

Willis Haviland Carrier

Father of Air Conditioning

VOLUME-1
Willis H Carrier: The Man and His Message



*1.12 The Climax -Carrier Corporation:
Taken Over by United Technologies,
1976-1981*

CHAPTER TWELVE

1981 brought the climax to 80 years of Carrier ideas. The decade had started with Mel Holm, Carrier Corporation's Board Chairman, stating that Carrier was "Building for a Bigger Boom" and publicity quote saying "Carrier's charisma may help lead the firm (Carrier Corporation) to a place of prominence in a variety of related environmental fields". But the progress was to lead eventually to something which had not been contemplated.

Just as in 1970, the "take-over" or merger of Carrier Engineering Company Limited into G. N. Haden & Company Limited (after a bitterly fought contest) which resulted in Haden Carrier Limited, only to lead to the dropping of the name Carrier from the title in 1981 so Carrier Corporation in September 1978 became the target of a "Take-over" bid by United Technologies Corporation. The Diary of the Take-Over reveals the efforts made by Carrier and Syracuse to fight the offer and the legal battles that were fought but by December 1978 the winners were United Technologies.

There were some commercial possibilities resulting from the take-over, within United Technologies, Carrier Corporation could extend its market influence in association with other members of United Technologies such as ~~Over~~ Elevators, and the Power Gas division but within a large organisation the progress of audacious innovation (such as had characterised the eighty years since Carrier's first innovations in the field of Air Conditioning and Refrigeration in 1901) would tend to be dampened by the need to convince a larger bureaucracy of the commercial possibilities of any innovation. It had been Willis H. Carrier's belief in his ideas and their commercial value which had lead him to leave Buffalo Forge to start Carrier Corporation in 1913. Only as a small group of enthusiasts would Carrier's ideas be accepted and fought for as they were when he could not find a manufacturer in the States for his idea of a Centrifugal Compressor. It was groups of similar enthusiasts who started and developed the various Carrier companies around the world. Only one, Germany, of the original Carrier outlets has not been absorbed into larger groups. Inevitable with success? Maybe. The new groupings may enable wider distribution and acceptance by many more users but the innovation of the next mutation in Air Conditioning and Refrigeration will come from an entrepreneurial genius of a young man with the same drive of Willis Carrier.

A fitting conclusion to these records of the work of Willis H. Carrier is his inclusion (announced in Fortune March 23, 1961) in THE HALL OF FAME FOR BUSINESS LEADERSHIP with the words "WILLIS CARRIER CONFOUNDED THE SKEPTICS AND CHANGED THE WAY WE ALL LIVE"

CARRIER CORPORATION DIARY OF TAKE-OVER

1978

DOCUMENT

No.

1. September 19 Carrier Corporation becomes target of TAKE-OVER BID.
2. " 20 Carrier Directors to weigh UNITED TECHNOLOGIES BID.
3. " 26 Carrier rejects Takeover move as INADEQUATE.
4. October 3 United Technologies barred in pursuing bid for Carrier Corporation Stock.
5. " 6 United Technologies files a Counterclaim against Carrier Corporation.
6. " 27 Carrier raises payout 25%, Cites expected record fiscal '78 profit.
- 6a Carrier, sought by United Technologies, agrees to acquire Jenn-Air in stock swap.
7. Air Conditioner Company fights corporate take-over.
8. November 13 UNITED goes ahead with offer.
- 8a OFFER.
9. November 14 U.S. sues United Technoloiges to block offer.
10. " 14 U.S. also sues to back bid for Carrier Corporation.

11. November 15 Schulz, Syracuse fight to keep Carrier in town.
- 11a Carrier rejects UTC merger bid.
12. December 1 Injunction denied in bid to halt Carrier Take Over.
13. December 4 United Technologies bid for Carrier Corporation is temporarily blocked.
14. December Carrier Corporation stock is hit by selling pressure despite United Technologies bid for Take over.
15. " 5 Tenders for 49% of Carrier stock are won by Firm.
16. " 12 Ruling on Take over of Carrier Corporation is appealed by U.S.
17. " 19 Carrier Corporation Stock purchase by United Technologies backed.
18. " 26 Carrier's Board authorizes Negotiations with United Technologies on Stock swap.

1979

19. January 8 Carrier's Board expanded after law is invoked.

19a March 7 Charles R. Harris commenting on the take over
"Those of the Carrier Group who feel strongly
opposed to the take over have come up with quite a
additional shares on their side and this will perhaps
delay proceedings somewhat but finally I predict
United Technology will win out. TO me this is a pity!"

CARRIER OPTIMISM FOR THE FUTURE

- 20) "I believe that the design philosophies were rooted in the fundamentals of the profession and advanced meeting the challenge of today in the tradition of Carrier and other great figures of the past"

Henry J. Smith AMCT, (Eng. FIMech.E., FCIBS, FIPlantE
writing on the Pompidou Centre. February 1979 B.S.E.E.

- 21) Carry on, Carrier! Mr. C. Holm, Carrier Chairman to more than 30 European journalists in May 1979 confirmed that Carrier Corporation will continue to operate as an autonomous concern and its acquisition by United Technologies would not affect its marketing, production or research efforts, at home in the United States or abroad.

- 22) Stephen Ashley's report on Carrier's optimism for the future especially on energy efficiency.

Building Services July 1979.

- 23) Carrier - the US background - Gordon Duffy Editor of the American Weekly "Air Conditioning Heating and Refrigeration news stresses Carrier must produce a broad enough line of comfort equipment to cover all the extremes. June 1979.

- 24) Focus on Carrier - Brian Arnold's report that senior executives of the World's No. 1 Air Conditioning Company say that Research is the key to controlled Growth.

B. S. E. E. July 1979

WILLIS H. CARRIER

THE MAN AND HIS MESSAGE

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