it would require his complete attention, although it wasn't until ten years later that he actually made the transition. It wasn't long after joining A.R.A.O. that his wife, Ethel, joined him in administering the affairs of the Association.

Over the years the husband and wife team have helped the Association establish a reputation for presenting one of the finest conventions and trade shows on the American scene today. Then, as now, convention seminar subjects covered operational aspects of rental store management.

Seminar subjects included an advertising representative from the Omaha World-Herald to speak on the subject of newspaper advertising while rental man Clive DeNio, Des Moines, Iowa, chose "acounting control" as his subject. Albert Newton, Bay City, Michigan, handled the seminar entitled "To Buy or Not to Buy". Panelists at other sessions included Howard Burnett and C.A. McComas of Kansas City, Mo.

Other planned features of the convention included a tour of Boys Town while music at the banquet was furnished by the Union Pacific Railroad Quartet. Thirty established rental dealers

joined A.A.R.O. at the first convention. These were 63 active, paying members. Officers elected for 1957-58 included Leonard Hawk, presideng; Clay White, vice president; and Bernard Korty, E. Carl Petterson, Clieve DeNio, Albert Newton, Howard Burnegt, Jack Bear and P.H. Steele as members of the Board of Directors.

The first exhibitors were:
Clarke Floor Machine Co;
Karpak;
Air Electric Machinery Co;
Stanley Electric Tool Co;
Thompson & Sons;
Gendron Wheel Co;
Institutional Sales;
Newton Brothers.

In June, 1957, the news letter carried the interesting revelation that the collective inventory of all A.A.R.O. members amounted to more than six million dollars. (The 1974 A.R.A. Cost of Doing Business Survey reveals that the 252 firms responding to the survey report net book value of rental equipment at \$31,887.680.

Some of the earliest contributors to the news letter included L.W. Schurgast, Norwood, Ohio; H.P. Gentges, Jefferson City, Mo.; Howard Burnett, Salt Lake City; and N.K. Taylor, Fort Worth, Texas. Acme Rental, Los Angeles; Sam's U-Drive, Van Nuys; and Buttrey Trailer Service, Melrose Park, III., were among the memqers joining A.A.R.O. in May, 1957.

Hawk announced that future plans for A.R.R.O. would amount to:

Doubling of membership by offering more services in the way of advertising; bigger and better newsletters; setting up a source of supply information at fair prices to all members.

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are really powerful friends when you're faced with any cutting job. Building, Construction Work, Clearing Land - is easy with a McCulloch.

There are 12 powerful models to choose from that'll rip through any job - saving you time and money. Check the table and match

a McCulloch to your cutting needs. Building/Farm. \$150-\$250*. Mini Mac 30. Power Mac 6A. Mac 10-10A.

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\$250-\$350*. Pro Mac 55. Super Pro 60 Mac 7-10A. Heavy duty/Pro Cutting, \$300-\$500*. Super Pro 81. Super 250. Super Pro 105. Super Pro 125C. G70 Gear Drive.

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are also powerful friends when you need continuous electric power when and where you need it.

Maybe you need to run power tools or equipment on a site where electric power is not available. Maybe you need to light a construction site at night. Or maybe

you're after standby electricity in case of power strikes. McCulloch make 3 generators which will prove to be the most

powerful friends you've ever had. MAC 1250.

A truly portable generator for camping, general building site work, shops, small businesses or standby power during power strikes.

MAC 1600. The big power unit for light construction work, factories or as a continuous power unit in case of breakdowns or strikes. MAC 2400.

A heavy duty generator for communications, heavy construction or standby power in hospitals and factories in case of emergencies.

See your local McCulloch Dealer today and make friends with a McCulloch.

* Suggested retail price.



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You'll be glad you saw it our way.

Along with this newsletter other attachments included membership requirements, memqership applications and bank references. Howard Burnett and his committee gathered and edited the constitution. A survey sheet was also included in which members were asked to indicate the type of information they would desire from A.A.R.O. in the future.

On March 1, 1956, A.A.R.O. News Letter No. 6 (published two years after N.R.O.M.A. organized), a report was given by Leonard Hawk concerning the January Kansas City convention. He stated that the convention was attended by approximately two-thirds of the present membership, noting that members came even from Seattle and Spokane. Eight non-members were in attendance.

Problems noted in the newsletter included the following:

How to set up the organisation so that surplus funds could be utilized for future expansion.

Also acknowledged as problems were setting up regional areas with its own area director; setting up the basic committees to handle membership, finances, etc.

These problems were ultimately solved by setting up an incorporated non-profit organization, hiring an executive secretary, setting up regional areas and forming the necessary committees to make the association functional.

The format of the news letter took the form of a mimeographed sheet, with the A.A.R.O. letterhead at the top. In the March 6 issue it was noted that LOOK Magazine featured a 3-page article in a recent issue entitled "Everything for Rent". To quote from the 20-year-old article it

stated that "rental stores are booming across the country." The news letter also stated that A.A.R.O. was working on the problem of designing cardboard dish boxes. In November, 1956 the News Letter announced that the Board of Directors had met in Omaha and decided to hold their next convention Feb. 11-12, 1957 at the Castle Hotel. The Board hoped to have from 150-300 rental people in attendance and were planning for 20-30 exhibit booths.

A major problem was the work load of the president and coupled with the plans for the forthcoming convention, he needed assistance. The Board agreed to hire the Business Men's Association of Moline to take over the management of A.A.R.O.

The Business Men's Association proposed specific services they would handle. In addition to administering the affairs of A.A.R.O. they proposed to work on a membership campaign, a public relations program and to act as a clearing house for information.

A later issue of the news letter announced that C.A. Siegfried, Jr. of the Business Men's Association had been appointed Executive Secretary of A.A.R.O. on a part-time basis, thereby starting a distinguished career of association management.

In September, 1957, A.A.R.O. asked all members to send them a copy of their rental contract from which the Association would try to assemble all the good points into a composite national contract form. (The cycle completes one full turn in that the Association is currently developing a model contract and related material).

It also noted that Sol Math, Silver Spring, Mol. was the only member of A.A.R.O. who attended the fifth annual convention of the Folding Chair Rental Association (later named Rental Service Association) in Pittsburg that year.

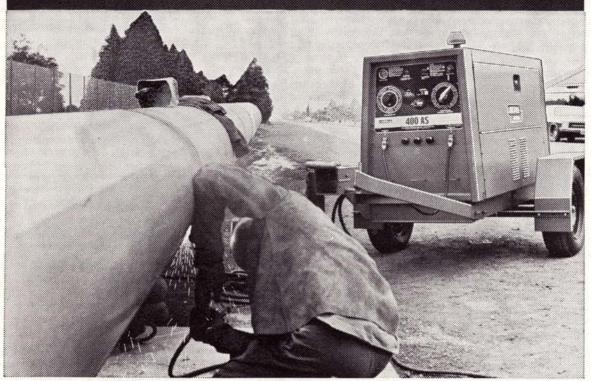
Each issue of the A.C.R.O. news letter proved to be interesting reading and carried inquiries from many rental people. Many of the questions centered around products and uppermost in the minds of A.A.R.O. members at that time were: "Where do I buy it?" 'How do I modify it for my use?" "What experience have other rental people had with this product?" (This is typical still of the questions being raised today.)

The November, 1957 news letter announced that a new rental magazine, "National Rental Yard Register" had been selected to be the official trade magazine and spokesman for A.A.R.O. There would be no official trade magazine and spokesman for A.A.R.O. There would no no financial connection between the Association and the publication, however. (Today we know this magazine as "Rental Equipment Register" and is still being published by Francis Frank and James J. Gartland of Los Angeles).

This publication received great support from the early California rental pioneers. It was agreed that a four to eight page section would be devoted each month to A.A.R.O. activities and the members would receive a paid-up subscription annually as a part of their membership effective January, 1958. Certain members of A.A.R.O. were to serve in an advisory capacity to the magazine. (Howard Burnett continues to serve on the editorial board as its O.S.H.A. editor).

This arrangement was to continue for a period of time and was

IT TAKES ALMOST ANYTHING YOU CAN GIVE IT. ANYWHERE YOU TAKE IT. AND YOU CAN TAKE IT ALMOST ANYWHERE.



NEW LINCOLN 400AS ON-SITE DIESEL WELDER

What makes it new is what makes the latest Lincoln 400AS even better. New 6 KVA, 240 V, AC auxiliary power for example—and an improved canopy and chassis—to name a few of the changes.

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THE "ASHCAN CLUB" BECOMES PART OF HISTORY

especially helpful to each organization during their respective formative stages. Because of a billing procedure that became burdensome to the publication, the practice of receiving the magazine as a part of the dues was discontinued and A.A.R.O. members were then required to contact the magazine directly for a subscription.

Although a number of publishers had surveyed the rental industry it wasn't until some years later that a second publication, "Rent All", entered the picture. It was published on the east coast, and its original publisher, Peter Ball, provided the industry with a magazine that presented a different format.

Ball continued to publish the magazine until it was sold to a large publishing house, Harcourt, Brace, Jovanovitch of New York. Ball created the "Rent All Show Dailies", first introduced at the Fort Worth convention in 1964 and the magazine has continued that service since that time.

Another publication, the "Fore-caster" is published by the Rental Service Association and concentrates on the medical and party rental stores. ("Rental Age" is totally-owned by A.R.A. and circulated only to its members). The other publications mentioned are circulated to non-members as well.

A fifth publication, "Rental Industry", published by Carlton Strong served the industry for a period of time and was then withdrawn. The Denver convention, held at the Albany Hotel, Feb. 10-11, 1958, proved to be a meeting that contributed much to the success of A.A.R.O. Membership growth exceeded the expectations of the Board of Governors while the participation of the 41 exhibitors proved beyond the shadow of a doubt

that the equipment rental industry was indeed a valuable sales outlet for rental equipment of every description and type.

Interesting observations to be drawn from the Denver convention include:

1. Local rental associations were a vital force in the industry and the creation of new locals was urged. 2. A.A.R.O. proved to manufacturers that the rental industry is "big business" and a desirable market for their products. 3. Definite progress was demonstrated by the fact that volunteer workers produce results.

Other progress noted at the time included a needed increase in the number of officers to serve on the board, a better analysis of bylaws needs and a higher quality of bulletin information.

Standing committees were created, with directors to serve as chairmen. New committees included membership, publications, convention, products, financial, insurance and bylaws. Leonard Hawk was re-elected president with Norman Floyd serving as vice president. The Board of Governors included Jack Bear, R.J. Grasse, R.W. Collett, Clive DeNio, E. Carl Petterson, Norman Howard and D.W. Steele.

The 1959 Kansas City convention proved to be highly successful for A.A.R.O. There were 77 exhibits and approximately 166 members. A pattern had emerged that would set the pace for future conventions. The enthusiasm of the volunteer workers was in evidence as the Kansas City group handled the important convention details that made everything go smoothly. The cooperation of local groups, present and past, would be a hallmark of all future regional and national meetings.

A new internal organization had its inception at Kansas City. The ' 'Ashcan Club" was formed, comprised of past pioneers and hard workers. They were given recognition during the convention and in the future would be wearing large badges identifying themselves.

Clay White was appointed chairman of this club and it was noted that the following men were eligible for membership: Harry Thompson, Axel Miller, Rex Hoffman, Al Newton, Howard Burnett, Norman Floyd, D.W. Steele, Leonard Hawk and Bernard Korty. The requirements of the Ashcan Club were later modified so that every past officer and director became a member of this honorary group.

It was also announced that details were being worked out for a type of A.A.R.O. membership that would include manufacturers. This action resulted in the establishment of the Associate Membership classification. Additional strength was being infused into A.A.R.O. through the action of various local associations who were joining en masse.

E. Carl Petterson of Memphis. Tenn., was elected the president of the organization. Leonard Hawk had, by this time, served an unprecedented four year term which included the forerunner organization to A.R.A. He continues to serve the Association and has worked with various committees and individuals, writing articles and appearing on seminars and panels. He received the first Rental Equipment Register Man of the Year Award, the A.R.A. Meritorio Service Award and the Region Five award, Additionally, he was active in setting up the A.R.A. Inventory Control System.

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The range of 'Goldoni' agricultural equipment is being distributed throughout Australia by A1 PLANT SALES of 18 Brooklyn Crt., Campbellfield, Victoria. The range of equipment produced by 'Goldoni' includes motor cultivators, petrol and diesel engine models, to which can be fitted the following attachments: ploughs, rotary hoes, spraying equipment, power sythes, trailers, rotary lawn mowers, pressure pumps for cleaning and snow ploughs. Goldoni also manufacture a four wheel drive, articulated diesel powered tractors of up to 30 horse power. Goldoni Rotary hoes are being used by hire Companies with success because they are light to handle, simple to operate, fill a requirement where there is a big demand, which ensures a quick return on capital outlay. For further information contact A1 PLANT SALES.

'VARESCO' PUMPS

The range of 'Jonio' pumps are manufactured by Varesco of Padova, Italy, they are being distributed throughout Australia by A1 PLANT SALES of 18 Brooklyn Crt., Campbellfield, Victoria. The range of pumps include selfpriming pumps, from 11/2" - 10" well point pumps from 3" - 8" with all associate equipment such as spears piping, valves, etc. and Cycloid gear type pump for the petroleum industry. The distributors are of the opinion that the sealing system utilised in the range of 'Jonio' pumps should be of particular interest to Hire Companies as it removes from the hire the expensive service calls associated with hiring of self-priming pumps. The seal used is exclusive to the design which is a double faced, spring loaded seal, grease lubricated with an automatic feed grease supply, this feature ensures satisfactory sealing, both during priming and on pressure, and enables 'Jonio' pumps to run dry for long periods. The above feature coupled with, stainless steel pump shaft - stainless steel self locking nut on impeller-cast iron construction with easily replacable wear plate - oil resistent rubber lining and quick release trash port are some of the reasons why 'Jonio' should appeal to the Hire Industry. For additional information contact A1 PLANT SALES.

It was announced that the 1960 convention would be held at Long Beach, California, Feb. 8-11. Many rental people were beginning to make plans to attend. Starting to look further ahead now it was also revealed that the 1961 convention would qe held in Memphis, Tenn. In March, the News letter revealed that 17 A.A.R.O. members had recently attended a small gasoline engine repair school sponsored by the Clinton Engines Corp. at Maquoketa, Iowa.

The states of Utah and Arizona enacted legislation to protect rental firms from fraudulent conversion of tools and other equipment. This was to be the forerunner of protective legislation that would be enacted in other states. As a consequence, A.R.A. published a Conversion Law Booklet to help rental people campaign for legislation that would protect the rights of rental firms in dealing with people who rented with intent to defraud. The extensivelyresearched booklet, prepared by A.R.A.'s legal counsel, Wm. T. Stephens, presented an appraisal of laws now in effect in each state and presented a model law that members could use to present to their state legislators.

An insurance questionnaire was mailed to all members for the purpose of ascertaining disability insurance needs for the rental industry.

An article in "Changing Times" magazine reviewed the growth and the potential of the rental industry. As a result AARO was inundated with replies from people who wanted ifnormation on how to start a rental yard business. In order to properly present the industry in its true light a 20-page booklet was published and mailed to those

who inquired. Those contributing to the preparation of the booklet included E. Carl Pettersen, Richard Lanoha, Howard Burnett, Leonard Hawk, Cleve De Nio, Mitch Hoxie, Wayne Collett, Robert Grasse, C.A. McComas, Dan Rardin and C.A. Siegfried, Jr. The editors of Rental Yard Register assisted AARO in the preparation of the booklet through editorial assistance as well as printing. It is interesting to note that 2,840 letters were originally received in the Moline office.

The article became a subject of conversation among rental people for many years as they felt the article depicted the rental business as a get-rich-quick business with only a small amount of capital being required.

A bylaws Committee, headed by Wayne Collett, was busily engaged in making a complete study of the Constitution and Bylaws. The first membership list of the Association was distributed in August of 1959. It was then known as the "National Referral Code" and was intended to help serve the rental customer when he visited another city and needed to rent equipment. One of the ideas for the NRC was to stimulate business for the rental firms to refer customers to when he was travelling or moving his residence. Contractors with out-of-state jobs could refer to this list and know the names of a reliable rental firm to deal with in that particular city. Today, the ARA Membership Directory reflects the growth of the Association as it has become a 120 page booklet.

The Soaring Sixties began with an A.A.R.O. convention in Long Beach, California, that far exceeded the expectations of the officers and board. Two hundred and Seventy Five members were in attendance and exhibitors utilized 106 booths to display their equipment (up 77 booths from the previous year). E. Carl Pettersen was elected to serve a second year as president.

At long last, many eastern, midwestern and southern rental people realized their ambition . . . which was to visit the fabled California rental yards they had heard and read so much about. The host committee pulled out all the stops to extend the western brand of hospitality that today still have rental people talking about the Long Beach convention.

The Ash Can Club held its first formal meeting. Eight bus loads of visitors descended on Sam's U-Drive in Van Nuys and an elaborate Luau climaxed the last evening of festivities.

A.A.R.O. announced its new group life insurance plan for members, their families and employees.

It was announced by Ziggy Siegfried that Wm. T. Stephens, Washington, D.C., had been appointed to act as legal counsel for the Association. Leonard Hawk was named "Man of the Year" by Rental Equipment Register, the first such award established by the publication.

One of the milestones of 1961 was the announcement that A.A.R.O. had, of necessity, been changed to the American Rental Association. There appears to have been a prior claim to the service mark of A.A.R.O. by a firm in Minnesota and after due deliberation the Board voted to change not only the service mark but also the name.

It was reported that all members readily accepted the new name and were changing the trademark

SEARS ROEBUCK DECIDED TO ENTER THE RENTAL BUSINESS; HERTZ FOLLOWED!

to reflect the new Association designation. Richard Lanoha of Denver was elected to serve as president and presided over the Memphis, Tenn. proceedings in 1961 at the Peabody Hotel. There were 417 members in attendance — 143 exhibit booths were utilized by the manufacturers.

The first Association advertising program was offered at Memphis whereby each member had the opportunity to participate, if desired. The program included a publication known as "Rental Digest" a brochure that was a combination of the current Homeowner's Tool Guide, Party Guide and Convalescent Aids Booklet of today. A matter of concern to the Association and its members proved to be the use of the term "Rent-All" in a trade name. The United Rent-All organization had filed for, and received, a trademark registration amendment as of August 1, 1961. Siegfried warned A.R.A. members presently using the term in their firm name to consult with an attorney since they might be found liable for damages by the owner of the trade mark.

With the theme of the "Roaring Twenties" still ringing loudly in everyone's ears the Sixth Annual Convention and Rental Equipment Show held at the Hotel Sherman in Chicago, February 19-22, closed with new records set in the attendance department.

Lanoha discovered that his leadership during the past year had earned him another term as president and the Association new letter proudly displays a picture of Lanoha being congratulated by the mayor of Chicago, Richard Daley. There were 544 members, wives and employees in attendance. 162 manufacturer exhibits were utilized to show the latest in rental equipment.

The host committee, comprised of the very active Chicagoland group, saw to it that the tours to the Skil Corp., Hertz and Des Plaines rental operations went off smoothly.

Although a snow storm inundated the Chicago area it did not diminish the feeling of strength and co-operation that was continuing to exhibit itself in many ways.

On March 8, 1962 the Chicago Tribune and the Wall Street Journal noted that five Sears & Roebuck stores would offer a new rental service, with 200 stores planned to be in operation by year's end. Coupled with the entry of Hertz to the industry in 1960 this news was received with mixed emotions by the rental people.

The April 1962 news letter and a few other issues following it were more compact in size, upon request by many members, but due to the increased demand for a better news letter the format was changed back to its original 8½" x 11" size.

The number of member firms in A.R.A. as of July 1962 was 532. It was noted that for seven years there had not been an increase in dues, which were \$70 annually. Increasing costs of operating the Association were beginning to show up in the annual budget and it became evident that a modest dues increase would become necessary.

R. Wayne Collett, Montgomery, Alabama, was elected president at the 1963 Salt Lake City convention held February 11-14. The "Golden Spike" theme was used widely in convention literature as the Utah host committee and other officials wore the costumes of the period. A new region was formed for the

purpose of welcoming Canadian rental firms into the Association. Designated as "Region Ten", Mr. Lowell Wallace of Winnipeg, Manitoba, became the first director from this region. There were 165 display booths and a membership of 478. A headline speaker at the Salt Lake City convention was Ezra Taft Benson. Secretary of Agriculture under the Eisenhower administration. The California rental delegation arrived via a chartered pullman car and were met at the depot by a special bus.

Awards for outstanding service to the Association and the industry were created by a special committee. The first awards presented were designated "The Distinguished Service Award". The recipient received a suitablyengraved clock and an A.R.A. lapel pin with a diamond inset. Except for the first year it was introduced, the Awards Committee decreed that only one person would receive the award each year. To receive the award, the committee said, the recipient should be a member in good standing, shall have made continuous and substantial contributions to the industry at national regional and local levels. The Distinguished Awards winners were:

Clay White, Howard Burnett, Wm. Ristow, Jr. Salt Lake City, 1963.

E. Carl Petterson Fort Worth, Texas, 1964.

Leonard Hawk Cincinnati, Ohio, 1965.

Sol Math Washington, D.C. 1966.

R. Wayne Collett New Orleans, La. 1967.

T.M. "Mitch" Hoxie St. Louis, Mo. 1968.

PRESIDENT KENNEDY assasinated 24 hours after staying at rental convention hotel

Clayton Charbonnet Las Vegas, Nev. 1969.

James Pascoe Houston, Texas 1970.

Richard Lanoha Denver, Colorado, 1971.

William Grasse Atlanta, Ga., 1972.

Roy Milling, Jr. Anaheim, Ca. 1973.

Robert Elmen New Orleans, La. 1974.

Sidney Freydont Las Vegas, Nev. 1975.

Business Week magazine published an article in its March 23 issue entitled "Thriving in Business Without Any Sales", basing it upon the observations of a reporter sent to cover the Salt Lake City convention.

The state of Idaho joined the list of states who were adopting conversion laws and on March 8 the Governor signed into law a statute that would be more enforceable, thereby giving relief to rental firms.

1964

Chas. Howe, Salt Lake City, was elected president at the Fort Worth, Texas convention, February 10-13. Howe had previously served as a director from Region 7 and headed several A.R.A. standing committees. Mr. Howe suffered a fatal heart attack. 115 firms exhibited at the Fort Worth show.

A pall settled over the Hotel Texas in that President of the United States, John F. Kennedy, had been a guest of the hotel the day before he was assassinated. Members were made aware of President Kennedy's visit by frequent references by the hotel staff and others. The A.R.A.

Awards Committee established two more awards that were inaugurated at Fort Worth. The Special Service Award would be given to a person not in the rental business but one who has performed an outstanding service or contribution for the good of the general rental industry not directly attributable to his personal gain or profit. These winners are:

Hal Croskey (Clarke Floor Machine Co.) Fort Worth, Tex., 1964.

Grant Tigwell (Ryan Lanscaping Equip. Co.) Cincinnati, Ohio, Ohio, 1965.

James Gartland (Rental Equipment Register) Washington, D.C. 1966.

Max Cohen (Institutional Products, Inc.) New Orleans, La. 1967.

Don McAllister (International Harvester Co.) St. Louis, Mo., 1968.

Jerry Godwin (Karkpack Co.) Las Vegas, Nev., 1969.

Leo Swan (Equipment Development Co.) Houston, Tex., 1970.

Peter Ball (Rent All Magazine) Denver, Colo. 1971.

Richard Walton (Walton Mfg. Co.) Atlanta, Ga., 1972.

Edward Cantwell (Rental Industry Services) Anaheim, Ca. 1973.

C. Douglas Zehrung (BlueBird International) New Orleans, La. 1974.

Fred Sotcher (Sotcher Measurement Co.) Las Vegas, Nev. 1975.

A third A.R.A. Award, the Meritorious Service Award was

created and also inaugurated at the Fort Worth convention. This award was established to recognise the substantial contributions made on a committee project, or a service activity to the industry at national, regional and local levels. These winners are:

Mr. & Mrs. Carroll Butts Mervin Johnston Fort Worth, Texas, 1964.

Lothar Schurgast Bernard Korty Cincinnati, Ohio, 1965.

Iris Dougherty Washington, D.C. 1966.

James Pasco New Orleans, La., 1967.

Anne DeShay R. B. Meredith St. Louis, Mo. 1968.

Mary Weaver Sam White Las Vega, Nev. 1969.

Harold Kratky Robert Elmen Houston, Tex. 1970.

Dale Shaffer
Sam Greenberg
Mervin Brown (posthumously awarded)
Denver, Colorado, 1971.

James Kiles Morris Josephson Atlanta, Ga., 1972.

Irvin Juster Anaheim, Ca., 1973.

John Doran Patti Combs New Orleans, La. 1974.

Fred Heckmann J. Stanwood Martin Las Vegas, Nev. 1975.

Another first for the Association was the daily issues of Rent-All Magazine that were published each day of the convention. The practice has been continued at every A.R.A. convention since. In June, Siegfried announced

Press Release

CLARK INTERNATIONAL MARKETING S.A.

NEW PRODUCT MANAGER FOR CLARK INTERNATIONAL

Clark International Marketing S.A., factory marketing organisation for the construction machinery products of the Clark Equipment group of companies and its subsidiaries, has announced the appointment of Mr J.B. McMahon as product specialist, South Pacific area, for the group's range of cranes, drag lines and hydraulic excavators.

Mr McMahon previously worked as a sales supervisor with the company from 1967 to 1972.



Mr J.B. McMahon

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BERGIN Masonry Impact Drills BERGIN Wire Cup Brushes BERGIN Brick Cutting Machines

BERGIN — Angle Grinders $4\frac{1}{2}$ " — 5" — 7" — 9" H.D.

Type V60 & V80



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that "A.R.A. finally had a home of its own". He was referring to office space that had been previously shared with the Business Men's Association at 1919 Fifth Ave.

Ever since the Association had been formed, facilities, offices and equipment had been furnished at no charge by the Business Men's Assoc., the firm headed by Siegfried. This resulted in savings of money on the part of A.R.A., but with the continued growth shown each year it became advisable to seek additional space. In 1971 the Association moved to its present quarters at 2920-23rd Ave., Moline.

A trip to visit Canadian rental operators was undertaken by Howe and Jack Decker, A.R.A. vice president, in order to stimulate the interest of Canadian firms to join A.R.A. Today, there are many more Canadian firms listed on the Association rolls.

After much deliberation on the part of the Finance Committee and the Board of Directors, the annual membership dues was raised to \$75.00, the first dues increase in the history of the Association. Previous dues were \$60 annually. The international flavour of rentals was becoming evident, Mr. & Mrs. Peter Brookfield of Penrose, New Zealand, toured the United States, signalling the start of an international relationship that continues to grow.

Andrew Kennard, of St. Leonards, Australia, visited the Fort Worth show in 1964. His brother, Neville, has also visited the A.R.A. shows, appearing on the banquet program at the Atlanta convention. Since then, several A.R.A. presidents have visited the Hire Convention in Australia and the

Hire Show in London, England. In the same year, A.R.A. sponsored a contest to create a symbol or a logotype that would be typical or representative of the rental industry. Because of the wide diversification of equipment and services offered, the contest results were minimal and a suitable symbol could not be adopted.

Jack Decker, Fresno, California, was elected president of A.R.A. at the Cincinnati convention, February 8-11, 1965. The current membership had climbed to 851 firms, including individual, branches and manufacturers. Booth spaces at Cincinnati numbered 249.

A five-year projection of the industry was made. A group of 20 rental operators in various sections of the country sent in their opinions. Generally, they agreed that:

- By 1970 A.R.A. should plan on 1,000 stores as members.
- Stores will tend to specialize, particularly in the larger areas.
- Trailer rentals will decline as truck rentals triple by 1970.
- The eastern section of the country will grow faster (in number of rental stores) while the midwest will follow with a close second. The industry volume should double in four years.
- Any item will be available for rent. The rental concept will be understood by 90% of the people as opposed to 30% today.
- More rental firms will have "long term rental rates".
- By 1970, 2,000 individuals will attend the convention. There will be more than 400 exhibitors. Conventions will be held in large cities with adequate facilities. (A.R.A. did have over 2,000 in attendance but

the number of exhibitors have peaked at 350).

The Rental Association of Canada held its first convention March 16th in Toronto. Horton Hillier was president of R.A.C. at the time. The state of Washington passed a conversion law and a sixpage article appeared in the news letter, authored by James Wasson of Seattle. He related in interesting detail the many problems that confronted the group as they lobbied for protective legislation.

1966

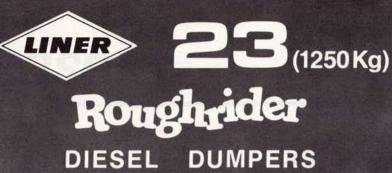
Holmes Hughston, Lubbock, Texas, was installed as president of A.R.A. at the 10th Annual Convention and Rental Equipment show held at the Sheraton-Park Hotel, Washington, February 13-17, 1966. 350 booths were utilized and the membership was over 1,000. The A.R.A. news letter no longer described the function of the official publication and the Board voted to change the name of the news letter to the "Voice of A.R.A.".

This name was carried on the masthead for the next four years until a new name was adopted. In September, 1970, there appeared the "Rental Age", which in the view of the Board properly reflected the scope and operation of the Association.

An article in the July issue of "Reader's Digest" brought more favorable publicity to the Association and the industry. Entitled "You Name It — We Rent It", the article generated many inquiries from among its 26 million readers.

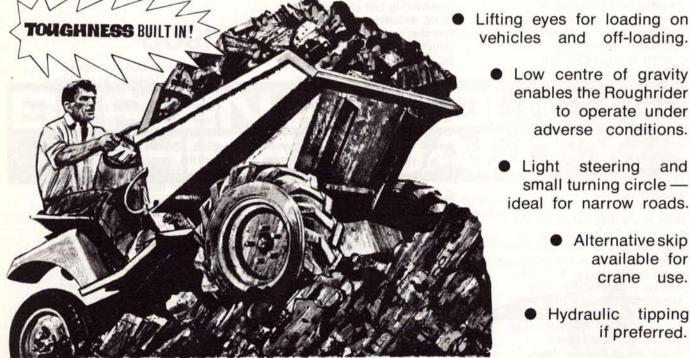
That year, the Association sponsored a co-operative national advertising program in "Popular Science Monthly".





- All-in-line transmission without belts or chains.
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 - Constant mesh change-on-move gearbox with three forward and one reverse speeds.
 - - Low centre of gravity enables the Roughrider to operate under adverse conditions.
 - Light steering and small turning circle ideal for narrow roads.
 - Alternative skip available for crane use.
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ALSO AVAILABLE IN 750Kg (15 cwt.) 1375Kg (27 cwt.) 1500Kg (30 cwt.) and MARATHON 2000Kg (2 TON)



OHIO LUMBER COMPANY CLAIMED TO BE FIRST RENTAL TOOL CENTRE IN U.S.

1967

W. Earl Bedel, Cincinnati, Ohio was elected president at the 11th Annual Convention and Rental Equipment Show held at the Jung Hotel in New Orleans, February 12-16, Through the efforts of the Midwest Rental Association in Omaha, the Nebraska legislature passed a conversion law, culminating the efforts on the part of a task force of Nebraska rental people. It was announced by Siegfried that A.R.A. would soon be adding a group income protection insurance plan to its member service list.

1968

As local associations became more active it became apparent on the state level. The Keystone Rental Assoc, were prime movers in pushing through a conversion law in the state of Pennsylvania. The 11th Annual Convention and Rental Equipment Show opened with a keynote speech by Professor Harold Wess of American University. Washington, D.C. Wess was a popular speaker and his marketing approach appealed to many rental people in the Association. He appeared before a group of rental people at the first Rental Management Institute held in Chicago. This was the forerunner of the educational seminars now offered by A.R.A. on a variety of management topics.

The election of officers started to take on a new form as the bylaws were changed to allow national elections before the convention rather than at the convention site. Roy Milling Jr., Atlanta, Ga. took office at the St. Louis Convention and served a two-year term. 272

booths were utilized at the Chase-Park Plaza and approximately 2,000 people attended.

The State of Maryland joined other states in passing a conversion law through the efforts of Maryland rental people. Total membership of the Association at this time was 1,362 rental firms, branch locations and manufacturers.

1969

Las Vegas was the site of the 1969 convention held February 9-14 at the Stardust Hotel and the Las Vegas Convention Centre. Prof. Wess appeared before the group in his second appearance. 322 booths were used. A new pension and retirement program was made available to A.R.A. members at this time.

The Northwestern Equipment Rental Association was successful in getting the passage of a new conversion law for the state of Massachusets. The "Advertising Aids Notebook" was distributed to all members of A.R.A. The 3-ring binder contained advertising material of all kinds and was the forerunner of the "Advertising Ideas Manual" or "AIM Notebook" currently in use by members.

Lothar Schurgast, pioneer rental man from Norwood, Ohio, passed away at the age of 76. According to a newspaper story, the lumber company he managed was considered to be the first tool rental center in the United States.

In 1970 the "Satellite Institute" was a new feature of the Houston convention. This special education program was set aside from the regular convention activities for those members interested in

specialized areas of rental management. Roy Milling, Mr., out-going president, suffered a heart attack just prior to the convention and was unable to attend the meeting. He addressed the group from his hospital room via a special telephone hookup.

Wm. D. Ristow, Jr., Des Plaines, III., was installed as the presiden of A.R.A. 350 booths were utilized. The membership of ARA increased to 1,200 firms. Dr. Herbert True, noted speaker, gave a rousing presentation on the needs and goals of the rental industry. Ristow attended the Hire Assoc. Convention in Australia in September of that year.

A.R.A. launched a vital new service when it created four "councils" to serve the related specific needs of the many different types of rental business that make up the industry. Formed were the General Tool & Equipment Council, the Heavy Equipment and Industrial Equipment Council (later renamed the Construction and Industrial Equipment Council). the Soft Goods Council (renamed the Medical and Party Equipment Council) and the Mobile Equipment Council, The second dues increase in the history of A.R.A. was adopted in September by the Board of Directors. The base dues were set at \$100 with increases according to the total volume of the member. Increments of \$25 were added in each volume category with the top dues figure being \$175 for firms with revenues of \$300,000 or

John Croden, London, Ontario, became the first Canadian elected to the office of president of A.R.A. He was installed at the site of the 1971 convention

held in Denver. Noted economist, Elio Janeway, was one of the featured speakers and evoked much comment concerning his view of the future economic conditions of the country.

Two technical training schools were presented by the Association. The first was held in Chicago on Sept. 15-16 and featured the maintenance and repair of air compressors and electrical power tools. Two A.R.A. Associate members, Rand-Air Corp. and Skil Corp. co-operated with the Association in presenting the popular session. The second meeting was held in Detroit on September 28 and featured two courses; one on electric hammers and breakers and the other session on gasoline engines. Robert Bosch Corp. and Briggs & Strattons assisted A.R.A. in presenting this program.

The tangible result of the newlyformed councils resulted in the preparation of a new "Party Rental Guide", which was made available to interested members. The Guide was designed for the rental customer who contemplated renting party equipment and was attractively printed in full-color.

Another program by A.R.A. was the "Rent-A-Lawn" program, a package of advertising materials designed to help increase the volume of lawn and garden equipment rentals.

In 1972 the total membership of the Association was 1,747 whichincluded 1,345 total individual members, 194 branch locations and 208 suppliers. With the greatest membership in the history of A.R.A. ever recorded, Allan Creeger, Richmond, Virginia, was elected president of the Association and took office at the Atlanta convention held February 21-24. The fabled Regency Hyatt House in Atlanta was the headquarters hotel. Creeger and other pioneers of the industry could trace the beginnings of the Association to some of the smaller hotels that once housed the entire group but now would be greatly insufficient. Creeger had previously served as a member of the Board of Directors back in 1959 at the Kansas City convention.

The industry became enmeshed in the series of regulations issued by the Dept. of Labor on occupational health and safety. The Assoc, published several helpful booklets and bulletins on the subject, which is today a continuing project. A retired membership classification was created for those rental people who were retiring but wanted to keep abreast of Association activities. Pioneer member, Clay White of Omaha, a founder of A.R.A., retired in November. Fittingly, a dinner was held in his honor at the Castle Hotel, the scene of the 1957 A.R.A. convention.

A code of ethics was adopted by the Board of Directors and presented in plaque form for all members to use. The first cost of Doing Business Survey was produced in 1972 as well as a new Employee Training Manual.

The second A.R.A. convention ever to be held in California was staged at Anaheim, the home of Disneyland, James L. Keenan, veteran rental man from Omaha, Nebraska, was installed as president and would serve for a two-year term. The total membership in A.R.A. numbered 1,933 firms, branches and supplier firms. The Education Committee launched a new seminar on motivation, which was to be produced in a series and entitled "Effective Leadership Techniques".

A.R.A.'s second visit to New Orleans was in the planning stages with the theme "Image in Action" to be dominant throughout. This was to be one of Keenan's hallmarks, the concept that rental firms must up-grade their image in order to effectively promote their businesses to the renting public. He created a new program entitled "The President's Image Building Award". This effort proved to be popular among members and appropriate recognition, in the form of a plaque and a pictorial review in RENTAL AGE, has spurred rental firms to let the rest of the industry know how they are either remodeling or rebuilding their facilities to present a better image to the consumer. Another milestone occuring during 1973-74 was the approval by the Board of Directors to accept advertising in RENTAL AGE. It was felt that the revenue from paid ads would help up-grade the image of the magazine editorially, allowing four-color printing and other needed improvements. The energy crisis reared its head just about the time the New Orleans convention was to be staged and A.R.A. moved into gear with its "READ" (Rental Energy Alert Desk) program. These series of bulletins was designed to keep all members informed of the complex regulations under which all types of fuels in short supply would be distributed. The **Education Committee also**

designed a new seminar, to be

the subject of finance/account-

Decisions through Finance/

ing. Entitled Better Management

Accounting, it was prepared by

consulting firm and proved to

be a needed service.

the Lawrence-Leiter management

presented in various locations, on

People and products in the news



new pump range

A new range of Australian-made, self-priming centrifugal pumps of particular interest to the Hire Industry is being manufactured by Kelly & Lewis Pumps of Springvale, Victoria, one of Australia's largest and best-known pump companies. Known as the KL Gorman-Rupp 10 Series pumps, these units are designed for economical, efficient handling of general debris and industrial wastes containing spherical solids up to 65 mm diameter, depending on pump size.

These units are available in specifications from 40 mm (1½") dis-

charge with a performance of 6 litres/sec at up to 25 metres head and capable of handling 25 mm diameter solids - to -150 mm (6") discharge with a performance of 75 litres/ sec at up to 30 metres head and capable of handling 60 mm diameter solids. The high suction lift ability and self-priming design of these pumps permits successful operation with the pump unit situated high and dry out of the sump and only the suction pipe down in the liquid. This feature also allows easy access to the pump and prevents lubrication guesswork.

Exclusive features of the KL Gorman-Rupp 10 Series pumps include a low-maintenance

design. The only moving parts are the impeller and the shaft. The components most vulnerable to wear - the impeller, seal and wear plate - are accessible and easily replaced by removing the clamped end plate. The cartridge design of the frame allows replacement of the shaft and bearings without disturbing the pump or piping. These heavy-duty pumps always remain full of liquid after initial priming and are not dependent on a suction-side check valve to ensure automatic repriming and operation of the unit at all times. The check valve fitted to the KL Gorman-Rupp pump is only to ensure that no backflow occurs through the pump when stopped.

These versatile pumps are built for direct drive through flexible couplings or vee-belt drives to electric motors or engine prime movers. They may also be equipped with a rigid steel baseplate and mounting access ories as a complete unit. Petrol or diesel engine driven pumps mounted on pneumatic-tyred trailers can be supplied and would be particularly attractive to the Hire Industry.

The range of pumps are designed to handle all classes of industrial wastes, fluids containing solids, sludges and all types of trashhandling duties. Further information is available on request from Kelly & Lewis Pumps, Newcomen Road, Springvale, Victoria. 3171.

collapsible shed

Len Booth of Builders Equipment Pty. Ltd., Victorian construction plant hirers, based at Richmond, has been hiring sheds and offices since 1952. But recently he received his most surprising call ever. The call came from Crawford Productions, who wanted to hire a shed whose walls would easily collapse.

But this is easier said than done. Because Len prides himself on the sturdiness of his sheds, which are designed never to fall down. After all, Len says he has hired more sheds than anyone else in Australia. And he never has complaints about buildings that collapse. Leaking roofs now and again, broken windows occasionally, but sheds that collapse, NEVER.

So in the interests of keeping the viewers of Australia excited by an explosion scene in an episode of Matlock Police, Len agreed to sabotage his own equipment. And he did it successfully. So this was another satisfied customer for Len, who has seen the company expand as it has developed and designed its own products.

Len has seen the progression from plain iron sheds to those with windows and floors, then development of timber structures with internal lining and insulation. Today's finished buildings are fitted out with amenities such as heating, lighting, air conditioning. Builders Equipment, as well as having an ever-increasing range of portable changerooms, lunch rooms and offices, also manufactures for hire a demountable site office system suitable for larger site complexes and difficult access locations. Len has recently returned from a six weeks tour of Europe and England and feels he has brought back enough ideas to keep his offices and sheds the most modern hire stock in Victoria - in fact he claims that the only thing old-fashioned about them are the hire rates.

new exhibitor

Latest exhibition at the Hire Association convention is the historic firm of R. Montgomery & Co. Pty. Ltd.

In 1854 a Scottish cork cutter from Glasgow arrived in Melbourne. He set up a business as a supplier of corks to the Liquor and Allied Industries. Over the years other products were added and he became the leading supplier in Australia to the Beverage Manufacturing Trades. Hi s name was Richard Montgomery, and he was born in 1824, exactly 150 years ago. He lived until 1893, and died in Melbourne.

About the turn of the century a branch was established in Adelaide. In the taxation return by the branch, in 1902, to the new Australian Commonwealth Treasury, it was disclosed that the branch trading resulted in a profit of 47.15.4 pounds sterling for the year. The Manager was a Mr. A. Roberts.

In the next few years the company employed, as office boy John James Redwood, who was eventually to become Manager and then proprietor of the branch. Today's Managing Director is Mr. J.P. Redwood. During the Depression of the 1930's the Adelaide branch was sold to J.J. Redwood and the Melbourne office closed its doors in 1937. The Adelaide company continued to trade profitably, and in 1939 it commenced trading in hotel supplies. It continued to prosper under the guidance of J.J. Redwood, and became the leading hotel supplier in South Australia, Mr. Redwood was proprietor and Chairman of Directors until his death at 79 years of age in 1968. In 1968 the company acquired the hotel supply company of McDonald & Co. Pty. Ltd. of Adelaide and Sydney.

McDonald & Co. Pty. Ltd. was commenced by Mr. R. McDonald in Adelaide in 1919 and became an Australia-wide supplier of cookery, glassware and manchester to hospitals and hotels. A subsidiary of R. Montgomery & Co. Pty. Ltd. was formed to operate the combined activities of the Hotel Division of that company and the business of McDonald & Co. Pty. Ltd. A branch was opened in Melbourne, and the combined branches in Adelaide, Sydney and Melbourne traded as McDonald Montgomery & Co. Pty. Ltd.

In 1970 an association was formed in Western Australia with a local group which now trades as McDonald Montgomery & Co. (W.A.) Pty. Ltd. In 1971 the merchandising division of R. Montgomery & Co. Pty. Ltd. was formed into a wholly owned subsidiary which trades as Montgomery Merchandise Co. Pty. Ltd. and services the manufacturing beverage and foodstuff trades, with raw materials and packaging supplies.

The Parent company continued to operate the financial, planning, accounting and management services for the subsidiaries. To celebrate 120 years of service to the liquor and allied trades in Australia, the Board of the Parent company requested the main subsidiary, McDonald Montgomery & Co. Pty. Ltd., to hold a 'House Fair' in Adelaide.

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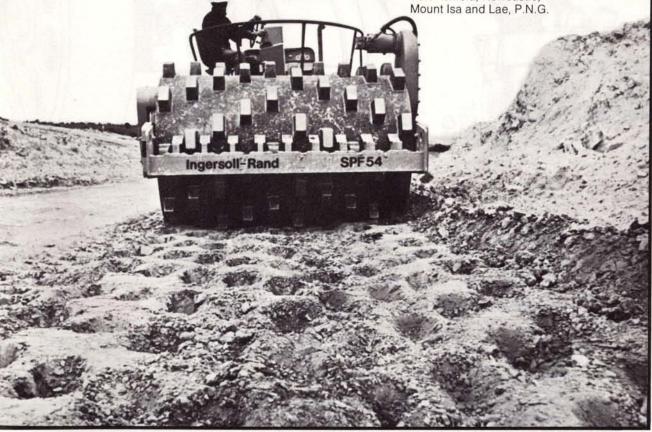
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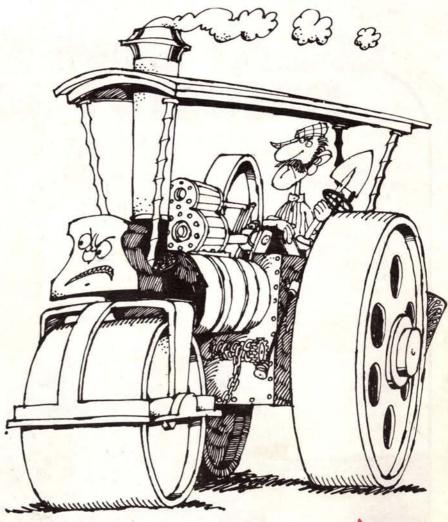
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