

IBM HIGHLIGHTS, 1885 -1969

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December 2001

1885**Science & Technology**

Julius E. Pitrap of Gallipolis, Ohio, patents his first computing scale. (Pitrap's patents are later acquired by a forerunner of IBM.)

1886**Science & Technology**

Dr. Herman Hollerith conducts the first practical test of his tabulating system in recording and tabulating vital statistics for the Baltimore (Md.) Department of Health. (Hollerith will later form one of IBM's predecessor companies.)

1888**Science & Technology**

Dr. Alexander Dey invents the first dial recorder. (Dey's business will be acquired by one of IBM's predecessors in 1907.)

1889**Organization**

Harlow Bundy incorporates the Bundy Manufacturing Company as the first time recording company in the world. It produces a time clock invented by his brother Willard L., a jeweler in Auburn, N.Y. (The Bundy Manufacturing Company will be consolidated into one of IBM's forerunners in 1902.)

Science & Technology

Herman Hollerith receives the first patents for his Electric Tabulating Machine.

1890**Products & Services**

Herman Hollerith's tabulating system is used in the U.S. Census.

1891**Organization**

Edward Canby and Orange O. Ozias of Dayton, Ohio, purchase Julius Pitrap's patents and incorporate The Computing Scale Company as the world's first computing scale company. (It will become one of the principal components of the future IBM.)

1892**Science & Technology**

Herman Hollerith receives a patent for the pantograph punch.

1893**Organization**

Dey Patents Company, which manufactures the very first dial time recorder, is formed. It later is renamed Dey Time Register Company.

1894**Organization**

J. L. Willard and F. A. Frick of Rochester, N.Y., form the Willard and Frick Manufacturing Company as the first card time recorder company in the world. The company contracts with William Gardam & Son of New York, N.Y., to manufacture and ship card time recorders to Rochester, where they are assembled in cases and tested before final shipment under the trade name of "Rochester." (Willard and Frick later will become part of the International Time Recording Co., a major element of the future IBM.)

1895**Products & Services**

The Computing Scale Company introduces the first automatic computing scale. (The company will become part of C-T-R, IBM's predecessor, in 1911.)

1896**Organization**

Herman Hollerith's Tabulating Machine Company is organized in Washington, D.C., as the world's first electric tabulating and accounting machine company.

George W. Fairchild joins the Bundy Manufacturing Company.

The Detroit Automatic Scale Company is organized to manufacture an automatic scale. (The company will become part of the Computing Scale Company in 1901.)

Products & Services

Hollerith signs a contract with the New York Central Railroad to supply punched-card equipment to process up to four million waybills.

1897**Organization**

Computing Scale Company organizes the Computing Scale Company of Canada, Limited, as its distributing agency in Canada.

1899**Organization**

The Moneyweight Scale Company is organized as the selling organization of the Computing Scale Company in the United States and Canada (the name is later changed to the Dayton Moneyweight Scale Company).

Bundy Manufacturing Company acquires Standard Time Stamp Company, a manufacturer of time stamps and a card recorder.

Science & Technology

The first key punch and hand-operated gang punch are developed.

The job time recorder is developed.

1900**Organization**

George W. Fairchild forms the International Time Recording Company as the selling agency of the Bundy Manufacturing Company, Willard and Frick Manufacturing Company, and Standard Time Stamp Company, which also manufactures a card recorder.

1901**Organization**

The Computing Scale Company of America is incorporated. It includes Computing Scale Company, Dayton Moneyweight Scale Company and Detroit Automatic Scale Company.

International Time Recording Company acquires Chicago Time-Register Co., the first autograph time recorder company in the world, and a manufacturer of key, card and autograph employee time recorders.

1902**Organization**

The International Time Recording Company is incorporated in New York as a consolidation of Bundy Manufacturing Company of Binghamton, N.Y.; Willard and Frick Manufacturing Company of Rochester, N.Y.; and Chicago Time Register Company of Chicago.

1903

Science & Technology

The first integrating tabulator is developed.

1905

Organization

The Tabulating Machine Company is incorporated in New Jersey. In addition to owning and controlling the Hollerith Tabulating patents and system, the Tabulating Machine Company is majority owner of the Auditing Machine Company, which it now operates as a division.

1906

Science & Technology

The first automatic feed tabulator, operating at 150 cards per minute, is developed.

Facilities

International Time Recording Company, which has outgrown its second Binghamton factory, builds a modern, reinforced-concrete plant in Endicott, N.Y., on the site of the present IBM plant.

1907

Organization

International Time Recording Company acquires Dey Time Register Company (formerly Dey Patents Co., organized in 1883), which makes dial, card and job time recorders.

Facilities

All International Time Recording Company operations are transferred to Endicott, N.Y.

1908

Organization

Syracuse Time Recording Company, a manufacturer of dial recorders, is acquired by International Time Recording Company.

1910

Science & Technology

Automatic control for tabulators is developed.

1911

Organization

Charles R. Flint arranges the merger of the International Time Recording Company, Computing Scale Company, and the Tabulating Machine Company to form the Computing-Tabulating-Recording Company (C-T-R). George Fairchild becomes chairman of the board of directors. (C-T-R will be renamed International Business Machines Corporation in 1924.)

1914

Business Performance

Gross income from sales, service and rentals in the United States is \$4 million. One hundred shares of C-T-R stock are worth less than \$3,000. The company has 770 stockholders and 1,346 employees at year-end.

Organization

Thomas J. Watson, Sr., joins the Computing-Tabulating-Recording Co. (C-T-R) as general manager.

Products & Services

Use of accounting machines begins to spread. The accounting product line includes the mechanical key punch, the hand-operated gang punch, the vertical sorter, and the tabulator. Customers include railroads, chemical companies, utilities and life insurance companies.

Facilities

C-T-R's Endicott, N. Y., plant produces time-recording equipment; the Dayton, Ohio, plant makes scales; and the Washington, D.C. facility makes keypunch cards.

Corporate Citizenship

The company hires its first disabled employee, 59 years before the passage of the Rehabilitation Act of 1973 and 76 years before the Americans with Disabilities Act.

1915

Business Performance

C-T-R gross income is \$4 million and net earnings are \$1 million. There are 1,672 employees.

Organization

T. J. Watson, Sr., is elected president and general manager of Computing-Tabulating-Recording Company. The first sales convention is held, a forerunner of the Hundred Percent Club conventions. The sales force is reorganized and strengthened.

1916**Business Performance**

C-T-R gross income is \$6 million and net earnings are \$1 million. There are 2,529 employees.

1917**Business Performance**

C-T-R gross income is \$8 million and net earnings are \$1 million. There are 3,063 employees.

Organization

The Computing-Tabulating-Recording Company enters the Canadian market under name of International Business Machines Co., Limited. Computing Scale Company of Canada, Limited, is absorbed into International Business Machines Company, Ltd.

American Automatic Scale Co. of Chicago, a manufacturer of heavy capacity scales, is acquired. Its name is changed to International Scale Company, and it is absorbed by the Computing Scale Company.

C-T-R opens an office in Brazil.

1918**Business Performance**

C-T-R gross income is \$9 million and net earnings are \$1 million. There are 3,127 employees.

1919**Business Performance**

C-T-R gross income is \$11 million and net earnings double to \$2 million. There are 3,139 employees.

Organization

The Computing-Tabulating-Recording Company enters the European market.

The first issue of *The T. M. Business Record* — an internal publication — is published.

Products & Services

An electric synchronized time clock system is introduced.

1920**Business Performance**

C-T-R gross income is \$14 million and net earnings are \$2 million. There are 2,731 employees.

Products & Services

A printing tabulator is introduced.

Science & Technology

Lock Autograph Recorder is developed and released.

1921**Business Performance**

C-T-R gross income is \$9 million and net earnings are \$1 million. There are 3,001 employees.

Organization

Computing Scale Company of America — a subsidiary of C-T-R — is renamed Dayton Scale Company.

The Tabulating Machine Company acquires the patents and equipment of the Pierce Accounting Machine Company, manufacturers of alphabetic accounting machines (which is absorbed), and of the Ticketograph Company of Chicago, makers of job ticket printing machines (which is operated as a division of The Tabulating Machine Company).

1922**Business Performance**

C-T-R gross income is \$9 million and net earnings are \$1 million. There are 3,043 employees.

1923**Business Performance**

C-T-R gross income is \$11 million and net earnings are \$2 million. There are 3,161 employees.

Organization

International Business Machines Corporation of Delaware is organized to manage business in Latin America.

Products & Services

The first electric key punch is introduced.

Facilities

Sales offices open in other Latin American countries and in the Far East.

1924**Business Performance**

IBM gross income is \$11 million and net earnings are \$2 million. There are 3,384 employees.

Organization

The Computing-Tabulating-Recording Co. is renamed International Business Machines Corporation (IBM).

The Quarter Century Club — which recognizes employees with 25 years of service — is organized.

The first issue of *Business Machines* is published as an IBM internal publication.

Products & Services

IBM introduces a self-regulating time system. The Recordolock is introduced.

Science & Technology

The Carroll Rotary Card Press is developed to produce cards at high speed.

Facilities

The Sindelfingen, Germany, plant is completed.

1925**Business Performance**

IBM gross income is \$13 million and net earnings are \$3 million. There are 3,698 employees. The company pays its first stock dividend to shareholders, at rate of 20 percent.

Organization

The first One Hundred Percent Club Convention is held in New York and Atlantic City, N.J.

Products & Services

The horizontal sorting machine is introduced with a speed of 360 cards per minute. The first standard duplicator is manufactured. Accounting machines are introduced in Japan.

Facilities

IBM opens an office in the Philippines.

The Vincennes, France, plant is completed.

1926**Business Performance**

IBM gross income is \$14 million and net earnings are \$4 million. IBM stock splits three-for-one. There are 3,953 employees.

Products & Services

IBM wins grand prizes for products at the Sesquicentennial Exposition in Philadelphia.

Facilities

The first Consolidated Customer Service School is established.

1927**Business Performance**

IBM gross income is \$14 million and net earnings are \$4 million. There are 4,866 employees.

Science & Technology

The first automatic gang punch is developed.

1928**Business Performance**

IBM gross income is \$15 million and net earnings reach \$5 million for the first time. A five percent stock dividend is declared. There are 5,102 employees.

Organization

The Customer Engineering training course starts, and a Suggestion Program for employees is established.

Products & Services

The punched card now holds 80 columns, almost double the previous capacity. A subtracting-accounting machine is introduced.

The Junior Tabulator is released.

Science & Technology

The first public address and program signaling systems for schools are developed (and are known later as "Schoolmaster").

1929**Business Performance**

The stock market crashes but IBM declares a five percent stock dividend. Gross income passes the \$18 million mark and net earnings grow to \$7 million. There are 5,999 employees.

Products & Services

The first card counting printing sorter is shipped. The motor drive key punch is released.

Facilities

The Hammersmith (London), England, plant is completed.

1930**Business Performance**

Despite the Great Depression, IBM increases its employment, trains more salesmen, and increases engineering efforts. The company declares a five percent stock dividend. IBM gross income is \$19 million and net earnings are \$7 million. There are 6,346 employees.

Organization

Automatic Accounting Scale Company, makers of automatic counting scales, is acquired. The International Scale Company is organized as a subsidiary of IBM, and takes over the now complete line of industrial scales.

Products & Services

Portable Watchman's Clock is introduced.

Science & Technology

Chain Store Billing Machine is developed.

1931**Business Performance**

IBM gross income is \$19 million and net earnings are \$7 million. A five percent stock dividend is declared. There are 6,331 employees.

Products & Services

New products introduced during the year include the 400 series alphabetical accounting machines, and the 600 series calculating machines, which handle multiplication and division. In addition, IBM releases the Public Utility Billing Machine, the Electroprint Time Stamp, the first automatic multiplying punch, and first automatic reproducing punch. The first permanent installation of the Filene-Finlay Translator is set up at League of Nations in Geneva.

Science & Technology

The first motor drive duplicating punch and first automatic summary punch are developed.

1932**Business Performance**

IBM gross income declines to \$17 million and net earnings fall to \$6 million. There are 6,311 employees.

Organization

National Counting Scale Company, makers of counting scales, is acquired.

The Education Department is established to manage IBM's many educational activities for employees and customers.

Products & Services

The Card Counting Sorter and the Alphabetical Duplicating Punch are released.

1933**Business Performance**

IBM gross income is \$17 million and net earnings are \$6 million. There are 8,202 employees.

Organization

IBM is reorganized. The Tabulating Machine Company, International Time Recording Company, Dayton Scale Company, Ticketograph Company and International Scale Company become IBM divisions.

IBM acquires Electromatic Typewriters, Inc., of Rochester, N.Y.

Products & Services

The Type 285 Numeric Printing Tabulator is introduced. Also released is the first Alphabetical Printing Punch.

Science & Technology

The development of the Carroll Carriage improves alphabetical accounting machines by automatic handling of special forms and variable line spacing.

Facilities

The IBM Schoolhouse and Engineering Laboratory Building is dedicated at Endicott, N.Y.

A plant in Berlin, Germany, is completed.

1934**Business Performance**

IBM gross income grows to \$19 million and net earnings increase to \$7 million. A five percent stock dividend is declared. There are 7,613 employees.

Organization

The Dayton Scale Division is sold to the Hobart Manufacturing Company. IBM abandons piecework compensation.

Products & Services

The 405 Alphabetical Accounting Machine is introduced. The 405 is IBM's flagship product until after World War II. Also brought to market are the first alphabetical duplicating printing punch, card marking verifier and Insto time stamp.

Science & Technology

A proof machine for banks is developed.

Corporate Citizenship

A group life insurance plan is initiated for employees.

1935**Business Performance**

IBM gross income increases to \$21 million and net earnings are \$7 million. A two percent stock dividend is declared. There are 8,654 employees.

Organization

The first issue of *Think*, an employee and customer magazine, is published. IBM holds its first training class for women systems service professionals in Endicott, N.Y.

Products & Services

IBM markets the first commercially successful electric typewriter. A proof machine, to clear bank checks, is introduced. Also brought to market are a gang summary punch for alphabetic accounting machines and the automatic carriage.

Facilities

A new plant in Milan, Italy, is completed.

Corporate Citizenship

Survivor benefits are added to employee group life insurance.

1936**Business Performance**

IBM gross income grows to \$25 million and net earnings increase to \$8 million. There are 9,142 employees.

Products & Services

IBM installs punched card equipment to support administration of the U.S. Social Security Act. The Fingerprint Selecting Sorter and the Traffic Recorder are released.

1937**Business Performance**

IBM gross income reaches \$31 million and net earnings are \$8 million. A five percent stock dividend is declared. There are over 10,000 IBM employees (10,834) for the first time.

Products & Services

The 077 Collator, the Alphabetical Interpreter and the first test-scoring machine are introduced.

Corporate Citizenship

IBM announces a policy of paying employees for six annual holidays and becomes one of the first U.S. companies to grant holiday pay. Paid vacations also begin.

1938**Business Performance**

IBM gross income grows to \$34 million and net earnings increase to \$9 million. A five percent stock dividend is declared. There are 11,046 employees.

Products & Services

The 8500 Card Recorder is introduced.

Facilities

IBM World Headquarters Building, located at 590 Madison Avenue in New York, N.Y., is dedicated.

1939**Business Performance**

IBM gross income increases to \$38 million and net earnings are \$9 million. A five percent stock dividend is declared. There are 11,315 employees.

Products & Services

The 7500 Printime Stamp, Formwriter and Facsimile Posting Machine are introduced.

IBM Day (May 4) is held at the New York World's Fair Gallery of Science & Art and at the Golden Gate Exposition (May 14).

1940**Business Performance**

IBM gross income reaches \$45 million and net earnings are \$9 million. The company declares a five percent stock dividend There are 12,656 employees.

Products & Services

The Pencil Mark Sensing Reproducer and Type 780 Portable Recorder are introduced.

1941**Business Performance**

IBM gross income grows by one-third to \$60 million and net earnings increase to \$10 million. IBM sets a nominal one percent profit on war products and pays a stock dividend of five percent. There are 14,207 employees.

Organization

The Munitions Manufacturing Corporation is incorporated.

Products & Services

Alphabetical Verifier and Electric Typewriter with proportional spacing are introduced.

International Day at the Canadian National Exhibition is dedicated to IBM Company, Ltd.

1942**Business Performance**

IBM gross income grows to \$86 million and net earnings decline to \$8 million. IBM pays a stock dividend of five percent. There are 18,754 employees.

Organization

The Ticketograph Division is acquired by National Postal Meter Company.
The first radiotype school is established.

Facilities

IBM builds plant at Poughkeepsie, N.Y., and expands the Endicott, N.Y., plant. Both plants win Army-Navy "E" awards. The Munitions Manufacturing Corporation Inc. becomes IBM Plant Number 4.

1943**Business Performance**

IBM gross income grows to \$131 million and net earnings increase to \$9 million. IBM pays a stock dividend of five percent. There are 21,251 employees.

Facilities

The use of safety glasses and safety shoes is adopted in IBM manufacturing departments.

1944**Business Performance**

IBM gross income grows to \$140 million and net earnings increase to \$10 million. IBM pays a stock dividend of five percent. There are 21,126 employees.

Organization

Development and manufacture of electric typewriters is moved from Rochester to Poughkeepsie, N.Y.

Products & Services

IBM presents its first large scale computer, the Automatic Sequence Controlled Calculator (ASCC), to Harvard University.

Corporate Citizenship

IBM becomes the first company to support the United Negro College Fund. The IBM Health and Accident Benefit Plan is announced.

1945**Business Performance**

IBM gross income declines to \$138 million and net earnings increase to \$11 million. IBM pays a stock dividend of five percent. There are 18,257 employees.

Products & Services

Accounting Machine with three-line listing is introduced.

Science & Technology

The Watson Scientific Computing Laboratory is founded at Columbia University in New York, N.Y.

1946**Business Performance**

IBM gross income declines to \$116 million and net earnings grow to \$19 million. The stock splits five-for-four. There are 22,292 employees.

Organization

Thomas J. Watson, Jr., is elected to the Board of Directors.

Products & Services

IBM announces the 603 Electronic Multiplier, the first commercial product to incorporate electronic arithmetic circuits. The IBM Wireless Translating System and End-Printing Reproducer are introduced.

Corporate Citizenship

A Hospitalization Plan for employees is implemented. IBM manufactures pocket-sized Braille writing devices. Family Dinners are initiated to give recognition to employees and spouses. The company hires its first black salesman, 18 years before the Civil Rights Act of 1964.

1947**Business Performance**

IBM gross income grows to \$139 million and net earnings increase to \$24 million. There are 22,591 employees.

Products & Services

The Electronic Multiplier is introduced.

Corporate Citizenship

IBM announces a Total and Permanent Disability Income Plan for employees. A vested rights pension is added to the IBM retirement plan.

1948**Business Performance**

Gross income reaches \$156.4 million and net earnings increase to \$28 million. The stock splits seven-for-four. There are 24,940 employees.

Products & Services

IBM's first large-scale digital calculating machine, the Selective Sequence Electronic Calculator (SSEC), is announced. Other new products include the 604 Electronic Calculating Punch.

1949**Business Performance**

IBM gross income increases to \$183 million and net earnings grow to \$33 million. The company declares a five percent stock dividend. There are 27,236 employees.

Organization

Thomas J. Watson, Sr., is elected IBM Chairman of the Board.

The World Trade Corporation is formed as an independently-operated but wholly-owned subsidiary to handle overseas operations.

Products & Services

New products introduced include the IBM Card-Programmed Electronic Calculator (CPC), 407 Accounting Machine and the "Model A Executive" Electric Typewriter with proportional spacing.

1950**Business Performance**

IBM gross income increases to \$266 million and net earnings grow to \$37 million. The company declares a five percent stock dividend. There are 30,261 employees.

Organization

IBM Israel begins operating in Tel Aviv.

Products & Services

IBM is assigned Korean War-related projects including bombing-navigational systems for Air Force bombers, and giant high-speed electronic calculators for U.S. air defense.

Facilities

With the beginning of the Korean War, IBM places its U.S. facilities at the government's disposal.

1951**Business Performance**

IBM gross income increases to \$335 million and net earnings decline to \$32 million. The company declares a five percent stock dividend. There are 35,124 employees.

Organization

IBM United Kingdom is formed.

Products & Services

The Model A Decimal Tabulation Typewriter is introduced.

1952**Business Performance**

IBM gross income increases to \$412 million and net earnings grow to \$34 million. The company declares a five percent stock dividend. There are 41,458 employees.

Organization

Thomas J. Watson, Jr., becomes IBM President.

Products & Services

IBM introduces the 701, its first production computer, which is designed primarily for scientific calculations.

1953**Business Performance**

IBM gross income increases to \$497 million and net earnings grow to \$39 million. The company declares a five percent stock dividend. There are 46,170 employees.

Products & Services

IBM announces the 702 computer for commercial use, and the 650 Magnetic Drum Calculator, an intermediate size electronic computer, to handle widely diversified accounting and scientific computations. (Nearly 2,000 IBM 650s are sold by 1962, making the 650 the most popular computer of the 1950s). The Model A Toll Biller is also introduced.

Corporate Citizenship

Thomas J. Watson, Jr., publishes the company's first written equal opportunity policy letter — one year before the U.S. Supreme Court decision in Brown vs. Board of Education and 11 years

before the Civil Rights Act of 1964. The Suggestion Plan's top award is increased from \$2,500 to \$5,000.

1954

Business Performance

IBM gross income increases to \$570 million and net earnings grow to \$59 million. The company declares a 2 ½ percent stock dividend and the stock splits five-for-four. There are 50,225 employees.

Products & Services

The faster, more powerful 704 computer succeeds the 701, and the 705 replaces the 702. New Model B Standard and "Executive" Typewriters are introduced.

Science & Technology

IBM develops and builds the fastest, most powerful electronic computer of its time — the Naval Ordnance Research Computer (NORC) — for the U.S. Navy Bureau of Ordnance.

Facilities

A new plant is completed at Greencastle, Ind., and the plants at Endicott and Poughkeepsie are expanded.

1955

Business Performance

IBM gross income climbs to \$696 million and net earnings grow to \$73 million. There are 56,297 employees.

Organization

The Electric Typewriter and Military Products units become autonomous divisions.

Products & Services

IBM announces the 608 transistor calculator and the 858 Cardatype accounting machines, a series of high-speed printers.

Science & Technology

IBM engineers develop magnetic core storage units.

1956

Business Performance

IBM gross income climbs to \$892 million and net earnings grow to \$87 million. Stock splits five-for-four, and a 2½ percent stock dividend is declared. There are 72,504 employees.

Organization

Thomas J. Watson, Sr., dies at 82. Thomas J. Watson, Jr., becomes the chief executive officer of IBM.

IBM reorganizes into six autonomous divisions and the subsidiary World Trade Corporation. Corporate Staff is formed to advise and assist the divisions in specialized areas. The Data Processing, Special Engineering Products and Time Equipment Divisions are established.

Products & Services

The 305 RAMAC and 650 RAMAC machines are launched, as well as the model 27 Card Proof Punch and 28 Printing Card Proof Punch. The Electric Typewriter Division announces an electronic “reading” device for electric typewriters and an electronic input-output device to automatically type work done by computers. The Time Equipment Division introduces an automatic production recording system. Military Products Division continues production of its large-scale computer for the air warning system known as SAGE, and of advanced bombing and navigational systems for the U.S. Air Force.

Facilities

Construction of the Kingston, N.Y., plant is completed.

Corporate Citizenship

The company announces a Family Major Medical Plan for employees.

1957**Business Performance**

IBM gross income tops billion dollar level, to \$1.20 billion, and net earnings exceed the \$100 million level for the first time, reaching \$110 million. IBM makes a public offering of 1,050,233 shares of additional stock to help finance continued growth. The stock splits two-for-one. There are 83,588 employees.

Organization

The Service Bureau Corporation is formed as wholly-owned but independently-operated subsidiary.

Products & Services

IBM announces the model 709 computer, and makes FORTRAN scientific programming language available to customers.

Facilities

Facilities at Burlington, Vt.; Owego, N.Y.; San Jose, Calif.; and Sherman, Texas, are completed.

The Data Processing Division moves its headquarters to White Plains, N.Y.

Corporate Citizenship

The Thomas J. Watson Memorial Scholarship program is established.

1958**Business Performance**

IBM gross income grows to \$1.41 billion and net earnings increase to \$152 million. A 2 ½ percent stock dividend is declared. There are 86,736 employees.

Organization

IBM sells the Time Equipment Division to Simplex Time Recorder Co.

Products & Services

New products introduced in 1958 include the model 7090 high-capacity computer; the 7070 intermediate data processing system; the Series 50 basic accounting machine; and the 632 Electronic Typing Calculator for card output.

The Electric Typewriter Division produces its one millionth typewriter and celebrates its 25th anniversary.

Science & Technology

A RAMAC 305 answers questions on world history in 10 languages at the Brussels World Fair. A 704 computer aids in design and tracking of space vehicles.

Facilities

Plants are completed at Rochester, Minn.; Dayton, N.J.; and Lexington, Ky.

Corporate Citizenship

IBM places all its hourly workers on salary. The company introduces a Stock Purchase Plan, allowing employees to buy IBM stock at 85 percent of market price.

1959**Business Performance**

IBM gross income grows to \$1.61 billion and net earnings increase to \$176 million. A 2 ½ percent stock dividend is declared. There are 108,883 stockholders and 94,912 employees.

Organization

IBM reorganizes the Data Processing Division into the Data Systems and General Products Divisions to handle development and manufacturing, and the Data Processing Division to handle marketing and service. The Military Products Division is renamed Federal Systems Division, and an Advanced Systems Development Division is organized to explore new markets.

Products & Services

IBM introduces the 1401 data processing system; the 1620 scientific computer; the 357 data collection system; the 1210 magnetic character-reader/sorter; the 9090 to automate airline reservation systems; and the Model C Standard and 'Executive' typewriters.

Facilities

A new card plant opens in Concord, Mass. The World Trade Corporation opens a new Belgium headquarters and dedicates a European Education center at Blaricum, Holland.

Corporate Citizenship

IBM introduces SPEAK UP!, a program to encourage communications between employees and management.

1960**Business Performance**

IBM gross income grows to \$1.81 billion and net earnings increase to \$205 million. There are more than 100,000 IBM employees (104,241) for the first time.

Products & Services

IBM introduces the solid-state 7000 series computers, replacing the 700 series of vacuum-tube machines; the 1410 computer; and the STRETCH computing system, the world's most powerful computer to date.

The 305 RAMAC scores the Winter Olympic games in California, tallies votes at both U.S. political conventions, and processes presidential election returns.

Science & Technology

IBM computers provide data for launching and tracking Project Echo, the U. S. pioneering experiment in space communications. The IBM-developed Mark II language translator translates Russian into English. The Systems Research Institute opens as first graduate-level school in computer industry to educate people for advanced work in data processing systems engineering.

Facilities

Construction begins on a materials distribution center in Poughkeepsie, N.Y., and on an addition to the Endicott product development laboratory. The Supplies Division completes the Campbell, Calif., card plant and opens a new card design center in Houston, Texas.

The World Trade Corporation completes a manufacturing plant in Argentina, expands its plants in Scotland and France, and starts construction on new laboratory buildings in France, Holland, and West Germany.

Corporate Citizenship

IBM begins donations to the National Scholarship Fund for black students.

1961

Business Performance

IBM gross income grows to \$2.20 billion and net earnings increase to \$254 million. Stockholders vote for a three-for-two split. IBM has 116,276 employees and 195,674 stockholders.

Organization

Thomas J. Watson, Jr., is elected chairman of the board; Albert L. Williams becomes president.

The Components Division is formed to handle development, manufacture and purchase of solid-state components used in production of IBM data processing equipment.

Products & Services

IBM introduces the “Selectric” Typewriter, an electric typewriter which uses a golf ball-shaped typing element rather than type bars or movable carriages; the “Executory” PBX dictation system and portable dictating unit; the 1710 control system; the Hypertape system; the 1301 disk storage; and the high-speed 1403 printer.

Facilities

The Thomas J. Watson Research Center at Yorktown Heights, N.Y., opens, and IBM holds its annual meeting there.

IBM announces a plan to move its corporate headquarters from the 590 Madison Avenue building in New York City to the suburbs. After a trial period at Yorktown Heights, the company selects Armonk, N.Y., for the new corporate headquarters site.

The General Products Division and Data Systems Division move to new headquarters near White Plains, N.Y.

The manufacturing plant in Japan is expanded

Corporate Citizenship

IBM's nondiscrimination policy is expanded to include sex, national origin, and age.

1962

Business Performance

IBM gross income increases to \$2.59 billion and net earnings grow to \$305 million. There are 127,468 employees.

Drawing on established IBM policies, Thomas J. Watson, Jr., codifies three IBM basic beliefs: respect for the individual, customer service, and excellence.

Products & Services

IBM announces a low-cost 1440 data processing system; the 7094, one of the most powerful computing systems offered by IBM to date; the 7010 data processing system; the 7710 data communication unit, which permits computers at different locations to exchange information via high-speed facilities; the 7750, which allows a single computer to communicate with large numbers of widely-separated terminals; the 1420 bank transit system; the 1062 teller terminal; the 6400 Accounting Machine; and the "Electric" input/output typewriter.

The last IBM 650 Magnetic Drum Calculator is manufactured. (Nearly 2,000 IBM 650s are sold in the 1953-1962 period, making the 650 the most popular computer of the 1950s.)

Science & Technology

IBM receives the contract for the first guidance computer for the Saturn series of space launch vehicles, and work begins on an IBM guidance computer that will help steer the two-man Gemini capsule.

The first Invention Award Dinner honors 34 outstanding IBM inventors.

IBM scientists succeed in operating a semiconductor diode laser powered directly by an electric current rather than an external light source.

An experimental thin film memory that operates at a speed of 100 billionths of a second is demonstrated.

Using the Telstar satellite, IBM sends computer information back and forth between Endicott, N.Y. and La Gaude, France.

Facilities

The Supplies Division moves to new headquarters in Dayton, N.J. Development laboratories are completed at Poughkeepsie, N.Y.; San Jose, Calif.; and La Gaude, France. Construction starts on an education center in Cuernavaca, Mexico.

Corporate Citizenship

IBM joins U.S. President John F. Kennedy's Plan for Progress Program, pledging to continue to take action to strengthen IBM's policy of equal job opportunity for all individuals. The company makes five-year grants to black colleges, and affiliates of the United Negro College Fund receive faculty fellowships.

1963

Business Performance

IBM gross income increases to \$2.86 billion and net earnings grow to \$364 million. IBM has 137,612 employees and 232,250 stockholders.

Organization

IBM forms three new divisions: Industrial Products; Real Estate and Construction; and Research.

Products & Services

IBM announces the 7094 II, the most powerful computer in the product line to date; an electronic filing system composed of new IBM 1302 disk storage files; the 1460, which processes information nearly twice as fast as the 1401; and the 1240 banking system.

IBM introduces several different kinds of teleprocessing systems, including the 1030 and the 1050 data collection system, and the 7740 communication control unit.

Science & Technology

IBM employees and computers help NASA track the orbital flight of the Mercury astronauts.

The company names the first eight IBM Fellows in a new Fellowship Program that recognizes senior IBM scientists, engineers and other professionals for outstanding technical achievements.

Facilities

New facilities are completed in East Fishkill, N.Y.; Lexington Ky.; Rochester, Minn.; and Bombay, India.

New laboratories are established in Zurich, Switzerland; La Gaude, France; and Vienna, Austria.

The IBM plant in Sindelfingen, West Germany, begins deliveries of 1440 systems.

1964**Business Performance**

IBM gross income grows to \$3.23 billion and net earnings increase to \$431 million. Stock splits five-for-four. IBM has 149,834 employees and 266,086 stockholders.

IBM celebrates "50 Years of Progress" with 80,000 IBMers and guests at 231 Family Dinner and Quarter Century Club gatherings.

Organization

T. Vincent Learson and Arthur K. Watson are named senior vice presidents.

IBM acquires a new subsidiary, Science Research Associates Inc., a Chicago publisher of education, test and guidance materials.

IBM forms the new Field Engineering Division. The Electric Typewriter Division becomes the Office Products Division.

Products & Services

In the most important product announcement in company history to date, IBM introduces the IBM System/360 — a new concept in computers which creates a “family” of small to large computers incorporating IBM-designed Solid Logic Technology (SLT) microelectronics and uses the same programming instructions.

Other new products announced in 1964 include the 1800 data acquisition and control system; a graphic data processing system permitting computer-stored information to be displayed graphically on a TV-like screen and changed with a light pen; several teleprocessing units and systems; and the Magnetic Tape Selectric Typewriter.

The Federal Systems Division is awarded a contract for part of the Saturn launch vehicles, the largest space contract in IBM’s history to date.

American Airlines’ SABRE system, using IBM computers and linking 1,000 ticket sales desks in 65 U.S. cities, goes into full operation.

IBM computers help speed the processing and transmission of event results at the Winter and Summer Olympics.

Science & Technology

IBM scientists develop an experimental device that can electronically position in millionths of a second a laser light beam carrying written and pictorial information; a solid state optical scanning device that converts images into electrical signals; a laser transmitter that sends voice and other signals great distances over laser light beams.

Facilities

IBM moves its corporate headquarters from New York City to Armonk, N.Y.

New plants are completed at Huntsville, Ala., and East Fishkill, N.Y.

Corporate Citizenship

IBM Day at the New York World’s Fair features former U.S. President Dwight D. Eisenhower as a speaker. Chairman Thomas J. Watson, Jr., receives the Medal of Freedom, the highest civil honor a U.S. President can bestow.

1965

Business Performance

IBM gross income grows to \$3.57 billion and net earnings increase to \$477 million. The World Trade Corporation’s gross income passes the billion dollar mark. IBM has 172,445 employees and 275,650 stockholders.

Organization

The Systems Development and Systems Manufacturing Divisions are established.

Products & Services

The first System/360 is shipped one year after its introduction. IBM announces new System/360 products, including the Model 44 medium-size computer designed for scientific applications; Models 65 and 75, raising the computing power at the high end of the System/360 performance range; Model 67 for time sharing; and an improved Model 30 processor.

Other 1965 product launches include the 1130, a low-cost, desk-size computer; the 2740 and 2741 typewriter communications terminals; the 2321 data cell drive; and the model 224 Executary portable dictating unit.

The IBM 2361, the largest computer memory ever built, is shipped to the NASA Space Center in Houston.

The IBM Pavilion at the New York World's Fair closes, having hosted more than 10 million visitors during its two-year existence.

Science & Technology

A 59-pound onboard IBM guidance computer is used on all Gemini flights, including the first spaceship rendezvous. IBM scientists complete the most precise computation of the Moon's orbit and develop a fabrication technique to connect hundreds of circuits on a tiny silicon wafer.

Facilities

Construction begins on manufacturing and development facilities near Raleigh, N.C., and Boulder, Colo. IBM completes plant and laboratory additions at the New York sites of Kingston, Owego, Poughkeepsie and Yorktown Heights.

A computer-based communications network links IBM's major engineering, manufacturing and administrative facilities in the U.S. and Europe to coordinate work on System/360.

Corporate Citizenship

The first IBM-sponsored computer centers in European universities open in London, Copenhagen, and Pisa, Italy.

Science Research Associates Inc. operates the Rodman Job Corps Center as part of the U.S. "War on Poverty."

1966

Business Performance

IBM gross income increases to \$4.24 billion and net earnings grow to \$526 million. The company makes an offering of 1,324,136 shares of additional stock to help finance continued growth. Stock splits three-for-two. IBM has 198,186 employees worldwide and 328,427 stockholders.

Organization

Albert L. Williams retires as IBM president and is named chairman of the executive committee of the board of directors. T. Vincent Learson replaces him as IBM president. Arthur K. Watson is elected vice chairman of the board of directors.

A Corporate Office is established to conduct the overall affairs of the corporation.

The Supplies Division changes its name to the Information Records Division. The Data Processing Group is organized.

Products & Services

IBM announces the "Electric" Composer and Magnetic Tape "Electric" Composer for cold-type composition; the model 1287 optical reader; the 9370 document reproducer; the IBM 1500, the first system specifically designed for computer-assisted instruction; IMPACT, a set of computer programs for inventory control of retail operations; the 1080 Data Acquisition System for hospital and laboratory tests; and System/4 Pi, a special family of aircraft and space computers.

The Service Bureau Corporation begins implementation of a nationwide computer network that will link 125 System/360s in more than 80 offices. IBM computers process some 19 million Medicare identification cards for the Social Security Administration.

Facilities

Federal Systems Division personnel move into a new facility near Gaithersburg, Md. The Office Products Division announces a plant and engineering complex at Austin, Texas.

IBM World Trade dedicates a plant in Vimercate, Italy, and a laboratory at Lidingo, Sweden; completes a new manufacturing facility in Mainz, West Germany; and announces plans to build a second manufacturing plant at Havant, England.

Corporate Citizenship

IBM announces a new employee benefit, the Family Surgical Plan, and a new special care program to assist employees with handicapped children.

1967**Business Performance**

IBM gross income rises to \$5.34 billion and net earnings increase to \$651 million. A 2 ½ percent stock dividend is paid. IBM has 221,866 employees worldwide and 359,495 stockholders.

Organization

A Management Committee of senior executives is formed to assist the Corporate Office in management of overall affairs of the corporation.

Products & Services

IBM announces System/360 Model 25; Paper Tape “Electric” Composer; new Model D Typewriter and Model D “Executive” Typewriters; the 2680 CRT printer for publishing; QUIKTRAN 2, a remote terminal system; the Series/500 magnetic tape; binary synchronous communications, an IBM technique that regulates and speeds flow of data characters into transmission lines; and a cartographic scanner, to convert maps to binary data for computer processing.

IBM exhibits computer systems at Canada’s Expo ‘67.

Customer support now includes 40 installation centers, 17 field systems centers, four data acquisition and control centers and six scientific centers.

Science & Technology

IBM scientists also produce the first monolithic integrated germanium circuits; make important new gains in laser technology; and discover and prove a series of formulas that give a minimum number of steps required for the addition, multiplication and comparison of numbers.

IBM plays a key role in the successful Saturn V test flight, and builds a trillion-bit photo-digital storage system for the Atomic Energy Commission.

Facilities

Construction begins on a new Data Processing Division headquarters in White Plains, N.Y.

The World Trade Corporation establishes European Systems Research Institute, and begins mass production of System/360s in Japan.

Expansion is completed on manufacturing facilities at Fujisawa, Japan; Mainz, West Germany; Amsterdam, Holland; and Greenock, Scotland.

1968**Business Performance**

IBM gross income climbs to \$6.88 billion and net earnings increase to \$871 million. World Trade gross income passes \$2 billion. Stock splits two-for-one. IBM employment reaches 241,974 and there are 501,390 stockholders.

Products & Services

Additions to System/360 family are announced: the Model 85; two versions of the Model 20; the Model 50 data inscriber and 2495 cartridge reader, offering a new data entry technique for System/360; two display units, the 2265 and 2760; a display copier, the 2285; and the 1288 optical reader. New models of IBM’s “Executory” Dictation and Transcription Units are introduced, as well as the IBM Braille Typewriter.

Science & Technology

Apollo mission support at Federal Systems Division plays a vital role in the first circumlunar flight; NASA delves deeper into theoretical space exploration, using two System/360 Model 95s.

IBM scientists develop an experimental laser optical memory system. Widely used Solid Logic Technology modules achieve a reliability rate 1,000 times that of earlier vacuum tubes.

Facilities

IBM establishes a manufacturing plant in the Bedford-Stuyvesant section of Brooklyn, N.Y. More than two million square feet of new World Trade facilities and expansions are completed or are under construction in 10 countries; almost six million square feet are added or are under construction in the United States.

Corporate Citizenship

IBM establishes its first job training center for the economically disadvantaged. The company also sponsors a Harlem Street Academy to aid school dropouts.

1969**Business Performance**

IBM gross income grows to \$7.19 billion and net earnings increase to \$934 million. IBM has 258,662 employees and 549,463 stockholders.

Organization

The General Systems Division is formed to develop and manufacture low-cost data processing equipment and provide related programming systems support.

Products & Services

IBM adopts a new marketing policy that charges separately for most systems engineering activities, future computer programs, and customer education courses.

IBM announces the System/3 for small businesses, the first IBM system to use Monolithic System Technology (MST) logic circuits and feature a new small punched card; the 2770 Data Communication System and the 2790 Data Communication System; and the Mag Card "Selectric" Typewriter.

Science & Technology

IBM computers help NASA put the first men on the Moon. An onboard computer in the Orbiting Astronomical Observatory II operates for a full year.

IBM scientists develop experimental devices using laser beams to store huge amounts of information, as well as techniques for word recognition, speaker identification and advanced audio response.

Facilities

A total of 7.5 million square feet of new construction is completed or in process at IBM sites in the United States. Meanwhile, the World Trade Corporation adds or is completing 3.6 million square feet, its biggest construction boom to date.