

P. E. MacAllister: First Interview, July 10, 2009

Scarpino: We are now live. Both recorders are on and as I mentioned before I turned the recorders on, I'm going to start by just reading a brief statement so that somebody who listens to this recording knows that I'm Philip Scarpino and I'm the director of Oral History for the Tobias Center for Leadership Excellence at Indiana University and today I'm interviewing Mr. Pershing E. MacAllister in an office located at MacAllister Machinery in Indianapolis. So, Mr. MacAllister, I'd like to ask your permission to record this interview, to have the interview transcribed, and to deposit the recording and the transcription in the IUPUI Special Collections and Archives.

MacAllister: You have it.

Scarpino: Thank you so much. We'll start with a couple of easy and simple questions, and the first one is when and where were you born?

MacAllister: I was born on the 30 of August in the year 1918 in a hospital in Green Bay, Wisconsin.

Scarpino: Who were your parents?

MacAllister: My father was E. W. MacAllister, raised on a dairy farm in Wisconsin, and at the time of my birth he was in Camp Benning, Georgia which is where I got my peculiar first name. My mother lived on a farm 20 miles away, similar circumstances. The two met over the course of the years and got married in January of 1917.

Scarpino: What was your mother's name?

Burns: Hilda Lydia Elsie Yakel.

Scarpino: What was your father doing at Camp Benning?

MacAllister: He was drafted. This was the first World War. He was in, I think, about six months but he happened to be gone when I was born.

Scarpino: Did he end up getting sent overseas?

MacAllister: He did not, no.

Scarpino: Okay. I understand that you grew up in Milwaukee. Is that correct?

MacAllister: No, I was raised, first of all, in a small town in Oconto County, which is a county north of Green Bay in Wisconsin, called Stiles. Maybe 800 or 900 people—a paper and pulp town. My father began working on the highway and got a job there. In 1922 he became the county highway commissioner so we moved to the county seat which is Oconto, Wisconsin—a city of 5,000 people.

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I went to elementary school there and after sixth grade—he got promoted to either general manager or sales manager—we moved to Milwaukee, Wisconsin. So I finished junior high school, high school, and college in Milwaukee, Wisconsin.

Scarpino: So your father basically made a transition from dairy farmer to businessman.

MacAllister: Yes. That's right, correct.

Scarpino: What high school did you go to in Milwaukee?

MacAllister: Washington High School.

Scarpino: Was that a public high school?

MacAllister: Public high school, yes. Three thousand students in three grades. I got a very good education there.

Scarpino: A big high school.

MacAllister: It is in those days, it was big, yeah.

Scarpino: Absolutely. Did you think of yourself as a leader in high school?

MacAllister: No, I did not. I was a very introverted, self-conscious, introspective young person, frankly. And my father raised me the way he was raised, I think, by—that's the Lombardi type, you know—stay on your back all the time, etc. So I didn't get a lot of "atta boys," etc. I contend I was sort of, what, uptight, and did not feel very adequate, to tell you the truth. I just didn't think I had a lot of capability or capacity. Again, nothing wrong with him and his style. It just didn't work very well with me.

Scarpino: So what were you interested in in high school? What was your passion?

MacAllister: Well, I played a lot of sandlot softball, a lot of sandlot football, and I did a lot of reading. I recall in high school I used to read two and three books a week and my best subjects were probably history and English and my worst subjects were algebra and geometry. So that sort of thing. But I leaned towards humanities. I begin playing a clarinet in fourth grade and the high school band in Oconto, Wisconsin, because they needed an E flat clarinet player. My father had the money to buy one so they coaxed him into talking me into becoming a musician. So I played all the way through of those two years at elementary school. Then all through college, I played that bloody clarinet—now a B-flat clarinet—and the bottom line is I'm exposed to an enormous amount of fabulous music so I got an orientation towards classical music with those two indoctrinations.

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Scarpino: You attended, or you actually graduated from, Carroll College in Waukesha, Wisconsin.

MacAllister: Waukesha.

Scarpino: Waukesha. W a u k e s h a, for the benefit of the transcriber.

MacAllister: The chief's name was Wauk-tsha, a Miami chieftain back in the old days.

Scarpino: You graduated in 1940, is that right?

MacAllister: Yeah.

Scarpino: Why did you pick Carroll College?

MacAllister: Well, my father agreed to give me an education—my brother and I—with the understanding we'd prepare ourselves for life and then when we're finished with college we'd leave the nest and make a life of our own. My father was educated in a one-room schoolhouse where one teacher taught all eight grades—if you can imagine that—and he was wise enough and picked enough, got enough education there to become very successful, combined with his own initiative and so forth. So I think he felt that education was significant. He could see it.

And when I graduated—I've forgotten the statistic—but one out of eight or one out of 12 of my classmates went to college. You know, that's rather startling today. He said pick your school and I was very active in the church as a young person and in Presbyterian affairs and Carroll was Presbyterian-affiliated, and we had a cousin living with us who was going with a guy, dating a guy who graduated from Carroll College—Sam Smith. So he took my dad and I out to a basketball game one night at Carroll College 40 miles away. We met the president. My father had never met a college president. He thought that was pretty good stuff. So he began to wonder how about Carroll College and I thought, that's great with me. So that's the reason I, contrary to what kids do today, you know, this is fortuitous for me. A good education there is something I've used ever since very well.

Scarpino: Partly because it was Presbyterian and partly because it was nearby?

MacAllister: Right, and it's a liberal arts school. That's my inclination.

Scarpino: What did you major in at Carroll College?

MacAllister: History, with minors in English and speech.

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Scarpino: Did you have any extracurricular interests?

MacAllister: I went out for football because I was a pretty good sandlot player, but I'd play with these guys that all had scholarships and I recall going in the locker room that first day and they handed me this handful of stuff and I didn't know what to do with it, so I'd look around me to see how you put it on. So I got it on and I was supposed, I was a great pass catcher and I thought I'd play end and what it was, and I was very unsure of myself. So about the third week after blocking and this they put me in with the cribbage of the varsity. They put me on left end. So the first play comes way around my end. The quarterback comes thundering in, two blockers ahead of him, and I got through and tackled the ball carrier. I got a jolt when I did it and I thought I felt pretty good about that and the coach is on my back. Don't I have an end player over there? What the hell is he doing? Why did me make that, you know, what's he going on...? The guy gained four yards and he's all over my back. I was not excited about that sort of leadership and it turned out I cracked three ribs in the process. So that was that. So I played, I joined a fraternity and played fraternity football the next four years.

Scarpino: Which fraternity did you do?

MacAllister: It was a local—Phi Theta Pi. So I had some experience with football. I was on the track team for three years and the only letter I won, I won in track. I was a 440-220 guy. That's the hard part.

Scarpino: Yes it is. My son ran track.

MacAllister: Did he? Okay. I was, let's see I joined Phi Beta Kappa, which deals with social science. I was also a member of the English fraternity or sorority. You had to write a paper to get in, but an English minor. I was an assistant in medieval history my last two years—junior and senior year.

Scarpino: A teaching assistant?

MacAllister: Yeah. Basically, he gave a test, a 15-minute test on everything, and I had to make up the tests and mark the papers and keep the grades—two classes, a required freshman course. So I enjoyed that very much, and I said I joined a fraternity and I became the president finally, I guess in my junior year. So I had those interests. I still played in the band all the way through.

Scarpino: Now did you think of yourself as a leader in college?

MacAllister: Ah. . . I've never thought much about that to tell you the truth. What we would call *prima inter pares*, you've got a bunch of guys, a frat, one day you're the president, but you're the first among equals basically, that sort of. . . I don't recall if, I had no trouble making up tests when I had to make them up. I

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didn't have to teach—very, very rarely. Not really. It didn't occur to me that there was such a thing that dominates just as leadership. I didn't realize its importance.

Scarpino: As you were an undergraduate student, what did you imagine you were going to do when school was over?

MacAllister: Didn't have a clue. I did not have a clue.

Scarpino: That's a good answer. [laughter]

MacAllister: As it turned out I graduated 2.5 grade point average. I'm sorry, 2.49 out of three which was really pretty bad. I didn't realize until my junior year why I was there. I was too busy horsing around, having a good time. I enjoyed my life and I should have at least magna cum laude. Would have been, not a stretch at all, but I just didn't appreciate it. When I graduated, the recession—at that point a depression, I'm sorry—the unemployment rate in Wisconsin had dropped all the way down to 17%. Seventeen percent today would be a revolution. They think 10% is untenable. So the people who needed jobs were families that had the jobs and the only option I had was to maybe teach Latin and English to an Indian reservation school, and I thought wait a minute; I didn't even apply for that because I wasn't very good at Latin. My father handed me an article one day that says to you—career, become a fine cadet, join the United States Army Air Corps. So guess what I did?

Scarpino: You joined the United States Army Air Corps.

MacAllister: That's exactly right.

Scarpino: I actually, one of the questions I was going to ask you is how you ended up as a pilot, but before I do that, I'm going to follow up on something you just said—a couple of things. What was your brother's name?

MacAllister: David.

Scarpino: Okay. Older or younger brother?

MacAllister: Two years younger.

Scarpino: Okay. You passed through your teenage years and into young adulthood during one of the worst economic crises in the history of the United States—the Great Depression. Other than what you just mentioned about your job search, what stands out in your mind about growing up in that Depression?

MacAllister: Well, we knew it as a grim time. It was constantly before us in the newspapers. You had movies about it. I recall pictures of the bread lines. I

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recall the military's attempt to marching on Washington to get their benefits or their bonus package and the reaction to that. We had friends and family that were hard up, etc. and everybody knew it was just not easy. My father never spent a day without working when he became the highway commissioner, a pretty good job, relatively speaking. So personally we did miss it, but it was all around us all the time. You were aware of it but this was in a lieu in which you functioned and this is the hand you're dealt, right, so you make the best of it. And no unemployment compensation, no hospitalization programs, no ADC, none of this stuff we've got today. We just gutted our way through it, period. I think if that's the way you're conditioned, that's the rule and you know it's the rule, then you have to compensate and somehow you just have to hitch up and get it done.

Scarpino: As you look back on that period in your life, ten-year long depression as you were coming into adulthood, do you think that growing up or coming to adulthood in that depression had any impact on the adult you became or an influence on your ideas on leadership or philanthropy?

MacAllister: Well, it depends on whether the determining, the arbiter, is the recession or the society in which I live—the nature of the mores and the culture of that period.

Scarpino: Right.

MacAllister: Because in that period you didn't give your parents any lip, you know.

Scarpino: That's true, isn't it? [laughter]

MacAllister: That's right and in that period you'd better pass your grades or you're going to go to summer school or you're going to catch hell when you got home. You respected your elders. You saluted the flag. The minister was the most important and best-educated man in your community, etc. and the system was what it was and it worked pretty well for a small group of us who were white, Anglo-Saxon protestants, you know, and got along fine. But it had its own discipline and its own code, and that was it. So I think that had a big—that was as big a factor as the Depression in terms of whatever I was shaped to become.

Scarpino: Again, as you look at the period in which you were growing up and which you were a teenager and a young man in high school and in college, were there any events other than the Depression that took place that you think had an impact in shaping the adult you became?

MacAllister: I can't think of events but I can think of the church being a strong influence in my life. My peer group, basically, a bunch of guys who played sandlot football, sandlot softball, played poker once in a while, went to a movie once in a while. Didn't do much dating but that was—the other was my church

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group. We'd go out to the river and fry pork chops or go down to the lake and hike along the lake summer or winter. And not a lot of devotions. We were not saving each other by blood of the cross, but we put on plays, we put on luncheons, we put on Easter breakfasts and we met every month and just had a good thing going—individual personal, social parties and gatherings, etc., etc. But didn't do sex in those days either. Strikes me as strange today looking at society. We got along without. . .

Scarpino: . . .The world's changed hasn't it? [laughter]

MacAllister: . . .Yeah. And it worked okay. But I've learned, having four kids, how important peer groups are with kids and I was fortunate to have, at least to my standpoint, that gang of people around me at that point in time. So I spent a lot of time with them—not in the alley or not looking for something troublesome to do.

Scarpino: Now were these, did these peer groups overlap?

MacAllister: No, they did not. They did not. And the one was all male—softball guys—and that's two or three days a week you're out there afternoons playing, or football, and the other is both male and female.

Scarpino: Again in that same time period as you're passing through your teenage years and into young adulthood, were there any individuals that you knew personally or that you heard about who shaped your attitudes on leadership or your attitudes as you became an adult?

MacAllister: I think one of the strongest influences on me was the guy for whom I worked at Carroll College as assistant professor and he thought nothing at all—I took the class as a freshman, unhappily only got a B in it. I took ancient history and got an A in that. But I had good marks in history and liked it obviously and the fact that he—not a lot of kibitzing. He had confidence in what I was doing. Very little correction. I said I did all the testing all the time, kept all, when the student asked how he was doing he'd have to ask me what his grades were. You know, that sort of thing. That's implicit confidence to put in some guy who's a junior in college when his father's on his back all the time. Follow me? It was a real break and I'll never—his name was Bremicker—never forget him. He was just an incredible guy and a strong influence. Of course my dad and mother had also a strong influence on it but I can't think of any—I don't think of my idols in those days as being something other than that. There were no ministers particularly.

Scarpino: What was Professor Bremicker's first name?

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Scarpino: Adelbert? Okay.

MacAllister: Yeah, but he left the school in the beginning, I think, of my senior year under—I have no idea why. Except one day I came into his office. He wanted to talk to me and he started talking. Has anybody ever challenged my scholarship? I said what, who would challenge my scholarship? Not to my knowledge. I didn't know anybody who could around there. And not much after—before too long it was announced he was leaving. His son had a '29 Dodge coupe. This was 1939, ten years old, and he wanted to get rid of it before he left, and he wanted \$40 for it. You could buy a car for \$40, imagine. I thought, I was salivating over that, but I didn't have \$40. The next day Bremicker said to me, we're going to give you the car. Now that was very—and for a kid at my age in college for the rest of my couple of summers I was oh, I have this automobile. He was always very good to me and I'll never forget how kind he was to me.

Scarpino: Was that your first car?

MacAllister: Yeah.

Scarpino: And you think the fact that he showed confidence in you was the . . . ?

MacAllister: Meant a lot. It did, yeah.

Scarpino: So you already mentioned to me that as you graduated from college and into a depressed economy that your father pointed out the opportunity in the U.S. Army Air Corps.

MacAllister: Yeah.

Scarpino: What attracted you to flying?

MacAllister: Well, the glamour. But you need to know I did not become a pilot. I joined to be a pilot and I did not really, I didn't cut it. I got my exam the day before my 22nd birthday, they accepted me in October, I'm on a plane for Muskogee, Oklahoma, which I'd never heard of. This is basic school, ten weeks of it. And I went in with a bunch of other guys in there, I don't know how many, a couple hundred of us there, flying Stearmans, no, Fairchilds. I soloed at seven and a half hours, which was okay, and I became one of the three sergeants in that class. With a top sergeant and three guys each with a platoon to drill on Sunday, marched to meals and marched, etc. I never thought about that until later. Again, I don't know why the guys selected me to be a sergeant, but I was one of the three.

I got along with the airplane okay and I got to Randolph Field where you got a lot of hazing, eating a square meal and walking with the wrinkles in your throat

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and I didn't like that too much. Could not feel the airplane, I could not—and so after about three weeks or four weeks of this I said, well let's—the welfare of the service is better served for both of us if you keep your feet on the ground. Well, to tell you the truth later on the company owned an airplane, a Cessna 180, and I learned to fly it. And I made an awful lot of dumb mistakes, I will tell you. [laughter] More than once into a soybean field, that kind of stuff. I did not belong in an airplane. So they checked me out and from that standpoint I had an option of coming back, but this is February of 1941 and I knew when I was graduating the Germans were running western France. I knew what was happening over there like few people did, to tell you the truth. I knew that we were not going to avoid this, despite what the Congress was saying. So you can go on back home, or you can become a bombardier or an armament officer—radio or engineering, 194, and get special training. Each squadron had one of these things but they simply appointed an officer to be it. Now we're training officers as we're spanning our Air Corps.

So I opted for armament, you see. I like guns and if I was not going to fly, let somebody else fly and stay on the ground, do my own thing. So I went to armament school from February until May and became an armer and then had the option of where do you want to go and the closest base to my home in Milwaukee was Selfridge Field, Michigan. So I joined the 71st Pursuit Squadron, the first pursuit group at Selfridge Field. The first pursuit group happened to have been the United States Air Force in the first World War. A hit and miss all the way through, so it had a continuous string going on. It's, today, the First Tactical Fighter Wing at Langley so it was a long history there.

Scarpino: Yeah. For the benefit of anybody who listens to this recording, the airplanes are in the Army in those days.

MacAllister: That's right.

Scarpino: That's right, we didn't have an Air Force.

MacAllister: That's right.

Scarpino: So, you went to armament school.

MacAllister: In Colorado, yeah.

Scarpino: Now did that qualify you to be a machine gunner on a plane?

MacAllister: No, no. You had, you were in charge of the bomb racks if you were a bombardier, the bomb site if you were in bombers—the guns, turrets, and all that stuff. In our case it's fighters. We had P36s when I first got there—all the goofy things. Two in the wings and two shooting through the props.

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Synchronized. They were synchronizing guns in those days. Horrible firepower fighter.

So you're in charge of the machine guns. The small arms, everybody's armed in a squadron, so you have to issue all those. Ideally, you would teach pilots to shoot by skeet and trap shooting and so there's skeet range there and you're in charge of skeet range except it turned out we never got much chance to use it. We also had chemical warfare. And nobody thinks about this, but I watched overseas wherever we moved, someplace if you look around it's there. On a rare occasion we'd put on chemical warfare tanks with nothing in it but water and get up and send some pilots across to see that they were still working so we were prepared. So that was part of our job as well. And then you've got the gun sites. The chief assignment really—and it was P38s, five guns in the nose, and the objective is at 250 yards and the level of 260 miles an hour, there is the pattern. Those guns are shooting where your target is looking. So I did a lot of that. That was the assignment.

Scarpino: But it was a ground position.

MacAllister: It was a ground position.

Scarpino: You were maintaining and training and that kind of stuff.

MacAllister: Yep. Yep.

Scarpino: And you clearly knew that we were drifting toward war.

MacAllister: I was, yeah, yeah.

Scarpino: Did you have any idea that it would come from Japan?

MacAllister: No, I don't think so. I don't think anybody did. I don't know what other people were thinking, but I was afraid of Hitler because he was the one that was overrunning everything and he was the one that was in the paper all the time, and threatening Europe and threatening Britain.

Scarpino: Do you remember where you were when you heard about Pearl Harbor?

MacAllister: In my car, driving from Indianapolis to Selfridge Field. Just gotten back from maneuvers—three months of maneuvers—which we left on my birthday in August of '41 and at New Orleans and Savannah and Spartanburg, living in the field in pyramidal tents. Beautiful training, because that's what we'd be doing in six or eight months. And your own chow wagon and flying missions off of stamped metal strips in actually conditions you'd find in the field. There we were, we were doing it and it worked well. Got back, and I decided to come back to Indianapolis, where my family had moved, to see the city for the first

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time. So I came back here for a weekend to see my parents and on the seventh of December, 1941 at one o'clock I had taken off to get back to Selfridge and I was driving along with my radio on and guess what I heard? FDR.

Scarpino: What attracted your parents to Indianapolis?

MacAllister: My father, I told you, worked on the highways as a kid and got acquainted with Caterpillars, and somehow or other the Caterpillar people got word of him and hired him as a salesman. So he quit the job as commissioner about '28, something like that, and begin selling in the territory and in 1930 they moved him into Milwaukee to be, I think, sales manager first, then he became general manager. It was a Caterpillar when he started, but Caterpillar had a disagreement with the local dealer because they cut his territory in two right after he built a brand new building and he took that unkindly. He said screw it and took on the Allis-Chalmers line of product made in West Allis, Wisconsin, comparable to Caterpillar, also building farm machinery. My dad then was manager of that operation, fabulous. He did a great job. Got a strong reputation in the state. Made Caterpillar look sick as a matter of fact. This guy had four sons, and in 1941, early '41, the dealer for Allis-Chalmers in this area, Indianapolis, got killed in a car accident. The family said, Mac, would you like your own Allis-Chalmers territory? So he talked to the boss and they agreed to let it go. So the guy gave him his, whatever he had in terms of his equity there, and he moved down here September 1st, 1941 as the Allis-Chalmers dealer, MacAllister Tractor Company, and set off on a new career.

Scarpino: Here in Indianapolis?

MacAllister: Yep.

Scarpino: Where was the...?

MacAllister: ...802 Daly Street. Daly Street's obliterated by I-70. It's just off Washington, 800 East, a block south of Washington.

Scarpino: So, it's in the east side of town.

MacAllister: Yep.

Scarpino: And it was mostly farm machinery?

MacAllister: No, no, no. Bulldozers, and motors and motor graders, construction machinery.

Scarpino: At that time, did you ever imagine that you would end up in the machinery business yourself?

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MacAllister: Well, I worked summers for a job in Milwaukee going to college. When I graduated from high school my dad said you're going to start working this summer. Okay. I was a parts chaser in the parts department and your business picks up in the summertime, so you can easily put on somebody. So I worked there for three summers and I knew how to package and unpackage parts, put them in the bins, where to bin them, how to post them, how to order and re-order and that kind of stuff. Did a lot of pick-up and delivery. Over to the factory twice a day picking up parts, to the railroad station for express or the bus station, etc. So that and then I was familiar with the entire genre pretty well.

Scarpino: So you were learning the business from the bottom up, so to speak.

MacAllister: Inadvertently, yeah. Ironically when I—Dad would say what're you going to do—I was coming out in 1945. I said I guess go back to Milwaukee and look for a job. He said I'm getting the Caterpillar account. Do you want to come to work for me? And I said, sure, why not. So he said okay, let's see, I can start you at the top or the bottom, in which case, you've only got one way to go, right? He said you're going to go to work for me, I understood, stock chaser in the parts department, which is the job I knew. So that's the way I started.

Scarpino: Do you think of your father as a leader in business?

MacAllister: Yeah.

Scarpino: What stood out about his leadership?

MacAllister: Well, first of all, unlike me, superbly self-confident. Secondly, he was very, very successful. In other words, he told me one time that he sold more crushing plants—now that's unusual down here, but that's screening and crushing gravel. So in the course of his career he sold 30 of these things, more than anybody else in the Midwest. He was recognized pretty well. He was on the board of directors of the Associated Equipment Industry—which is when he got ill—which is our national trade association. And of course, he and I had—didn't walk as peacefully together as we might have, but we never had any rows or anything. I just didn't think he appreciated me and I was trying all the time to please him, and sometimes not succeeding. But when he checked out, the first couple of months I was amazed at how many people talked about my dad with affection. Not only respect, but regarded with affection.

The guy who ran a construction machinery publication down here—is a guy named Fred Johnson—an old AP guy. His magazine was called *Construction Digest* and everybody advertised their wares in his publication. And he was a sort of a clearing house, a focal point, etc., because if he helped the industry it helped his business, and he was very active in our affairs. So he told my dad they needed to get an association down here. This was a national group, why

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not get a local chapter like everybody else had? The animosity was so intense between these guys they wouldn't even talk to each other. He said until your dad came down here, he sat down with each of them, he said come on look at it, and because he put them together he pulled the guy and created the Indiana Equipment Distributors. But that sense of being able, you know, on the basis of his own integrity and reputation to get the thing going was okay. So he was regarded. But I watched him dealing with Caterpillar and occasionally with customers and with his employees and he never seemed to be in doubt. He knew what he wanted to do, he knew the business well and he'd been in it a long time, etc. He'd go crazy today though, I'll clue you. [laughter] He did.

Scarpino: So what do you think you learned from him about leadership?

MacAllister: Well, I think the importance of character and integrity. In the early days in this business, my first ten years, a lot of partying, a lot of booze. We never—I didn't see too many broads, but they were there, etc. But you go to a convention at French Lick with the tractors, and each of you has a suite set up and you're serving booze, you know, and everything. You go to the business meeting and there might be 30 people there. The rest of them are in the bars and so forth. Pretty casual. The reason was everybody was making money in those days, and it's not—as tough as it is now, as demanding as it is now, it was pretty carefree.

But again, he was always a cut above that. I never saw my—I saw my father drink, but I never saw him get drunk or lose it. And the fact that everybody trusted him including his customers, and they said if Mac tells you something, you could take it to the bank, period. That matter of character and integrity I think has a lot to do with whatever happens to you here. There were people—we called one guy rapid Robert because he'd make it once around, very, very clever, but he'd make a deal that he'd adjust it, that he'd it adjust again. When he got through, you didn't want to do business ever again with him. My father was not that way. He knew what it was, and so it would be that. He was unhappily not a very good delegator and not a very good teacher so my training was sort of by osmosis or capillary action, which wasn't very good. But by example, in terms of what he was as a person or what he wanted his business to be and he wanted it to be, you know, he wanted to be the white guys. He wanted to be pure and he wanted to be regarded as absolutely honest all the way. We still feel that way here, I hope.

Scarpino: Are you a delegator?

MacAllister: Absolutely. Absolutely. I had about 40, 45 guys in my section in the military. Rudimentary, etc., and I don't guess that took much other experience but instantly, you know, understood if the parts guy doesn't know more about that operation than I do, you know. My father liked making the decisions. My brother was the same way. They enjoyed it. They wanted to be involved, etc.

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Bring them in, we'll talk it out together. But Dad had 15 people working for him, that's one thing. You get 45, 50, 75, you get 700, you're crazy to try to do it all. But secondly, he was not a very good recruiter. Nobody was in those days. They didn't have to be. And I watched my managers for years recruiting and nobody knew how to interview. Nobody said here's what I need in this thing. Here are the questions I have. Figure if you've got it or not. So it was pretty hit and miss but again you got by without it. That's not the case, if you're going to be superior today you'd better have the better people.

Scarpino: Do you consider yourself to be a good recruiter?

MacAllister: I started in this company, the fact that you don't ask, you don't do all the talking with you're interviewing. Secondly, you need certain criteria in this person, here's what it is. Third, you need a list of questions. You don't just sit there and chat all the time. Now, that was rudimentary, and my son and I talk about this at some length and he's become a superb recruiter. Nobody, never—upper level is hired here without psychological tests. I also begin testing and you can tell pretty quickly with stenographers if they can spell, if they can file, this and that. There's no point in hiring somebody and then three weeks later saying, you know, when you could have found out in 30 minutes. So the testing and the interviewing, it was again pretty fundamental, but at least we started that way.

Scarpino: Is business recruiting for good people more competitive now than when you started?

MacAllister: Yeah, yeah, yeah. Yes. Because a lot of bad people got jobs and didn't stay long. I guess they might still today, I don't know.

Scarpino: Probably a few.

MacAllister: But you—nobody thought about growth in terms of an individual. Nobody did semi-annual performance appraisal. Nobody did job descriptions or departmental objectives in those days, etc. My brother didn't believe in those either, but I thought that's the way to do it. Tell the guy what you want, be sure he knows what it is, then tell him how he's doing it, period.

Scarpino: I want to go back and ask you about your military service a little bit more. Obviously war broke out, the Japanese bombed Pearl Harbor, we were engaged in war with Germany and Japan and Italy and you were shipped overseas, right?

MacAllister: Yes.

Scarpino: And almost more than two years overseas?

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MacAllister: Twenty-seven months.

Scarpino: Yeah. You achieved the rank of captain?

MacAllister: Yeah.

Scarpino: So you became an officer.

MacAllister: Yeah. I became a cadet, stayed a cadet, when I graduated from armament school they gave us our commissions—second lieutenant.

Scarpino: Okay. So part of the deal with the armament school was that you would be commissioned.

MacAllister: All of us were washouts to begin with from flying school.

Scarpino: [laughter] I should probably disclose to you that I was also an officer in the Army.

MacAllister: Good, good, good.

Scarpino: So, a long time ago in a different life. So you became a second lieutenant and then eventually you ended up as a captain. What were your general responsibilities as a military officer?

MacAllister: Well, basically the squadron. I said I had 40 or 50 guys, and they had five guns per ship and you've got ships coming and going, ships cranking up. You've got to load them every night. We loaded bombs as well, often time to time we did strafing depending on the mission, and I had almost no other, once every what, once a month you're officer of the day but that, carrying a sidearm and reporting and you're there if something goes wrong, etc. I was mess officer for a while but C-rations, you couldn't do an awful lot. Basically that was it.

Scarpino: Do you think that you learned anything about leadership as a result of your military experience?

MacAllister: I think so. I think so. The military has an established and defined structure which is authoritarian. You were an officer. That requires you to be and to do certain things. Unhappily, when I started with the 71st, I went up to the gunnery camp that summer with no airplanes and not very many pilots and I played softball with the GIs and drank beer every night with them, so pretty casual, pretty carefree. As you fill it out, and we filled the squadron out and became fully organized with full complement, then it began changing and I recall a CO saying to me one day in North Africa, Prune—they called me Prune—you've got to make these enlisted guys quit calling you Mac. Okay. So they called me Lieutenant Mac or Captain Mac later on. But there is a

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difference, and they knew it and we all knew what it was, etc. So that recognition of the fact that there are those that direct and those who are directed. It's just automatic in the military and I was a director rather than he who is directed. You get certain disciplinary problems from time to time. A sergeant set a ship up one day and he forgot to load the guns, forgot to push the round in the chamber. You know what I got to do. I got to bust you. I understand. So there's a certain—again that's simply following what leadership does in terms of a recalcitrant or a sloppy subordinate. And you've got the example of the CO. You watch him. How he performs, and it's amazing how bad some of them were, etc. and it's tough to be informal but be in charge, to be in command. But that takes a certain doing, certain adaptability, etc. But I think you are a leader when you're a commissioned officer and you try to act like one, like I said, close as I can come.

Scarpino: When you shipped out of the United States, where did you first go?

MacAllister: I went to Britain for five months. We shipped on the Queen Elizabeth, the fourth of June, I think it was, in 1942.

Scarpino: Safe crossing?

MacAllister: We didn't even have a convoy because it went 25, 26 knots faster than a submarine, so they took us out and off we went. In Scotland, then the place called Goxhill for about two and half months, then Ibsley down 30 miles north of Bournemouth the last two and a half months and it was a great break for us. Number one, you've got the guys you've been flying with in the States and on maneuvers. So you know each other and you've got the formations. Secondly, the Brits had their formations wrong. A six-ship echelon is no good. It's two elements to make a four-ship flight, and we learned about oil at high altitudes. We learned about security and about safety and about what happens when you get shot down. Just a lot of stuff and, although we ridiculed the Brits, in retrospect. One thing you knew at the bottom—they could fight. Oh, they were damn good fighters. They were tough. They were a little different, a little stodgy, etc. But they were pretty good. But we got conditioned there and we made submissions over here finally. Our squad was the first one over there, the first fighter sweep. Then in October they shipped us to North Africa and I went into the beaches, Oran, on D-day or the zoo just next door to it, and spent gun fire all around you. Couldn't figure out what the hell was going on. What am I doing here to begin with?

Scarpino: So you landed on the beach.

MacAllister: Yeah, up to your ass in water too. What's that flat thing in the front of the boat for? You know, it's to take up on the beach, right? No, out she goes, out we went.

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Scarpino: When you were in England, was your unit flying combat missions?

MacAllister: Yeah, yeah.

Scarpino: Yeah. So they got combat-tested while they were in England.

MacAllister: Yeah. We lost one guy and one mission. Never knew what happened to him, but the casualty was there. But once again you've got GIs living in tents. You know what it's going to be when you get into—and so the same thing happened when we got into North Africa.

Scarpino: How long were you in North Africa?

MacAllister: Well, we got in there the first of November, first week in November and stayed until late October, and our job is high escorting the bombers under targets because Rommel was still, he just recoiled from the east and he's still giving us a lot of trouble and he is tough. He is very tough.

Scarpino: So you were there before El Alamein?

MacAllister: Yes. We were in the boat when all that happened. We were there capturing pass though, which was a shit-kicking if you remember.

Scarpino: Yes.

MacAllister: And I recall thinking, he's about 150 miles away, who's going to stop him? The answer is, had he had gasoline, nobody would have stopped him. At any rate, our objective is to take the bombers over and bomb the harbors and German communications and German emplacements and so forth, and periodically we did some dive bombing which was very dangerous because you learned on the job. Nobody was taught that in flying school and it's badly synchronized. You blow up the next guy who flies through the air bursting. But that happened quite frequently because you could bust up bridges or it would, when they went into a place like Salerno, they'd take a bunch of us. We took my gang, 71st, a hundred of us out of 300 and took us over there to Katanga, right south of Mt. Aetna and our job was getting the convoy into Salerno, then getting the troops off the convoy onto the beaches and then busting up German communications, lines or trucks and their boats and their ammunition depots and their, whatever you could bust up for four or five days to see that the military got in there.

Scarpino: So you went then from North Africa to Italy?

MacAllister: Right.

Scarpino: And sort of moved up the peninsula?

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MacAllister: No, we stayed.

Scarpino: You stayed in north...?

MacAllister: Stayed in Foggia. The Germans had a center there and I'm sure eight or if it was not ten all the way around it. So it was a sort of a beehive. So we just landed on those. In fact, we saw one of our own airplanes, crash landed, shot down, on the same airport we were using from a previous raid.

Scarpino: From Italy where did you go?

MacAllister: I came home from Italy. In August of '44 they said, they began the rotation thing on a number of points and he said do you want to go back? So, take me home, take me home. So I came back.

Scarpino: So as you look back on your military service, how do you think about it? I mean, what does it mean to you?

MacAllister: With great fondness. We're going to meet again, reunion next month, no, in September in Langley. But I think how ironic it is because you bitched every day you were there. The food is lousy.

Scarpino: [laughter] I'm laughing because I know what you're taking about.

MacAllister: We were in—in the tour in North Africa where it got to 110, 115 and thermometers were breaking and you have to shake the scorpions out of your shoes in the morning, and dust, dysentery, jaundice. I had jaundice over there, etc. and the chow was not very good. But in retrospect, in the bigger picture, it was the place to be at that time for a lot of us. That's what you ought to be doing like we were doing.

Secondly, you are with a group of guys who had been together a long time, interconnect beautifully, each knows his job, each does it. Your job is to get that plane up there, get it back, and go up again, etc. And I was thinking when they came off of the trip to Sicily when we got the guys in at Salerno, we spent about under three weeks there getting it—one day flew four missions. Four o'clock in the morning you're up getting it going and I can recall loading bombs until midnight some nights, with your hands pumping out of a tank because you don't have trucks to get the gasoline in any other way and you're working your buns off. The crew chiefs are sleeping out by their airplanes in big crates to bring the extra belly tanks in, you know. It's about a two and a half by two and a half foot box, and they're sleeping out there all night next to the airplanes. Then you're going—you've got no major hangar anyplace, no lathes, no drill press, nothing, working out of toolboxes and duct tape. And when I got through with that, I thought you know, Lockheed couldn't have

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done what we did. They couldn't have. So there's that esprit de corps, that sense of purpose, and unity, and mission. When we made a—we dedicated a monument over in Dayton, Wright Field, I don't know 12 or 15 years ago—it may be longer than that—to the first group, I did the speech. I quoted that speech of Henry the V's before Agincourt, we banded brothers. That said it. The whole thing. That's the way we all felt about it.

Scarpino: [laughter] You got in ahead of Steven Spielberg, didn't you?

MacAllister: Well, but I keep thinking how we used to bitch every day we were here and now we look back and that golden era when we were the warriors, you know. Very strange.

Scarpino: As you became a businessman and so forth, did you ever draw on things that you learned in the military?

MacAllister: God, I can't think of anything. Not a hell of a lot, not a lot. Not really. I don't know what the lessons would be. I guess the sense of camaraderie there is a little different than a fraternity, it seems to me. Well the nature of the mission, to begin with, made everything pretty serious and yet the world had balance there for a while, if you want to be a romantic about it.

Scarpino: We talked a little earlier about your father moving to Indianapolis and founding MacAllister Machinery in June of 1945. You explained where the company was located and all that business but I wonder if you could talk a little bit about, if you know about this, about what was involved in basically creating a new company? Where did he get his money? How did he develop a business plan? Did they do that in those days?

MacAllister: No. It was more intuitive.

Scarpino: Customers, customer relations, suppliers, that kind of thing, what was involved in putting it together?

MacAllister: Let me get back to my father a second. I don't want to leave too bad an impression here. I, you know, I've never, I've been hard on him for a long time just because we, he didn't think the same way I did and vice versa. In fact, he didn't think I was going to cut it, to tell you the truth. But everything I've got I owe to my father. I'd have never gone to college if it hadn't been for him. I didn't have that kind of gumption. My gene structure. Hell, I'm 90 years old. Where did I get that? My mother and dad, of course. Where did I get my job? My dad. And then he gave me the company when he got sick. So, I wouldn't be anything without him. So that needs to be on the record someplace [laughter] and I'm well aware of that. But in those days it was more intuitive, business was more person-to-person, less statistic-to-statistic, than it is today, and my father was recognized in his industry as being a pretty

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top-notch operator, not only by his peers but by the construction machinery industry. They traveled, the contractors travel around, so there's kind of an amalgam there and there's also a common pool.

Scarpino: So he came here with a reputation.

MacAllister: Yep. Extant. But by the time the war was over it was better, really. Caterpillar invited him, you know, so they heard about it, that's it. So Caterpillar takes a look at what you've got. My father told—he came down here in 1941 with \$20,000. You can't buy parts for a machine today, you can't buy a set of tracks for that.

Scarpino: He had \$20,000 in personal assets when he started the business.

MacAllister: Yeah. And off he went and he—but he was a businessman. I'm not going to buy the parts unless I can pay for them. You can only order \$3200 this week, Lee. He said okay, I'll go and collect some money and we'll buy some more. But you know, that sense of limited credit. Work within you've got is not bad discipline, and that was imposed on him and it was a norm. That's what he worked with, etc. He told me at the end of the war, after taxes, he'd made over \$200,000, and he thought that was good. Well today that would be over two million I'm sure, maybe more than that. And that was enough to take out the other guy. Strange thing is, when I came back from overseas in late August of 1944, came here for a week before I went on R&R, met a new guy named Jack B. Haile who was a brand new Caterpillar dealer for the state of—for this territory.

Scarpino: Jack B. Haile you said.

MacAllister: Jack B. Haile—H a i l e. Came out of Garwood Industries—no one, for some reason... The Caterpillar had cancelled their old dealer for reasons of their own and put this guy in. That's September 1944. 1945 my father is getting the Caterpillar account. Now what did that say about selection or inspection or recruiting or whatever you call it?

Scarpino: So when you talked about taking out the other guy, that was the other guy.

MacAllister: Yeah, but he—Caterpillar made a dumb mistake. Why do you appoint a guy that's not going to hack it? At any rate, so he was there. He wasn't doing it so they wanted my dad because he had a success story in this area, well-established reputation and he was still in business I guess when Haile went in, that might have been why. I don't know. So he cut a deal.

First of all, where are you going to put your business? You couldn't build anything in 1945 because you couldn't for two or three or four years. He had a warehouse in Brightwood at 2118 North Gale Street, a lumber warehouse built

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in about 1928 which was big enough for us then. He had a crew over there and mechanics and some secretaries and some parts people. So the deal is with Caterpillar, you buy his parts and we take an inventory and we send him a check. And he had no machinery to buy. Then you cut a deal with him on the rest of it. You take what you want. You buy his receivables or don't buy his receivables. You keep some of his people, most of them, but you don't keep them all. He wanted a flat fee for—he had a bunch of orders from Caterpillar once he started producing and my father gave him \$50,000 for that, which in my mind is a big mistake. So it's just negotiating these little things. But again you're talking maybe 35 people at the end of it, or 40 people.

Scarpino: So the entire business employed about 35 people?

MacAllister: Yeah.

Scarpino: Did Caterpillar and Allis-Chalmers, you know, the machinery companies, did they do well during the war?

MacAllister: Yeah. The government took over their production, period. They built a special plant in Decatur. They built two sizes, a D4 and a D7.

Scarpino: Caterpillar tractors?

MacAllister: Caterpillar tractor, right and if you had a new plant going in like Stout Field out here or Bakalar or the Naval Ordnance Plant, or there's a big airfield up north of Kokomo, or La Porte Ordnance Depot or something else, you got a special permit from the government to get a Caterpillar tractor or two or three Caterpillars. So that's how my dad made a go during the war by a lot of building, and he got a lot of special priority certificates to get machinery for his guys and that's how he survived very well.

Scarpino: Did either of those companies manufacture military equipment like tanks and . . .?

MacAllister: Not to my knowledge. Not to my knowledge. But nobody knew what a bulldozer was before the war. Do you realize that?

Scarpino: I don't, no.

MacAllister: Yeah. Nobody knew what a bulldozer was. Then you get all these CBs over there in Saipan and Guadalcanal, wherever you're going, or over in Normandy knocking out those hedgerows. All of a sudden there they are and think of the GIs that came back having operated bulldozers, saying well I'd like to buy one and go into business. A lot of that.

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Scarpino: That probably did stimulate business. I mean I have seen pictures of basically logging machinery that looks like a bulldozer from the late 1920s. It's got tracks on it and so on.

MacAllister: Yeah. That would have been a Caterpillar.

Scarpino: So your father starts this business and then in the summer of 1950, he became very ill. I think he had a stroke.

MacAllister: Yeah.

Scarpino: And you were tapped to take over.

MacAllister: Right.

Scarpino: For the benefit of the people who are going to listen to this recording or who are going to read the transcript and who don't know very much about the machinery business, could you explain what services and equipment your company was providing at the time you took over? What was MacAllister Machinery doing when you became the head?

MacAllister: Okay. My father had in Wisconsin, and I think with the Allis-Chalmers, got two or three other lines he regarded very highly. One was Iowa Manufacturing Company which makes crushing and screening and conveyor equipment, and that was very big in Wisconsin because most of the counties have their own up there, etc., and that's not the case here when you contract it, but that was one. The second was Northwest Engineering, made in Green Bay, Wisconsin. They built three sizes of shovels, front end shovels. They called them steam shovels in those days. And I recall you put down \$2,000 and you waited two years to get one. They were that well regarded. And then he had the J. I. Case, heavy, industrial rubber tire tractor, which we didn't do a hell of a lot. We sold buckets; dragline buckets. Now, what the hell is a dragline bucket? Coal fields in those days were, in '45, '46, '48, were going gangbusters and a 25-yard coal bucket is a pretty good size sale and for one or two, we're the biggest Hendrix bucket dealer in the country.

Scarpino: He sold those out of Indianapolis?

MacAllister: Yeah. We were an agent for, another—wire rope. All the tractors were—ours were all used—not hydraulic but cable-controlled. The scrapers or the dozer, if you're selling a bunch of wire rope all the time—Broderick and Bascom. That was the basic line in those days. Caterpillar when we took over built ten products, period. Ten models.

Scarpino: Were those in addition to the track, bulldozer-type farm machinery, or...?

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MacAllister: No farm, but they built it for the farm, but it was a crawler tractor. They had the D2, D4, D6, D7, D8 tractor and three motor graders, and two rubber tire things that didn't sell worth a damn. But the bulldozer was king for years and that was it.

Scarpino: So basically you had the Iowa Manufacturing, you had Northwest Engineering, you had Case, you had the. . .

MacAllister: . . . Hendrix. . .

Scarpino: . . .Hendrix for the draglines and the Caterpillar products when you took over.

MacAllister: Yeah.

Scarpino: As I understand it, you did not actually receive the title of president until 1954.

MacAllister: That's right.

Scarpino: So how did you go about establishing yourself as leader of the company?

MacAllister: Well, my father left one day to go to the clinic to get—or hospital to get checked up. He wasn't feeling very well. He'd had some circulatory problems two years before and he couldn't figure out what it was so he was going to get checked up, and can you handle it until I get back, and I said well I probably can. So, he never came back. What happened, he had a blood clot in the brain and the guy he was going to jacked around for three weeks and never found out what it was. His neighbor across the street—let's go to my doctor. So he said my God you've got a blood clot. You're in the hospital immediately.

So some damage had been done as a result of that. But when you get a stroke, you know, often you snap back. Two or three had come back to work. Well, what's he going to do? So we watched and made it. This was the first week in May, second week in May of 1951, and he gets along okay and okay, but he never comes back. Then he walks around the block, he's ambulatory, this and that. He couldn't sleep nights, and then in January he has another one, another stroke which was pretty severe which his speech is affected to a degree and he's changed a lot. So we are not sure what his status is going to be, and he was the 600-pound parrot too, don't forget. So anyway, now my brother and I had equal ownership and equal salaries, etc. He ran—my brother was in Fort Wayne running the Fort Wayne store and I was down here at the headquarters etc. So we argued about it and flip a coin, and whatever you wanted to do. We were ambulant about it, very imprecise, so finally I decided that this is the headquarters. See, I've been down here, I'm the oldest, I'm going to take over. Well, okay, alright. So he acceded to that. He stayed up there in Fort Wayne and I became the president and you can get voted in—well you said '53 or '54?

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Scarpino: I got '54 when I looked it up but. . .

MacAllister: Well, I don't know. I didn't think it was that long. But at any rate, the official title came, but in the interim of course somebody has to run it and I had two or three guys that were ready to—a sales manager and a treasurer that were ready to go and filled in the gaps. It would be people to whom you could delegate.

Scarpino: So at the time that your dad became ill, in addition to the facilities here in Indianapolis, you had a store in Fort Wayne.

MacAllister: Fort Wayne, correct.

Scarpino: Were there facilities anywhere else in Indiana or just those two?

MacAllister: When he was ill he was negotiating to buy a store in Plymouth, Indiana. Plymouth, Indiana? Why Plymouth? Well the toll road was coming into being, and Caterpillar was nagging him to get a presence up there, so he bought a store up there. In fact I took the check up when he was in the hospital. Paid \$12,500 for it. We put a branch there, expanded it, it lasted through the toll road epic and after, I don't know, might have been there 12 or 15 years then finally it was no longer justifiable, so we closed it.

Scarpino: So when you became president of the company, what were your goals for the company? Where did you want to see it go?

MacAllister: Well I think your first concern is how do I run this damn thing and what's Caterpillar going to say? And I know what they want. They want to see it go and they're going to be watching very closely. All Caterpillar dealerships are, except for one I think, in the United States, are privately owned. And Caterpillar wants the guy who owns it running it. So you're not part of a General Motors or a big amalgamate which makes a lot of sense. Therefore they watch to see who's going to be running their company. So they've got to approve me somehow or other.

So that, I don't know whatever happened, how that evolved but they just let it go to see what would work. We had a guy selling engines for us that came out of Iowa Manufacturing. His name was Bill Diehl, who was an All-American football player for Iowa, back when they had Nile Kinnick and those great teams. He was not really utilized or employed so I made him the sales manager almost immediately, and he was a dynamite sales manager, and the treasurer was a guy named Rollo Ramaker who had gone to school with my brother and I. We made him the treasurer, so I didn't have to meddle with the books and I had nothing to do with selling, which is the one that carries the freight in this business. He had it done. And from that standpoint you'd be looking at the team and most of my father's people were great old guys but as you get larger and larger and the demands are increasing in terms of your

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proficiency and performance, the accountant just—we sent him to a specialist one day—he just was no accountant. He wasn't there. So we had to find a way of moving him sideways or taking him out.

So there was no grand strategy. It was sort of fitting a piece at a time, trial by error, imposing what I thought was the way to run a business versus my dad. It was certainly not me telling the sales guy what to do or making the deals, which my father loved. I didn't like it. I didn't know how to do it. I wasn't going to do it. And I said before, you know, secondly, if he doesn't know more about it than I do then he doesn't belong there. But, if the leaders are looking for a model here, it's not here. It's just, here it is, here's your hand, I've dealt it, how are you going to play it. So I played it the best I could. We were collegial pretty much. There were four of us that ran it for the next 25 years.

Scarpino: Same four people for about 25 years?

MacAllister: Yeah. That's right. My brother and this guy Bill and Rollo, and we'd talk and when push came to shove I got my way. There were times they didn't like what I wanted to do, but they—okay, that's it, let's do it.

Scarpino: So how would you say the company changed in those 25 years?

MacAllister: Between now and?

Scarpino: No, the first 25 years the four of you were together?

MacAllister: Well, it got bigger, which means it got more complicated to manage. You've got to do a better job in finding and training people, for one thing. We've got training programs now that are pretty good, but they were pretty fundamental in those days. I don't know how many stores that we got, we ended up—we have six stores now. I don't know how many we had when—I guess we probably had them all when I took over, which means you've got a manager for each one and a structure. You keep cutting and fitting, and generally speaking, what we did was find a terrific mechanic, make him a field service man, then bring him back and make him a supervisor, then the next you know he's a service manager. He knows a lot about fixing tractors, but nothing about promotion, marketing, nothing about training, instructing, management, that kind of stuff. So we had to begin talking about management from the standpoint of not technicians, great salesmen become sales managers. Doesn't work. So, that standpoint, at least it became obvious to me that that was a change and so over the course of time we began looking for people who had management skills. You can hire the technical proficiency and I think that's pretty well through the company now, the same thing occurs. Along the way you pick up a lot of benefits we didn't have in the old days too, you know. [laughter] Like hospitalization.

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Scarpino: Oh, oh those kind of benefits, yes.

MacAllister: And you got unemployment compensation and other odds and ends, but what I notice, speaking generically and probably deviating from your question, is it got—the business got more and more automatic, oriented systems and less and less people. In the old days that was a person at Caterpillar. Today that doesn't happen very often. The manager's over here in Dublin, Ohio and this is what the book says, you know. Sometimes that works and sometimes it doesn't fit very well. It's like calling on the phone and getting a voice mail and the question you have is never one of your options. You've got to jack around with it. Is it larger? I guess it just grows larger, you need more bank line continually. You've got more properties to manage.

Scarpino: So one of the things then would have been a clear move away from this pay-as-you-go, to bank lines of credit.

MacAllister: Oh, yeah, yeah, yeah.

Scarpino: And were you the one who was responsible for finding credit?

MacAllister: Well, yeah. I can recall going to the bank with my account auditor, Rollo, one day, trying to borrow \$5,000, and he wouldn't give it to me.

Scarpino: [laughter] This must have been early on.

MacAllister: What happened in those days—this took a long time. In 1951 you could get a loan to buy a used car. You could not get a loan to buy a brand new Caterpillar D7 tractor. You know, they didn't know about these things. Just crazy. Took them a long... and it was CIT or Associates Investment or finance companies which you have to get. So—but larger, of course, and then that expands and your line goes and today it's \$110 million. I couldn't borrow five today.
[laughter]

Scarpino: A credit line of \$110 million.

MacAllister: Yeah, that's right. Own the bank at the same time. But you look at that back yard and you'll see why. But as you're here doing it, you know, it's growing and you need it and you put a branch in, and geez, I got all that money out there, what makes money, you have a pretty good return. Let's do another one, and you do another one. Today we've got 14 of those branches out there. They're all, this guy makes, the guy we've got makes every one profitable every year. But to have my dad and my brother talk about this guy that's doing it, they'd have a fit right now. But I say, living in this age and watching and know you're part of the phenomena which existed, hey it's credit America. You can't work without credit.

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Scarpino: Now you also service the equipment you sell.

MacAllister: Well, half of our people are the service department.

Scarpino: Now was that the situation when your father, when he was. . . ?

MacAllister: . . . Always the case. Always the case. That might be an example today. We have, I don't know, a hundred field service trucks. In my day, the serviceman went out to service the stuff in the field, which is unique to any industry. The Cadillac dealer won't do that for you.

Scarpino: No.

MacAllister: You haul the car down and say yeah. But if you've got somebody down in the field—I think of a guy named Alexander up in Lafayette one day called. His D4 is in the field. He's plowing, got to get his corn in. It conks out. He's got a chain, he's got to stop, unhitch the thing, find a trailer, load it up, bring it on down here, let us figure. . . We send a serviceman up there in his own car with his own tool kit in the trunk, and he fixes the damn thing and he's going in a couple of hours. But taking the service out there is a major advantage in terms of anybody who owns our product. So, but in terms of using your own truck to transport tools, today you spend 80, 90, \$100,000 for these damn trucks with generators on them, compressors on them, hoists on them, all the equipment. Today instead of going up to his tractor and starting it up and looking at it, you've got computer printouts and what failed in this study thing and you look what they say and that's where you start so it's computerized, etc.

Scarpino: So how did you handle the transition from paper to computers?

MacAllister: Slowly, but. . .

Scarpino: I see that you, by the way, that you have a computer behind you.

MacAllister: Hey, hey, look at this. [laughter] I said to my daughter, you know. . .

Scarpino: . . . that's a cell phone. . .

MacAllister: . . . these guys with their Blackberries for status, oh, I got to have a Blackberry. She gave me one for Christmas. I'm using it, using it all the time. I'm trying and I'm doing it. Taking pictures anymore for God's sakes is a—these cameras!

Scarpino: No film, that's right.

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MacAllister: Yeah, and they got all these gadgets and dials on them. So, slowly, but if you've got younger guys, and that's always been the secret; this generation needs to be talking to this generation. I can't do that really because I'm already in a different—but this generation believes in computers and technology and voice mail and dealing with the district rather than the guys in Peoria. So it's no shock to that. So it's an evolution that's transpired that's caught on beautifully, providing you let somebody else do it.

Scarpino: Do you think that's one of the secrets of leadership is letting somebody else do it and still remaining in charge?

MacAllister: Oh, it has to be, has to be. You look at—I'm a Napoleon—Napoleonic buff and I think about his care. I made a study of the battle of Wagram at one point in time and watched how he did that. Got roughed up by the river and couldn't hack it. He got a week, ten days to get his sails together and sat there for ten days with all these guys watching over the bank, what they were doing, and making his plans and so forth. Then when it's done, you got this, you got this, you got this, and you got Wagram. Everybody there had to do it, and so that's, I think, a metaphor.

Scarpino: Your college training was in humanities in the liberal arts.

MacAllister: Yes.

Scarpino: How do you think that has served you as a businessman?

MacAllister: Well, I think pretty well. You know, I gave a graduation speech at Carroll I don't know how many years ago and I was thinking the same thing; "Now how did this do me any good?" And I got to thinking, is there any spinoff—I took ancient history and the teacher required a paper every time. So, and the paper's on Thutmose the third in 1500 in Egypt so you get in there and you go to the library, you look it up, and you take a bunch of notes and come back and I had a typewriter, type it up. And I got an A in history. I discovered that in doing these papers, you come back to your room with all this stuff. What's important here and what's insignificant and what's inconsequential and how does one affect the other? There's a—in that simple illustration there's a matter of selecting what's important and what's significant and understanding the nature of how they interrelate together to bring some sort of result. I thought, from that standpoint, there is a critical analysis involved there and liberal arts is about critical thinking, isn't it? Primarily?

Scarpino: Yes it is.

MacAllister: So I think it all, that skill itself applies to other situations. Critical thinking is critical.

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Scarpino: Do you think that critical thinking and the ability to figure out what's important and significant and act on it are qualities of leadership?

MacAllister: Are qualities...?

Scarpino: Are qualities of good leadership?

MacAllister: Yeah. Don't you?

Scarpino: I do, yes.

MacAllister: Core. Core. That's a throwaway question.

Scarpino: [laughter] Well, I said before we started I was going to ask you some questions that you knew I knew the answers to.

MacAllister: Yeah.

Scarpino: So, how would you characterize your goals as a leader of MacAllister Machinery in say, the first 25 years that you were president?

MacAllister: The issue is always survival for a Caterpillar dealer. How am I going to make it, and what does Caterpillar want, and they tell you what they want. Sometimes they're unreasonable and make a lot of mistakes, etc., but that's not the deal. Your deal is to conform and you do a lot of finessing and so forth. Your people, your staffing, has a hell of a lot to do, first of all, with your reputation at Caterpillar, and your customers and your own operation, because when you've got a loser there someplace, almost everybody will know it pretty quick. So, key, I think again, the hiring practice, and monitoring practice is critical. I said before that I thought the first thing an employee needs to know is what's my job. That's why I thought we ought to have job descriptions. Although that's an assumption, but let's define what it is and the second thing is how am I doing. You've got to tell him from time to time how he's doing through this performance appraisal and we had some of that, I started that and it's still ongoing here at this point in time.

The thing you battle here is departmental competition. What happens is you set up a strong department and it protects its own butt and sometimes at the expense of somebody else. The service department is a good example. You've got a customer back there and you work on his tractor and somebody calls from the field, he's down in a coal mine and he's desperate. What are you doing to do? Are you going to pull him off of here? Sometimes you have to do that, but you have to make a decision. You got people in the sales department thinking deadbeats ought to have credit, and you got a credit manager think that's not a very good idea. Now how are you going to finesse that? Well, let him find a deal where it's nonrecourse paper and you can make

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a sale. Something like that. So the element of referee in this is also significant, and it's important to keep us talking together which is why staff meetings are important, and each of us understands where the other guys are. So staff meetings have always been part of the drill around here too. I think that's fairly critical. And it tends to—it was more collegial when I was here than it is under Chris. He's more positive as a manager. So, but I think when you hear several ideas. . .

Scarpino: . . .and Chris is your son. . .

MacAllister: . . .yeah. . .

Scarpino: . . .okay. . .

MacAllister: . . .you hear several ideas, something you hadn't thought about before, it's better than what you had in mind. But I also learned that you get a lot of advice that is sometimes good and sometimes bad, and it took me a long time to think that maybe my advice and my own counsel was as good as what I was getting. So you need to work that out too. But I don't know that any of us think about leadership from the standpoint of "I am the leader now, I must do these things." I think what you need is, "you follow me and how well am I succeeding and is it growing, is it getting better?" From that standpoint.

Scarpino: I read an article, a recent article about MacAllister Machinery, that described itself as—the company as the largest dealer in your industry in Indiana. Are there machinery companies in the Midwest larger than MacAllister?

MacAllister: Oh, yeah. We're a small dealer. We're less than average.

Scarpino: Okay. But are you the largest in Indiana? Yes?

MacAllister: But there are four dealers in Indiana. Patton has Lake and Porter counties. Ohio has seven counties around Cincinnati and then Wayne from Kentucky has 17 across the river. We have, is it 86 of the 92 counties in Indiana? Something like 68 of the 92 counties in Indiana, so we don't have the whole state. But in the area in which we cover, we would do more business than all our competitors combined. We did, what, \$415 million last year.

Scarpino: How do you account for that? That you are able to out-compete your competitors? What do you think the edge is?

MacAllister: The first answer is Caterpillar. Secondly, is evolution? Caterpillar, harder sometimes, but nobody I competed with in 1951 is still here. Allis-Chalmers is gone. Clark-Michigan is gone. International Harvester is gone. Northwest Engineering is gone. All of them are gone. Except, of course, John Deere wasn't really competing. Because they did not provide for an option after the

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interstate's finished. In other words, we were all selling bulldozers and scrapers like mad, and then one day it all stopped.

Scarpino: While the interstate system was going in.

MacAllister: Yeah. Now what are they going to do? Huh? Caterpillar nagged us into the truck engine business. Oh God, we'll never get any of that, you know, that kind of stuff. Then we got a deal, we're going to build some backhoe loaders. Oh, for God's sakes, there's no parts in the backhoe loaders. We're going to build three small tractors in Japan—10, 20, and 30. Oh, come on. We're going in the farm business. The farm business? Morris Brothers? Kicking and screaming, the rental business. Nobody ever makes any money in the rental business. One after another, you know, the highway program ended, and we're selling backhoes. We sold more backhoes last year than Case or Deere. Our ag market is way ahead of budget this year. Even with the rain and people scrambling around and we did, I don't know, \$40 some million in agricultural stuff last year and we're in the windmill business. Our rental stores are 45, \$50 million operations. Everything that we didn't want to do, we're doing and that's because of that we're here. So, we're broadly based moreso than the others and we have the best line of course, in Cat.

Scarpino: You mentioned windmills. Are you talking about the kind that draw water or the kind that generate electricity?

MacAllister: The latter.

Scarpino: Electricity.

MacAllister: Yeah.

Scarpino: Are you just getting into that?

MacAllister: The last two years, big time, big time. Thirteen and 14 units on each farm. Just going great. Is this going alright? Are you happy with it?

Scarpino: Absolutely yes, and I'm going to switch here in a minute and ask you some of our standard leadership questions but I'm really trying to get you to talk about not only about the history and development of your company but your role as the president and leader.

MacAllister: I haven't thought much about it, okay?

Scarpino: [laughter] Well, that's all right. That's actually not uncommon that people who have been doing the kind of thing that you do for years don't always sit down and think about their own role, but my job is to kind of push you a little bit. . .

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MacAllister: . . .Okay. . .

Scarpino: . . .and get you to think about it.

MacAllister: Shakespeare had a quotation that some men are born great, others achieve greatness, and some have greatness thrust upon them. I had this dealership thrust upon me. So it's taken from there. A matter of achieving it through leadership is not something I did, but taking it for the next 40 years, I will take credit for.

Scarpino: Thinking back about you mentioned your personality as a teenager and you described yourself as somebody who did not have self confidence. It certainly appears as though you've acquired it along the way.

MacAllister: Well, it used to irritate me, and I decided that I was going to show the old man, you know. So, I started back to my trade association and begin taking a role there and got involved in the church, always in church, got on the Carroll College board finally and been on it forever, and I, in my heyday, I was making 15, 20 speeches a year, you know, and I slowly, slowly, slowly overcame that complex and I no longer believe it anymore. But it was just too bad though it had to be that way. Although I hope I'm not too hard on the old guy because like I said, again, if it weren't for him I'd be. . .

Scarpino: . . .I think most young men have interesting and contradictory relationships with their fathers. . .

MacAllister: . . .Do they? Oh, do they? I didn't know that.

Scarpino: I mean I love my dad, but I'm not him and he's not me.

MacAllister: That's right, that's right.

Scarpino: And he just turned 95 in June. As you went about expanding the machinery company here in say, the first 25 years that you were in charge, how did you go about hiring and maintaining a loyal and dedicated workforce?

MacAllister: Well, not as complicated as it might be. Let's talk about the coal field in southern Indiana. That used to be a big business back in the early days and it went through a long period of swell and began moving back again and we did not have a big tractor. So Allis-Chalmers had a HD23 I think it was, HD21, that was a big tractor and they pretty well got things going down there and kept going. Cat finally built a big D9 and a big D10 and now finally a D11 and we sort of watched it down there.

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My brother was fairly cozy. He was the parts and service guy and he didn't like too much risk and we'd started talking about the coal down here, the coal down here. So ultimately we made a survey of all the mines down there, what was going on and we rented a branch in Washington, Indiana and it went—from Jimmy McCormick, and it went pretty well. Then we rented another, added to it and it kept going and the more we got down there the better it got. Finally got into some leasing stuff with a major coal company. Wherein, we will lease you, and they had 20 or 30 units down there—you run two shifts, that was a ship to operation, for a year or two years, something like that, and then you can trade it off to us and get some new ones, and then we got a hell of a good market for those used ones with that many hours on them and put them someplace else. That takes a lot of support. So we finally built a building down there bigger than this one in Washington, Indiana.

But it was toe in the water, reluctantly, and then on the basis of the business development you expand it. So it went pretty good, and—but the way we built the store is we had a guy from down there who'd worked in the coal fields named Donny Shelton who became our service man, and the whole thing is service, because when they call you at three o'clock in the morning in a crack, you're out there at 3:30, you know. If they got something on Sunday, you're out there on Sunday. And by doing it, you get a monopoly on their business. They know you're dependable. They're going to buy your stuff. He finds people from the surrounding areas that are familiar with the area, know the coal business, know the jargon, know the players, etc., and the next thing you know you build a team down there that's unique from the team in South Bend, completely.

Another example is a guy, our salesman in Terre Haute—the classical example and answers your question too—named Chris Novotny, a crackerjack salesman. Terre Haute is 65 miles east. Can I rent an empty filling station here? I just want to put a couple of pieces and we, oh, come on. He kept nagging. Just let me try it. So we rented a filling station and he put in a couple of loaders and a couple of dozers. Next thing you know he's back. Can I get a bigger filling station? Okay. Next thing you know, can we put a little store down here? Well, we got a store there. Got eight acres down there, 16,000 square feet, got 42 people working there because he saw the opportunity. Again, he lived there and he knows the politics, he knows the culture, he knows the players, and how to get things done and so forth.

Scarpino: Is he the one that eased you into the rental business?

MacAllister: Well, no, he's not. He's a—but he got us a store down there and he's got it cranked away. But again, we think Fort Wayne is a very unique area that you build it from that standpoint in situ. You got the right sort of people to talk to the people who live there and we've been lucky enough to do that. Now you get into a problem occasionally because you've got a lot of ol' boy stuff and

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there are going to be a lot of fixing tractors that we're a little weak on the marketing and on the training and on the sophistication. So you got to have a way of filling that in and getting it buttressed. But you do the job what your customer wants and that, which means take care of me.

Scarpino: Another thing that I noticed and then I'm going to switch to our standard leadership questions. It has to do with training, and it seems to me that during your tenure with the company you put more and more emphasis on training people. . .

MacAllister: . . .yeah. . .

Scarpino: . . . on in-house training but also a relationship with the junior college and Caterpillar manufacturing to train people. I mean, was that an effort to sort of grow your own and enhance the quality of your workforce and gain a competitive edge?

MacAllister: Number one in the service field, when times are good you can't find service men, period. None of us can find them when you need them. So why don't we grow our own? So we begin a program ten years ago, whatever it was, we settled with a college. You know how. We take a kid in high school who wants to give it a try. We put him to work with us off and on for maybe a semester. If he looks good, he wants to do it, we make arrangements to let him work summers and we pay his tuition to go to a technical school. He comes back in the summer and works for us, he still likes it, he goes back for a second year. When he's done with that he has a graduation, and if we like him and he likes us, we hire him. We've done that a lot up at Fort Wayne and South Bend because our manager up there likes that idea. But that's nationwide, not blossoming and flooding but it's something we've developed as an industry and we think it's very good because it's worked very well for us. I don't know how many of our people—and we're still doing it every year. We've got two or three more guys every year coming in.

Scarpino: Now is that a common strategy in your industry or is that an innovation of your company?

MacAllister: No, it's industry-wide, but it's more, I think, more prevalent, more utilized here than most places.

Scarpino: What I'd like to do is to ask you some of our standard leadership questions.

MacAllister: Sure.

Scarpino: And the reason that we ask these questions is so we have some basis for comparison.

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MacAllister: Okay.

Scarpino: So, the first one is, what do you read?

MacAllister: What do I read?

Scarpino: Yes.

MacAllister: I read a lot of history books. I read a lot of biographies, and I intersperse these with some mystery stories. I like John Sanford who is—he got a detective in Minnesota named Lucas Davenport. I just finished his last book. They all end in prey—p r e y. He's got about 20 or 30. I happen to know him personally, by the way, because he's an archeologist.

Scarpino: John Stanford.

MacAllister: Yeah, John Sanford.

Scarpino: Sanford, I'm sorry.

MacAllister: His language is a little rough so my wife has trouble with it but I, he tells a great story. So I intersperse those mystery stories. I also like Robert Parker from Boston who writes about *Spenser: For Hire* and there's another one who writes about Alex Delaware who is a psychiatrist in Los Angeles. They're also mystery stories. But lots of history. I'm currently reading a book on Afghanistan about a cavalry unit there that did something I'd never heard about. But I just finished—just down south I read Maimonides. My daughter gave me for, you recall Maimonides, do you?

Scarpino: No, I actually don't.

MacAllister: He was one of the great minds in the Middle Ages. So, you can take that with you.

Scarpino: Okay.

MacAllister: So I, basically it's history and it's biography and it's mystery stories.

Scarpino: Do you think that a leader should read?

MacAllister: Absolutely. Oh, and I read the *Economist* every week too and *The Star*, and work the Jumbles every morning. [laughter] Absolutely.

Scarpino: Do you ever read about other leaders? Self-consciously read about other leaders?

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MacAllister: If you're talking about Kissinger and Nixon, yes, and Adams and Jefferson and Hamilton, yes, yes, and Napoleon and Jackson. A recent biography of Andrew Jackson too, yeah.

Scarpino: So who do think are important leaders then, as you sort of reflect on it?

MacAllister: One of the great leaders in my mind—are you talking about history or today?

Scarpino: Either.

MacAllister: Is Napoleon Bonaparte.

Scarpino: What do you think made Napoleon a great leader?

MacAllister: Several things. Number one, he saw an evil in the caste system and destroyed pretty much the caste system in Europe—virtually Europe. He ended the Holy Roman Empire which was a fiction anyway. His premise was meritocracy, not aristocracy. In other words, most of his marshals were sons of cobblers and tanners but if they could do the job he gave them the job. He saw a France that had a different law code for every province, and said enough of this. He sat down for, I think three months, himself, often, night after night until midnight managing to do up the Code Napoleon which is of course the code of Quebec and Louisiana and most of Europe today. He changed the entire network of roads in France and modernized it, in essence is what it is today. He changed the political establishment in France which is what it is today. He modified the currency, educational system, I said, yeah, and of course rebuilt the army. Voracious reader and ideas all the time, you know, this or that. Someone said the numbering of the streets, even on one side and odd on the other. I can't prove that, but once somebody said that to me and it sounded like what he would be doing. But he was not—he got vain and egotistical, but he had a lot to be egotistical about. But he's an all-around guy and he made his mark on Europe, is just tremendous in my book.

Scarpino: In addition to Napoleon, are there any other leaders who have inspired you?

MacAllister: Abraham Lincoln.

Scarpino: What inspired you about Lincoln?

MacAllister: Well, his shrewd political aspects. His knowing what is right, having the courage to do it, and having the ability to execute and maneuver and see that it happened. You read *Team of Rivals* I hope. Yeah, that's a good example of it. George Washington has got to be one of the most selfless leaders we've had. Like Lincoln. He didn't think about glory or becoming king or what this means to me. But he thought about this enterprise in which he was involved

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and how is he going to make it work either on the battlefield or in the Congress or as president, the country came first to him.

Scarpino: As you developed as a businessman and a philanthropist and so on, were there people who helped you along the way?

MacAllister: People in my industry. A guy named Ted Coen would talk, he's the guy I talked about interviewing, etc. A guy named Leon Danko who talked about family ownership. In other words the transition of father to son is often a major problem in families and often done badly. Usually done badly. I got a lot of insight from my trade association. Talk about motivation. What turns people on and turns them off. I guess interchanging with people on a basis is a good way to learn more about it. We do that in our Caterpillar family from time to time. Basic good ideas for anything, you know, whether it's compensating a salesman or a new program for insurance or new financing plans that we got. But I don't, I never read much about it. I was never strong on Baldrige or Demming, frankly.

Scarpino: It was interesting what you said about transitioning. If I'm counting right, your firm went from your dad to yourself to your son.

MacAllister: Yeah.

Scarpino: Why do you think that this company was successful in those transitions and many others are not?

MacAllister: Because they keep the whole family involved, for one thing. I've got a colleague I know very, very well who we've been great friends for years. He got a son runs the business—another son and three sisters and when he gets done he splits the thing, you know, that's the way he want it. When I was dealing with this issue with Chris, Caterpillar wants the guy who owns it, runs it. I said that. I've got two daughters and so I made it a point. He got controlling stock the day he took over as president—he had it. I did what it took to get him there—by huge bonuses and this and that, and he's got it, arguing about it, kind of knows what, the girls know what's going to happen. I've taken care of them and my son and they each got, I don't know, six, seven, eight a piece in terms of their, they're out of it. So it's clean. I made the decision and let it go. Often the father sort of lets destiny handle it. He's afraid to tell the son whatever. I've heard this more than once from guys. Why didn't my dad tell me, you know. He left the insurance policy to my other brother who isn't even in the business. In my case it was fairly clear and also we know that it's on the line. You've got to demonstrate to Caterpillar it's a feasible plan. My father lucked out because we just didn't jack around with it. They didn't know and I lucked out. But in Chris's case they watched it very carefully and then at the point in time they said okay, we can put his name on the contract. He becomes the dealer principal. But I think it's careful

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planning and keeping your wife's nose out of it and keeping the siblings out of it.

Scarpino: Do you think that having a mentor or mentors played any role in your development as a leader? Did you have mentors along the way?

MacAllister: Not too many.

Scarpino: Do you mentor other people?

MacAllister: Well I think I help my son. I was aware of the father-son things. I went to all his baseball games. Never said for God's sakes why didn't you hit it, but I kept encouraging him. He wanted to drive motocross, he could drive motocross. But I was sure not to make the same mistake. I did not want him to, and he never has, and he's always felt confident. Maybe he gets too confident sometimes, but in terms of that and nurturing on through the company. When he took the job he was the best-equipped president this company ever had. He worked in every department.

Scarpino: I read that he started at the ground level and worked in all the departments.

MacAllister: Yeah, and everything he did, he did well. He wanted to do it. He knew he was going to have a chance to do it. He knew he had competition from his cousins and he just, he's that kind of guy. So I'm lucky he's like he is, frankly.

Scarpino: Do you think that networks play a role in the development of successful leaders?

MacAllister: Yeah.

Scarpino: In your particular case, can you comment on that?

MacAllister: Well, the network would be my trade association network. I'm still in touch with guys in the business, especially a Komatsu dealer who's an old friend, but you can get a better perspective of your own house when you hear somebody else complain about what he's dealing with. I think Caterpillar gets awfully tough. You ought to hear the stories about Komatsu or about some of these other people. You know it's really—how they treat what they, how they handle their warranties, how they handle floor planning, etc., etc. And I think it's important. You get ideas from them. I have to admire them because I've said that, if we had—if we were selling International Harvester tractors back in 1951, we never would have made it. Caterpillar took care of that sort of thing.

Scarpino: You've mentioned that several times.

MacAllister: Yeah.

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Scarpino: What do you think it is that has accounted for Caterpillar's success compared to its competitors?

MacAllister: Well, number one, they've always spent an enormous amount of money on research and development. I don't know how many hundred millions a year it is now or I knew it was then, several hundred millions a year, etc. The product itself from the get-go—which is why my dad wanted the Caterpillar account—it's always been the best product in the field from the standpoint of durability, standpoint of service, and the standpoint of trade-in value. You can take almost any model we have today and check the green book or check the auctions and take a look at a Caterpillar unit vis-à-vis a competitive unit and notice a difference in trade-in value which would be 50% probably. So it's there.

Scarpino: Do you think that the fact that they excelled in the research and development and their product line and the durability of their product, are those leadership issues? Were there people there who self-consciously set out to accomplish those goals?

MacAllister: Sporadically, sporadically. I think of one guy named Fites who was the president, I don't know, 15 years ago. Caterpillar's had a very unsanitary, very unsavory relationship with its union over there. Not good. It's about strikes. We had a strike for seven months one—wait a minute, that was a different strike. Four or five months at a time strikes. You don't get service, you don't get parts. So Fites, understanding this when he was president, had all of the white collar guys get a job in the plant, the foundry, warehouse someplace, two or three weeks and back again for two or three weeks. And the contract time came up and the union decided to go on strike. Wouldn't sign it. So they went on strike. He pulled 6,000 people out of the white collar guys and never missed a stitch. The machines keep rolling right off the line, no problem with the parts, etc., month after month. Some guys came back to work. Some more came back to work, but generally not. At the end of seven months the union said where was that contract again? He broke their back. Now that sort of leadership is very gutsy and a good strategy. Blackie was a finance—well, it's hard for us to tell how much influence the chairman of the board would have on, we go through a period as we did two years ago which was very embarrassing because the quality of product was just shitty. Just couldn't understand it.

Scarpino: Caterpillar?

MacAllister: Yeah, yeah. It happens from time to time with a given piece or a product but they always get it fixed. They always do. But you got a year or two years of unhappy going, because our customers rely on us and what are you going to

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tell this guy if you don't think he really ought to be buying this? I don't know. I think you got some calls to make. You back it up one way or another.

Scarpino: What do you think are the qualities that distinguish effective leadership?

MacAllister: Oh, I think ingenuity is one. You got to find a different way of doing it. Clever ways, outlook thing. I think you've got to listen to other people. You can't—even though you don't like it and I tell this to my Republican friends all the time, you know, you just keep singing the same—you've got to hear other viewpoints. You don't learn much by singing to the same, hearing the same chorus all the time. I think you've got to know the rules and play by the rules. I think you set a work example. I think I—I was here every day. I don't think you can run it from home or from someplace in Florida. Oh, I've seen dealers do that. I think you need to be aware of the people that are around you and that they have a—they put their—often their careers here with us, many of them, and they have a—we have an obligation to take care of them and watch them and a decent place to work and decent benefits and a respectable business. A place they're proud to work. You like collegiality. I think equivocation is a weakness in a leader. I think back and forth like carrier like some people is not a good thing. Old Terry Roosevelt once said the next best thing to being right is being dead wrong, you know. Because you get off dead center that way anyway. [laughter] What else? I think you've got to keep learning too and keep changing, and you've got to look—Erwin Miller once said that leaders. . .

Scarpino: . . .Cummins Engine Erwin Miller? The Erwin Miller of Cummins Engine?

MacAllister: . . .Yes. . .

Scarpino: . . .okay. . .

MacAllister: . . .said a manager's problem is to look for problems. Look for trouble, he said because your job is looking for trouble. I've always told Chris, you're a Calvinist. These Calvinists want a perfect world. Don't look at what you did last year. What's wrong here that has to be fixed? What are we going to do better because we've got to make it perfect? So for starters that's. . .

Scarpino: How would you characterize your own concept of leadership? How do you personally think about leadership or the role of a leader?

MacAllister: I guess I would look at in my own experience, looked at a guy like Dick Lugar for example. I think often of Bill Hudnut too, who was our mayor for a long time. He knows his own mind, number one. He's able to tell what's best for the community or the enterprise. He knows how to get it done. He knows who to rely on. He knows how to articulate what he wants. How to determine where he's doing and where he's going. He admits when he's wrong. You got to do that. He does not object to change. How do we make it better is part of

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it. Who else can help us? Respect your enemies, you know. I'd do better if I had a couple of hours on each of these questions to think them over.

Scarpino: Sorry, and I'm actually going to come back to Lugar and Hudnut. I'm very interested in your work with them. Just for right now I will note that Dick Lugar has had a stunningly successful career as a politician. But he also lost an election at one point, and. . .

MacAllister: . . .he lost two. . .

Scarpino: . . .two, and so did William Hudnut actually, he unsuccessfully ran for Congress...

MacAllister: . . .after successfully running for Congress. . .

Scarpino: . . .Yeah. Do you think that either of those individuals learned from failure and is that a measure of leadership?

MacAllister: Hudnut ran in '72 and beat Andy Jacobs. In '74 we had the Watergate fallout and nobody could have won that sucker.

Scarpino: That's right. [laughter]

MacAllister: And then Hudnut felt a little bit bad about it, but he rebounded, posted here and came back and ran for mayor. Lugar got beat for the school board presidency when he ran two years before he ran for mayor. He couldn't make it for the school board so he ran for mayor and he ran for the Senate once as you recall and got beat.

Scarpino: Yeah. Do you think that either one of them, I mean do they just see it as fate or did they learn something from that?

MacAllister: Well, I would look at. . .

Scarpino: . . .because you were involved with their campaigns. . .

MacAllister: . . .you would think we did something wrong. I don't think that Bill Hudnut could have done a damn thing about '74. Lugar's taking on an incumbent. I forgot what had—Hartke or Bayh—been there for two terms. Lugar also got beat in his race for the presidency. You forgot that one.

Scarpino: Well, you're talking about President of the United States, yes, yes. As I recall he made his announcement on a day when there was some news competition that practically blacked him out. I'm not remembering what that is.

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MacAllister: Well, he never got much help from the press. I don't know how well he was handled, and I don't know.

Scarpino: How would you describe your own personal style of leadership?

MacAllister: I think that one makes a decision on the basis of options. I don't like "let's brainstorm this." I'm working now on a—working now for example on a campaign for a Congressman and we're going to have a little soirée and invite a bunch of people in to help us and I think number one, I don't like three or four people, I think one person ought to be doing it. If somebody's got a better idea, he needs to listen to it and change, etc. but I don't like milling around and doing this with each other. Secondly, I like stuff pretty well outlined as to exactly what's going to happen. I like detail. I don't like generalities, but specifically what's it going to be. Who's going to do it and don't come unprepared. Be sure that you know, don't get up there and ramble, in other words. And I've told my candidate that before and they listened to me. You need to know what you want to achieve too, don't you? I'd like to ask you these questions myself to see how you answer them after a while. [laughter]

Scarpino: Well, my answers would probably be different from yours, but my life experience is a little different too.

MacAllister: But after you do something a number of times, there are a lot of things, you sense there's a pattern there?

Scarpino: Yeah.

MacAllister: Yeah. And you need to consider what the results are, what do you want to achieve in terms of results and how do we best get that there? And in terms of the lineup, who's best to bring in here to get this done? Okay, that's good for a starter.

Scarpino: I'm going to sort of set the standard leadership questions aside. I've done a fair amount of background reading on your career and in several places that I've seen people who have met with you or reporters describe you as a renaissance man. You know, wartime veteran, successful businessman, successful in philanthropy, civic activities, scholarship, scholar of the Old Testament, you're interested in archaeology, which you mentioned at one point. I'm wondering how you see the pieces of your life kind of fit together, particularly in terms of leadership. Do these various interests that you have sort of fit together or do you deal with them in isolation from each other?

MacAllister: I think they fit together. If you read that article you'll understand it. [laughter] There's a lot of it in there. I learned I think early on in the game if you're working with a symphony group or an opera group or any theater group or Carroll College group or political campaign, when you look around you, a

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businessman brings a different perspective to the discussion. You can have, and we have a lot of poor teachers, stay there year after year. I know a lot of lousy ministers that are there year after year. Poor housewives. I've known some mediocre doctors and some mediocre attorneys. On and on they go. You cannot be a bad businessman very long because it'll take you out.

So you become concerned about results and I think when you're talking about any project, what are the results? I don't care about the oratory or the plan, you know, the strategy. What are the results? How long it's going to take? How are we going to do it? Who's going to do it? And I think often and archeologists especially, we are content with—maintaining momentum is the agenda and that's really not, not much leadership involved there. You need a vision of why are we here. Now in this day and age, how do we, as archeologists function, and what should this organization be looking like and what should it be doing to enhance the scholarship which we're engaged with all the time, and increasing interest and engaging more people. And, you know, academics have a different way of thinking this and I have all the respect for you.

Scarpino: Well, actually I'll just tell you for the sake of full disclosure that my whole career has been built on engaging larger communities.

MacAllister: Okay.

Scarpino: So, I'm a little bit different than the average academic. How did you get interested in archaeology?

MacAllister: I think maybe in the church initially; Old Testament stories, you know, there it is. I took ancient history, I said, in college. Got a grounding. I continue to read all the time in this stuff and so forth. I went through an agnostic period when I was in the military. Couldn't quite figure it all out so I threw up my hand and then got back into it. I started teaching an adult class in my church so I bought the interpreter's Bible sections and I got all this stuff and I have a framework in my head. So if you say 1250 B.C., I can say ah, Ramses II to probably Moses. You say 1066, I'll say Hastings, you know, and if you say almost any— say 800, I'll say Charlemagne. And I can put these things together so when I start reading something I know where in this historical framework these people fit. It doesn't sell a damn tractor ever, but it makes learning more a lot easier. I think the wiser you get, the easier it is to learn more and retain more.

So I find it fascinating, and I find that being able to walk on—I've been overseas, I don't know. I've been over to the Holy Land at least four times, led groups three times, but interesting to walk with a friend of mine and pick up a shard and say that's early bronze or this is Byzantine or this is iron age or this is Roman, etc. or this came from Icenia, etc. And the mystery of telling us

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how our forbearers lived I find fascinating, and to know something about what their houses were like, what animals they raised, what foodstuffs they raised, how they worshipped, how they thought about the gods, etc. Very, very unique, and to hold one of those things is just kind of a thrill to me. So I keep reading. Like since I'm involved, I get the magazine, I record and keep boned up on—get stuff about the Shroud of Turin and all that stuff. Then the ossuary with the brother of Jesus, the brother of James in it, etc. and the furor that's created. I just think it's a lot of fun.

Scarpino: When you were in the service it occurs to me that you were in a number of places with a rich. . .

MacAllister: . . .too early. . .

Scarpino: . . .too early. . .

MacAllister: . . .I was thinking Foggia. Today I would know that Foggia was the capital of Frederick II, the Holy Roman Emperor back in 1280 and I would have, since I bought it I was looking for and stuff. I did visit Timgad in North Africa, a Roman city, with retired military, which from the air looks like an egg crate, you know, absolutely rectangular, just beautiful. Dropped down in a sewer, still functioning when it rains. So, I did see a little bit, but not anywhere near enough.

Scarpino: You know, there's another famous Hoosier who had an interest in archaeology—Eli Lilly.

MacAllister: He did.

Scarpino: Did you know him?

MacAllister: I knew he did. I know he wrote a book on Schliemann.

Scarpino: I mean I was wondering if you knew him personally.

MacAllister: No, I just met him once. Mr. Eli, yep.

Scarpino: I'm going to follow up on that. American School of Oriental Research.

MacAllister: Yeah.

Scarpino: Served as chairman of the board?

MacAllister: I guess, yeah.

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Scarpino: I think you were chairman of the board when you celebrated your 90th birthday?

MacAllister: That could be.

Scarpino: Yeah. You've also been a trustee. What is the mission and purpose of that organization?

MacAllister: It is 109 years old, and it was begun early by the guru who really gave it shape was a guy named William Foxwell Albright, who in his day taught at Johns Hopkins, was the outstanding epigrapher, archaeologist and theologian of the biblical world. And he began digging over there along with a lot of other guys, I think, trying to prove the veracity of the Bible, and he did prove the veracity of the Bible in many respects but he also got blown out of the water many, many times too. So my interest in the biblical world and archaeology of course is just a natural fit there, so I've been interested in watching how it unfolds and watching us change. We think theology stopped. It hasn't. It keeps moving. And we've got a whole new different concept of David and the Davidic king that he had when I was a youngster or when I was your age, I should have said. [laughter] It changed very recently.

Scarpino: Well maybe I better say that I'm 60 just because people can't see me. Do you think that archaeology has made a contribution to the change in theology?

MacAllister: Oh, yeah. The discovery of the Dead Sea Scrolls has just enormously expanded our knowledge of first century A.D., Judea and Galilee. Taught us a lot about the religious thought. The teacher of righteousness was almost a prototype for Jesus, you know. To learn that there are 800 different pieces of literature by eight, seven or 800 different writers, tell us about the proliferation of material and literature in that era. Just incredible. About the number of different gospels we could have opted for in the New Testament, but didn't take them. And the richness of all that study and theology and writing I think the world found quite amazing. At least most of us did. So it's modified, I think to a large degree, our vision of John the Baptist and of Jesus.

Scarpino: Do you think it's possible that in some cases that that kind of knowledge threatens people's faith rather than reinforces it?

MacAllister: Sure it does. Sure it does. But the search is for the truth, isn't it? It ought to be. Unhappily, most Christians I know are abysmally ignorant about what they believe. Now maybe you're not that way, but...

Scarpino: What I'm trying to do here, without leading the witness, is to get you to talk a little bit about your role, and I think it really is a leadership role, in dealing with the tension between science and faith.

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MacAllister: Okay. You saw the book of Matthew over there, probably.

Scarpino: Yes.

MacAllister: I belong to a men's group that meets every Wednesday morning and reads the Bible. We take a book at a time and you get chapter one, you get chapter two, you get chapter three. You got to go back and see who wrote this, what's he dealing with, what's the problem here, what's the culture like and so forth. So you get a more realistic sense of what you're dealing with than some preacher reading it for Sunday in the pulpit who says what this is all about. So, I think we're understanding more and more what happened all the time. And I think more and more we're finding that a great deal in the Bible is metaphor and allegory, because the prospect of dealing with God is so hopeless because of the magnitude, that you got to figure out a way that we can understand to depict it if you can. My contention is, had the people who wrote the first draft of the Old Testament back maybe 1000 B.C., knowing what we know today about the cosmos, the story would be entirely different. Had the writers of the biblical text in the first and second centuries A.D. known what we know now they had written a totally different story. Now, if they misrepresented the story, should we get it corrected? Yes. That's the right answer.

Scarpino: Yes.

MacAllister: What about that?

Scarpino: You have also put your money where your interests are, so to speak, and the American School of Oriental Research offers the P. E. MacAllister Field Archaeology Award. Could you explain briefly what that is?

MacAllister: Oh, I don't know what it is. It's for digging something over there.

Scarpino: Okay. [laughter]

MacAllister: I don't think it's monetary.

Scarpino: Okay.

MacAllister: We do have programs called—well, that's beside the point. Okay, go ahead.

Scarpino: Let's see how we're going here. What I would like to do is just wrap this up because we've been talking for two hours, and make an appointment to come back and talk to you about philanthropy and your other scholarly interests and that kind of thing so that we can deal with it in the depth that it deserves, if that's all right with you.

MacAllister: Sure, sure.

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Scarpino: Okay. So what I'm going to say then, is to thank you very much for being kind enough to sit with me for two hours this afternoon and I really enjoyed it very much.

MacAllister: You're a good interviewer.

Scarpino: Thank you. I appreciate it. I really enjoyed reading background on you and I enjoyed meeting you even more. So I'll go ahead and hit the off button.