

Agee: 'Intelligent' mergers create jobs, research

Bendix Corp. has benefited from its long — and sometimes controversial — history of acquisitions, said William M. Agee, board chairman of the Southfield-based Bendix Corp.

After a speech Monday to the Economic Club of Detroit, Agee, who was involved last year in the corporate takeover battle of the decade, was asked his response to criticisms that such battles absorb hundreds of millions of dollars of bank credit that could better be used by builders and small firms seeking to expand.

"The Bendix organization is made up of over 100 acquisitions through the history of our company," he said. "I believe that these are profitable kinds of ventures. In time, they create jobs, more research and development and add to productivity of American industry."

"WE BELIEVE strongly, just as has been the case of 200 years of history in this country, that mergers and acquisitions, when intelligently done — and

ours — create jobs, more research and development and enhance the economic viability of this country."

Agee did not respond directly to the question of use of bank credit for acquisitions, which is at the heart of much criticism from house builders, congressmen and public commentators.

Besides the Bendix/Martin-Marietta donnybrook, 1982 witnessed a rash of corporate takeovers: Schiffs by Smith's, Cities Service by Occidental Petroleum, Conoco by duPont, Marathon by U.S. Steel after a fight with Mobil, Columbia Pictures by Coca-Cola.

AGEE, WHO will become president of Bendix's new parent company, Allied Corp., on Jan. 31, also declined to define his new duties. He would say only that his role "will be very busy, and he will divide his time between Southfield and Allied's headquarters in Morristown, N.J."

To a question about speculation of a massive reduction in Bendix's automotive business, Agee answered, "We



William M. Agee merged firm stronger

don't anticipate any major business areas being liquidated."

Agee became a center of national controversy last fall when he sought to purchase control of Martin-Marietta Corp., an aerospace and defense contractor. Martin-Marietta borrowed heavily, seeking to buy control of Bendix. Agee ended the matter by agreeing to a Bendix-Allied merger, emerging as president of the combined company.

Agee contended the merger did not weaken both companies financially. "We're in a strong financial position today and will be in an even stronger one the next six to 12 months," he said.

NONE OF Bendix's major business areas will be liquidated to help pay off debts incurred in the merger, Agee said.

He added there will be no significant reduction in the work force at Bendix headquarters.

Asked by a Canadian reporter about the multi-national firm moving jobs out of North America, Agee said there is a "natural evolution in Bendix over 20-40 years. We're constantly changing locations of certain products and em-

phasizing certain others.

"I don't see a trend toward shifting products offshore because we are an international company. We're constantly bringing jobs here and taking jobs there. I don't think our international operations have increased at all, on balance. We've added jobs in the United States and North America, for that matter."

IN HIS SPEECH, Agee called for a "change in attitude characterized by a new spirit of cooperation" between government, business and labor. He listed several proposals to achieve that cooperation.

Businesses should be given tax credits to encourage their participation in a jobs retraining program that could be "structured along the lines of the GI Bill," he said, adding:

"These efforts must be based on a policy of banking our winners, rather than supporting our losers."

"We need to examine tax incentives that will encourage people to start new and promising ventures, and enable existing businesses to modernize and expand," Agee said.

Agee added he believes Allied "would strongly support" such a program. "We would be very sympathetic to doing our fair share plus," he said.

HE ADVOCATED formation of a high-level commission of business, labor and government officials to "recommend programs for revitalizing mature industries and re-directing our efforts toward more promising sectors of our economy, such as high technology and agriculture."

Economic recovery depends, in part, on shifting the emphasis of industry "from smokestacks to high technology, agricultural and human services," he said.

The United States must "greatly expand and accelerate efforts to increase exports," he said.

AGEE CALLED for cutting the "intolerable" \$150-\$200 billion annual federal deficits by reducing defense spending, increasing taxes and trimming entitlement programs such as Social Security, Medicare and military pensions.

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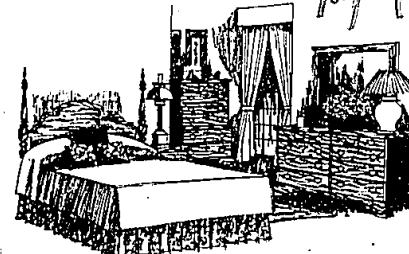
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