THE MONOGRAM

MAY 1957

SHARE OWNERS: The Annual Meeting Brought Them Together . . . . page 1

GROCERY BOY

PRODUCTION SPECIALIST

NEWCOMER

TEACHER

REPORTER

SUPPLIER

X-RAY EMPLOYEE

CLERGYMAN

ELECTRICAL DEALER

HOUSEWIFE

TWO APPROACHES TO TAXES AND SPENDING . . . . p. 11

LETTERS

On Speaking Up

Editor:

I was delighted to read the editorial in your April *Monogram* and to note the support you gave various of our people who spoke up for better schools.

I have long felt that a real service for worthy public issues can be done by large companies, especially on the local level. The men who took it upon themselves to speak up for these issues are the type General Electric needs more of . . . .

R. D. Farrer
Allentown, Pa.

Editor:

I note an alarming amount of encouragement for our managers to make statements regarding public and civic problems. It seems to me that somebody should write about a four-inch volume setting forth the multitude of ways in which such public pronouncements can and *have* cost our Company business.

My limited experience shows we have very little to gain and one heck of a lot to lose if something goes wrong.

D. C. Harder
Dallas, Tex.

There are two sides to this argument, as there are to every issue. While the man who keeps his mouth shut is unlikely to put his foot in it, we're firmly convinced that more good can be accomplished by the thoughtful person who is bold enough to speak up, yet wise enough to do so with tact and understanding.—Ed.

Better Than Medicine

Editor:

I have a feeling that most of us who are employees of the General Electric Company feel we are working for a good Company, but don't realize how wonderful it is until sickness or accident strikes. . . .

I have almost completely recovered from an illness that confined me to bed for several

(*Continued on inside back cover*)

The object of The Monogram is to keep its readers better informed on General Electric activities and policies so that they may more effectively represent the Company in its relations with the public.

IN THIS ISSUE

Keith H. Crandell, Editor

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ANNUAL MEETING

Record Participation

There is nothing more poisonous to any collective undertaking than apathy.

With that comment, Philip D. Reed, chairman of General Electric's Board of Directors, opened the Company's 65th annual share owners meeting at Schenectady last month.

The meeting served as new proof that General Electric's 376,000 share owners are decidedly not apathetic toward the operation of their Company.

Among the important evidences:

- More than 300,000 share owners (a new record) filled in and returned proxy statements to assure that their votes would be cast at the meeting.
- Votes representing 73 million shares, nearly 85 per cent of those outstanding, were cast.
- 3643 share owners of all ages and all walks of life jammed Schenectady's huge State Armory and overflowed into a nearby theater (where the meeting was screened via closed-circuit television) to take part in the meeting in person.

All this, Chairman Reed commented, indicates that share owners recognize that their position of ownership carries with it obligations as well as rights.

Share owners re-elected the Company's 18 directors, and they overwhelmingly voted down a pair of proposals to amend the Company's Stock Option and Incentive Compensation plans. Those attending heard President Cordiner's report on the state of the business (story, page 2) and peppered Mr. Reed and Mr.

INTENSE SHARE OWNER INTEREST in the Company is illustrated by Annual Meeting visitors to Schenectady's busy turbine-generator building.

AT 10:28 A.M. ON APRIL 24, Ray H. Luebbe, vice president, general counsel, and secretary; Chairman of for General Electric's 65th Annual Meeting. Photo of People's Capitalism at work was taken by George

Cordiner with questions on General Electric affairs.

After the meeting they munched their way through the traditional box lunch.

They also flocked through two of the world's key manufacturing buildings: Schenectady's massive turbine building and the most modern motor manufacturing plant in the world. They swarmed through the Company's four-trailer "Live Better Electrically" caravan for a view of the latest in home electrical products, and saw something of the wizardry of lamp-making through the Lamp Division's "Lighting the Way" presentation.

State of the Business

President Cordiner told share owners that Company sales for 1957 will probably exceed last year's $4-billion record by about

SEEN ON THE COVER IN HOMETOWN ROLES, these same share owners appear below listening to re- Philadelphia trucking firm handles Company jobs; Larry Cichy, who earns shares by helping in his dad's Jeffrey Shore, youngest (eight weeks) owner and son of Utica employee Arthur Shore; Thomas Conry, General Schenectady's Large Motor and Generator Dept.; Julia Herrmann, Albany housewife who buys stock

the Board Philip D. Reed; and President Ralph J. Cordiner pause as last-minute arrivals take their seats
Burns of Schenectady, using 140-degree-angle camera and experimental ultra-high-speed film (ASA 2500).

15 per cent, if the national economy continues to perform as currently predicted, with a four percent increase in the gross national product.

Among the important factors cited by Mr. Cordiner are an unprecedented volume of orders already on the books for power-generation and distribution equipment, and an upturn in General Electric's defense business.

During the year, Mr. Cordiner said, the Company will be placing emphasis on two main endeavors:

"First, to improve the values and services offered to customers; and

"Second, to improve earnings ratios to levels that will more adequately sustain growth and progress.

"It will be seen that these two factors together spell progress not only for millions of customers and for 376,000 share owners, but for everyone else whose progress is

port on Company. Left to right: Ann Shem, coil winder in X-Ray Dept., Milwaukee; Arthur Gallagher, whose Schenectady market; Rev. James Doty of the West Lynn First Methodist Church, which owns Company shares; Electric dealer in Pittsfield; Dolores Toporowski, Adams, Mass., teacher; Edward Kelch, methods analyst in through monthly plan; Amy Jane Bowles, of the Holyoke (Mass.) *Transcript*, who recently bought her first share.

EMPHASIS FOR 1957: Improved values and earnings, progress for all, Mr. Cordiner tells meeting.

linked with the progress of General Electric—315,000 employees around the world, more than half a million other businesses that supply the Company with materials and distribute or service its products, and the economy as a whole."

Other high points of the president's report:

Research and Development: "Your Company continues to invest more than six per cent of its sales dollar in research and development. There are not many companies whose annual investments in research and development are actually larger than their profits, as has been the case in General Electric for several years. Rather than reduce research and development activities, it would be better to build up earnings to provide more adequate support for this work, which is vital to continuing progress for General Electric."

Competition: "According to the Bureau of Census, there are now more than 5600 companies engaged in electrical manufacturing—1200 more than there were in 1945 . . . . The great American tradition of taking a chance in establishing a successful business is especially attractive in prosperous times and in a fast-growing electrical industry."

Prices: "General Electric is determined to earn customer acceptance of improved product values and of resulting price levels adequate to maintain growth and progress. . . . In 1956 the annual earnings and benefits of General Electric employees were 189 per cent higher than in 1939, and the cost of key raw materials, such as steel, copper, and aluminum, had risen 159 per cent. The prices of General Electric products advanced only 65 per cent in that period. . . . No company can absorb so much cost increase in so few years and still finance essential growth. Neither the customer nor the manufacturer benefits from prices that fail to yield earnings required for sound growth and progress of efficient companies."

Expansion and Modernization: "Rebuilding, rearranging, and expanding the Company . . . is indeed a major undertaking, but it is done in the perspective of an industry that has doubled in the past eight years and may well be called upon to double its output again in the coming eight years. . . . In 1957 it is expected that investments in laboratories and manufacturing facilities in General Electric will be about $185 million, the highest plant expenditures in the Company's history except for last year. This will again be well above the average rate for electrical manufacturers generally. . . ."

FIRST QUARTER

The Earnings Trend Changes

Last year General Electric's sales increased by a healthy 18 per cent over the previous year, but there was less cause for enthusiasm on the profits front. After-tax earnings were up only two per cent.

Last month there was indication that the earnings trend was changing for the better. In his report on the first three months of 1957, President Cordiner reported an 11 per cent increase in sales billed over the first quarter of 1956 and an increase of 16 per cent in net earnings.

First-quarter earnings represent "some progress toward a more nearly adequate earnings level necessary for the Company to meet the needs of an expanding American economy," Mr. Cordiner noted.

The figures for the first quarter, both new records: sales billed, $1,048,850,000; net earnings, $64,006,000.

Employee earnings and payments to suppliers also hit new first-quarter highs. Employee pay and benefits applicable to first-quarter sales reached a record $399,141,000 and the Company purchased about $485 million worth of materials, supplies, and services from approximately 12,000 suppliers during the first three months of 1957.

TURBINE-GENERATORS

Making History at Philo

Within the next few days, American Gas and Electric Company's revolutionary "Philo Unit 6" is scheduled to go into commercial operation. The event will mark one of the most significant advances in the history of electric power generation.

General Electric has provided one of its key utility customers with this country's first commercial supercritical pressure steam turbine-generator (*The Monogram*, Dec. 1953, p. 22). Philo 6 is expected to be "the world's most efficient generating unit," producing more energy per pound of coal than any other powermaker built to date. This is possible because the unit operates at pressures considerably above 3206 pounds per square inch, the point at which superheated water flashes immediately into steam without passing through an intermediate boiling stage.

The Philo unit, built by the Large Steam Turbine-Generator Department at Schenectady, has been operating under test conditions since March 20. On May 7, a special press showing was held at the Philo plant—which is located near Zanesville, Ohio—for more than 60 press, radio, and television newsmen.

CONGRATULATIONS are in order for AG&E President Philip Sporn, right, and Glenn Warren, General Electric vice president, at Philo showing.

Interview with Virgil B. Day, Manager, Union Relations Service—

What Was Behind the Strike at Lynn?

AT 6 P.M. on the night of April 25, officials of IUE Local 201 posted pickets at all gates of General Electric plants at River Works, West Lynn, and Everett, Mass. A strike was on.

Even though two of the three claimed issues were subject to arbitration under the union agreement, and the third involved a union demand for preferential treatment which could affect only about 285 maintenance people, more than 20,500 employees were idled. Illegal picketing forcibly denied Company personnel access to all three plants. Customer faith in General Electric's ability to produce efficiently and to deliver on time was jeopardized. In addition, some $180,000 in wages were needlessly lost to employees and the community every working day the strike continued.

In all, it continued for five days. Then, at 9:10 p.m. on April 30, the strike was discontinued by union officials—*with no gains whatever from pre-strike terms.*

Why had it all happened? What lessons could be learned from the unfortunate episode? As machinery at Lynn began to hum again, *The Monogram* asked Virgil B. Day (photo left), General Electric's manager of Union Relations Service, to put the Lynn situation in perspective.

Q. Mr. Day, what is your feeling about the issues involved in the Lynn strike?

A. Our analysis of the Lynn situation indicates that local issues were deliberately drummed up to get a strike. Shocking as it seems, there is good reason to believe that IUE members in Lynn were simply pawns in a strategy reportedly authored by the national IUE president, James B. Carey.

Q. Could you describe that strategy?

A. Reportedly, the Carey plan was to "prepare" for the 1958 "Employment

Security" reopener in our current five-year contract by creating the appearance of as much local unrest as possible in as many plant locations as possible. The "first round" in this program apparently took place last fall. Minor disputes of the kind which formerly were quickly and amicably corrected were suddenly inflated and distorted in an effort to get local membership emotionally stirred up over what were secondary issues. These tactics were used by local officials at Louisville, Syracuse, Fort Wayne, and Schenectady, but mostly failed when members got a good look at the facts.

Q. What about the "second round"?

A. Apparently, Lynn was to start it. In recent weeks there were fresh reports of Mr. Carey's determination to get strikes at as many General Electric plants as possible during 1957. The Lynn strike was supposed to set off other so-called "local" General Electric strikes in the same way that several local disputes at Westinghouse in 1955 seemed to have been mainly responsible for the long company-wide strike there in 1955 and 1956. Even though Mr. Carey failed to keep the Lynn strike going, the rumored strategy is to try again at some other large location—perhaps Schenectady late this summer.

Q. What purpose would be served by all this?

A. It's hard to justify rationally. But this seems to be regarded as the best way of destroying any constructive Company-union relationships—either locally or nationally—which Mr. Carey appears to think are the most formidable obstacles to his gaining push-button strike control over local union leadership and the membership. Also, Mr. Carey may think a series of local strike efforts in 1957 would be "good practice" for 1958 for these reasons:

(1) By fomenting such strikes, he would set the stage for claiming employee unrest, which he would use to support his 1958 demands on national issues (even though the local walkouts would be stirred up over local issues).

(2) Such strikes might (if successful) build up "militant" local union officials and discredit constructive local leadership.

(3) Such strikes would show local union leadership where more work has to be done to get and to keep employees aroused and ready to support a national strike call in 1958.

(4) Such strikes (if successful) would help create the feeling that employees generally are supporting Mr. Carey's program of militancy.

(5) Finally, even where such efforts did not result in an actual strike, they might provide the means for getting "strike authorization" which employees often vote for the sole purpose of strengthening the union at the bargaining table—only to find it is later translated into strike action anytime the local officers want it.

Q. What can management do?

A. First, we must continue our efforts to be fair, patient and vigilant in all our relationships with all employees, whether or not they have chosen to join unions. Our actions must demonstrate that our intentions are good and that we will be prompt to correct any unfortunate human error. Second, we must help employees to realize why they themselves have everything to lose and nothing to gain from any destructive tactics.

Fortunately, we have constructive relationships with most union officials in the 90-odd unions with which we deal. I think that most of them believe that General Electric employees are faring exceptionally well under the five-year "Better Living" program put into effect in 1955.

Q. Isn't the Lynn case likely to boomerang on those responsible?

A. It certainly should go far in proving that strikes over drummed-up issues are doomed to failure, and that employees should demand ample time to know the facts before being called out by their officers. It should also illustrate the dangers of irresponsible unionism: irrecoverable losses of wages and community business; loss of customer faith; a smear on the local business climate, making other industries wonder if this is a good community in which to locate or to stay. One of the ironic notes in the Lynn episode was that it took place in a community where too many other employers have been leaving, but where General Electric's faith in a future better business climate had led it to go forward with a $40-million expansion program.

Q. You've told us about the IUE strategy for 1958. Just what is open for negotiations then?

A. The best answer I can give to that question is to cite part of our letter of offer to the unions in 1955:

"While from anything we can now see or anticipate, we will, three years from now be just as firm in our conviction as we were last year and this year that unemployment compensation supplementation or any other similar proposals of this nature are not in the balanced best interests of all concerned in General Electric, and while we believe the concern of some members of the bargaining committee is unfounded, we are nevertheless mindful of the request of the bargaining committee and are agreeable to providing for a review beginning October 1, 1958, and terminating not later than November 1, 1958, of any questions directly relating to employment security provided that all matters treated in our five-year contracts are fully closed for the full periods thereof and that such agreements will not be subject to modification or request for modification in connection with or as a result of any such review."

In subsequent negotiations we changed the foregoing dates to September 1, 1958, and October 1, 1958, respectively.

Q. How does the Company intend to approach the 1958 reopener?

A. Our long-established approach to collective bargaining is a matter of record. Simply stated, it's this:

General Electric always tries to conduct its bargaining honestly, maturely, and in complete good faith. In 1958, as in 1955 and in prior years in all our dealings with more than 90 unions, we will always try:

(1) to study carefully all the facts that have a bearing on the matters appropriately open for discussion, regardless of whether the facts are presented by the union's research people or our own.

(2) to listen to and to consider carefully all the union proposals made in negotiation.

(3) to make any offer at the proper time and to include voluntarily in this offer absolutely everything our research from all sources, including unions, has indicated should be included to measure up to what is justly right by every reasonable standard.

(4) to have that offer reflect the balanced best interests of all contributors to and claimants on our business—including share owners, customers, other interested businessmen and the public, as well as employees.

(5) to stand ready and willing to make promptly any modifications in our offers that are indicated as right by any new light on the subject from any union or any other source. Upon questioning, we have freely admitted we do not regard the threat or the actuality of a strike as being the kind of fact that ought to change what we honestly think is right. But that opinion on our part obviously changes in no way the full right and opportunity of any union to employ the strike weapon.

KING COTTON MAKES WAY FOR AN AWARD-WINNING PLANT

AIR CONDITIONING

A Citation for Tyler

Less than a year old, the Tyler headquarters and plant of the Home Heating and Cooling Department is a handsome eight-acre structure deep in the cotton lands and rose fields of eastern Texas.

Inside, three miles of automatic conveyors and the latest equipment help speed production of General Electric's newest central home air conditioners, while 378 cooling units increase the comfort and efficiency of the 500 employees by maintaining a year-round temperature of 75°.

So outstanding is the plant that the May issue of McGraw-Hill's authoritative *Factory Management and Maintenance* magazine cites it as "one of the nation's ten best plants built in 1956." *Factory* editors picked the Tyler establishment from among nearly 1000 entries.

Behind HH&C's move to Tyler was a blueprint of careful planning, market research, and an exceptional community relations effort. Here's how *Factory's* citation sums it up:

"To get a flexible, expandable facility for a burgeoning home air-conditioner industry, General Electric used all the usual methods and invented several new ones, not the least of them being the approach to its own air-conditioning problem. A park-like setting marks the new plant as a good neighbor in a fast-growing community."

Mrs. Edwin Irons, Tyler housewife, voiced a popular reaction: "Some of us were a little leery of a Northern corporation moving into our city, but the G-E folks are our kind of folks. Now we know that big companies can be good neighbors too."

Remarking on the social, church, and cultural activities of plant employees, another resident said: "Suddenly it seems that General Electric has been here always!"

The new plant has had a profound effect on the life of Tyler. HH&C estimates that its 500 new Tyler employees mean $3 million in new personal income and $1,350,000 in additional bank deposits to the Texas city each year. Their 255 school-age children account for much of a yearly $125,000 they spend in Tyler's clothing and shoe stores, of $350,000 worth of groceries they eat, and $225,000 worth of purchases they make in drug, department, and hardware stores. Their 525 cars require $100,000 worth of fuel and automotive supplies, while their drivers plunk a prodigious number of nickles

in Tyler parking meters. Comprising 360 new households of 1480 citizens, they support 20 new retail outlets with an annual sales volume of $1.8 million.

The Product: Off HH&C's fully mechanized assembly line last month came Tyler's first Whole-House packaged air conditioner, the 37,000-BTU compact TC37 (photo below). Tyler also makes a slightly smaller unit, the 24,000-BTU TC24, these two models comprising General Electric's newest line of home air conditioners.

They use no water and are especially designed to solve the difficulties sometimes encountered in air conditioning older homes. Reduced prices for Company employees are $496 for TC24 and $728 for TC37, f.o.b. Tyler.

This new line has been introduced a full year ahead of schedule in order to get the jump on the vast home-improvement market, representing a potential of well over $9 billion, according to Department General Manager Robert K. Miller.

Other Tyler plant products include five air-cooled remote air conditioner models, with ratings ranging from 25,000 to 63,000 BTU, which have been in production there since last December.

A-C MOTORS

Designed for Automation

With its announcement this month of a new line of 40- to 125-hp a-c motors, General Electric becomes the first manufacturer to have completely redesigned its entire standard line of small induction motors—the so-called "work horses of automation."

For the Company, this means that all its motors of this type now conform to new National Electrical Manufacturers' Association (NEMA) standards, which assign greater horsepower to a given frame size. The new models incorporate major design and development improvements made possible by recent advances in metallurgy and in insulating and production techniques.

For customers, the redesigned line means more power per pound, higher efficiency, quieter operation, improved performance, and reduced maintenance.

Bryce W. Wyman, general manager of the Small A-C Motor and Generator Department, pointed out that, on the 40- to 125-hp line alone, General Electric spent $11-million for development work and modern manufacturing facilities at Schenectady.

MEN AND PRODUCTS: Left to right, HH&C's Lowrence Hirschboch ond Robert Miller with new Whole-House oir conditioner; A-C Motor's Bryce Wymon ond Jomes Tyler with new NEMA stondord motor.

TAXES AND EXPENDITURES . . .

Are they larger than necessary?
Larger than we really want?
Who really pays them?
How do they affect today's standard of living . . . and tomorrow's?

This month in its quarterly message to the Company's 376,000 share owners, General Electric's management addressed itself to the complex and timely topics of taxes and expenditures. Here, for MONOGRAM readers, are highlights of General Electric's carefully reasoned, thoughtful approach to taxes and expenditures—and their effect, not just on General Electric Company, but on all citizens.—Ed.

Why Any Taxes?

Taxes are needed to pay for what government does.

Thus government expenditures, and the resulting taxes, have to be examined on whether or not government, in the light of all the facts, is doing only what is really wanted, and then is doing that at the lowest cost to all concerned.

Enlightened citizens should, of course, have local, state, and national government do everything they want done, within two important guiding principles. In our free economy, government should try to limit its activities to what cannot be done as well by individual citizens or private groups. This is not only in keeping with our national tradition; it is also economically sensible, since private groups under the spur of competition tend to do the necessary work more efficiently and with less waste than is often true of governmental undertakings. In addition, those projects which government does undertake will be kept more responsive to the public's real needs and desires, and will be more economically accomplished, if they are handled at the governmental

level nearest the citizens involved—that is, at the local instead of the state level, or at the state instead of the national level. . . .

Much of what is wrong with our national tax structure today reflects misconceptions about taxes that persist in the minds of many individual citizens. These misconceptions can be cleared up by conscientious individual citizens who bring both economic facts and political alertness to discussions of these problems.

How Much Is Government Spending?

Among the significant facts that need to be kept in mind, in discussions of the size of government expenditures and the inevitable taxes involved, are the following:

- The Federal Government is proposing to spend $71.8 billion this next fiscal year—a level of spending surpassed only by three peak years of World War II and by the peak year of the conflict in Korea.

- State and local governments are spending at the rate of approximately $33.8 billion a year—an all-time high.

- Thus, the total expenditures of government are expected to exceed $105 billion in the coming year—or almost 25 cents out of each dollar of gross national product, that must sooner or later be collected as taxes from somebody.

- This means that almost one fourth of our country's total output—regardless of the necessary or desirable uses to which a great deal of it is put—is spent according to government decisions, rather than by private individuals in their purchases of the food, clothing, shelter, and other items that go to make up our level of living.

- Government budget figures do not tell the whole story. Increasing amounts of spending from social security and other such trust funds are now "outside" the budget. These are expected to exceed $14 billion for the Federal Government alone this next fiscal year. This is more than 20 times the trust-fund expenditures in 1935.

- Approximately 7,292,000 civilian workers are on the payrolls of Federal, state, and local government in the United States—one of every nine in the nation's work force. And one out of four families gets a payment of some kind from the Federal Government alone.

There seems to be compelling evidence that government expenditures and the resulting taxes are higher than they need be, higher than the public realizes, and higher than is good for the country's present and future. Here are some of the reasons:

● *Government expenditures of such size and rate of increase are highly inflationary—even when the budget is theoretically balanced.*

Thus government expenditures need to be kept as low as possible, not only because of their direct drain on the level of living, but also because of their supplementary cost to everybody through increased prices, lowered values, and damaged savings.

● *People do not insist that government properly hold down its spending.*

One important reason why many individual citizens are not as vigilant toward government expenditures as they need to be is that they are lulled by current tax methods into thinking that they escape much of the total tax burden.

These individuals believe that their part in defraying the costs of government is confined to what they pay directly and visibly—their personal income taxes, property taxes, and a few sales taxes.

What these people fail to realize is the vast extent to which government relies on hidden, *indirect* taxes that are paid without their knowledge when they buy goods and services. For instance, many individuals think they escape large shares of the tax bill by shifting these shares onto business.

But the hard fact is that, in the end, only people pay taxes. Despite the attractive claims of some politicians to the contrary, taxes on business cannot come out of business and stop there. Businesses are creative clearing houses where people come together to use their ideas and facilities to do more for each other than would otherwise be possible. Businesses have no resources that are not tied directly or indirectly to the interests of individual people.

For lack of a clear understanding of how he is paying for what government does, the individual citizen tends to go along with kinds and sizes of government spending he would otherwise oppose or at least question. This absence of any effective public insistence on soundness and thrift leaves government free to expand programs needlessly and to administer them wastefully.

The obvious result is that the average citizen pays a needlessly high price for something he usually wouldn't have wanted even at a much lower cost if he knew he was paying for it.

The case is strong for collecting more of essential funds for government by means of direct and visible taxes.

● *Current methods of collecting taxes make government more expensive than it needs to be.*

The effects of indirect taxes should be made clear to greater numbers of citizens: these taxes particularly invite government extravagance by

raising a screen between the real taxpayer and the tax spender.

In addition, there is an increasing tendency to *centralize* government spending and taxation—to separate government's spending decisions farther from the people concerned. Government is kept under the most continuous and direct scrutiny of those citizens most concerned when it is kept close to home—that is, at the local level. When the programs of government are handled at the points nearest the specific need and the correspondingly more accurate sense of value—when, in other words, they are *decentralized*—they stand the best chance of being efficiently and economically accomplished. For this reason, every possible preference should be given to handling governmental projects as near as possible to those concerned.

Effects of Taxes on Levels of Living

The end result of covering government expenditures through taxes on business is to add further to the costs of those things which the people want government to do.

This is no argument against having business do its best to be helpful with whatever tax program the people decide on. But in making its decisions, the public needs to develop an awareness of the problems that arise through having business collect taxes.

It should be clearly understood, for example, that taxes on business are of necessity either paid by consumers or are deducted from the progress of the business, the industry, and the economy.

People, *as consumers*, stand practically the entire cost of business taxes, either immediately or eventually. In those cases where a given tax on business falls on owners or employees, consumers may get a fleeting bargain, while temporarily appearing to have escaped the effect of the tax. But any such advantage is necessarily short-lived.

The reason for this is that taxes are costs—just like the other costs of doing business. If costs are not covered by the competitive price available, a given business begins to shrink and die.

The danger in a tax increase of the so-called "progressive" type is that it is aimed at wiping out the earned profit margins of the most efficient producers. Since a firm's profits come out of its margin of efficiency over a competitor selling at the same market price but making less money, taxes that penalize the most efficient producers result in making the consumer pay the higher prices at which the less efficient will meet his needs.

In our competitive economy, profits are the source of progress—and when taxes rob a business of its ability to reward its risk takers

and to invest in technological advances, then it is not only the share owners who suffer, but all the other groups in the economy. In the long run, consumers pay higher prices as the result of the drag on the business's ability to invest in more efficient machines and methods.

Historically, the businesses that have provided technological leadership within an industry have been the most efficient producers. When high tax rates limit the ability of these most efficient producers—whether they are large or small—to maintain the pace of their advancement in research, development, manufacturing methods, and improved productive facilities, then the economy is hindered from achieving its full potential in raising the levels of living for all.

Present tax practices strike especially hard at the sources of investment capital which the economy needs if its expansion is to keep pace with the nation's growing population and hopes for ever higher levels of living in the future. The electrical manufacturing industry is especially challenged to find sufficient capital to continue growing in output, service, and jobs at twice the rate of industry in general. Not only are current savings and income being taxed away, but incentive to save, risk, and compete is being similarly impaired. . . .

Toward a Sounder Tax Structure

The individual citizen does not need to stand in awe of the size of the problems represented by taxes. Tax policies are made by people: they can be changed by people. The most powerful and constructive pressure for less government spending and for tax reforms begins with individuals who are informed on the need for action. . . .

This is not to recommend any precipitate changes that would cause dislocations to which the economy could not adjust in an orderly manner. But it is important to start making our government representatives fully aware that most of us realize that we as individuals are standing the cost of the taxes, directly or indirectly, and that we are aware also of the extra costs and inefficiencies involved in too much of the hidden types of taxation.

We need to help make it "good politics" for our servants in government to effect every feasible lessening of the total tax burden and to make a gradual shift away from the use of indirect and hidden taxes and toward the use of direct and visible taxes. Then we need to strengthen awareness that the present initial distribution of tax burdens does not save consumers anything in the end, and that, in the meanwhile, this distribution places special penalties on the nation's ability to save and to invest in progress toward higher levels of living. . . .

ONE CONGRESSMAN'S ANSWER TO THE QUESTION . . .

How Can We Reduce Spending and Taxes?

Perhaps because more and more people realize that either directly or indirectly the country's total tax bill comes out of their pockets, the appeals for reductions in government spending and taxes have been greater this year than usual—judging from congressional mail. One obvious question which comes to mind when tax reductions are proposed is "How?" One congressman, Rep. Antoni N. Sadlak of Connecticut, has introduced in Congress a bill incorporating his answer to that question. The bill is receiving careful consideration from many thoughtful proponents of government economy. Here, in substance, is the way Mr. Sadlak's bill (H.R. 6452) would affect spending and taxes.—Ed.

CONGRESSMAN SADLAK

CONGRESSMAN SADLAK'S BILL provides that, as our economy expands, both federal taxes and the rate of federal spending be brought down together gradually. His proposal is based on the fact that, if no change is made in tax rates, the government would collect about $4 billion more each year just through normal economic growth of the country. Mr. Sadlak proposes that the government stop collecting all of this newly created wealth by gradually reducing personal and corporate income-tax rates over a five-year period. So instead of collecting $4 billion more each year, the Treasury would get only $1 billion more. And part of that billion dollars would be earmarked for debt reduction and hence a reduction in the interest expense the government has now.

The individual tax saving in the last year of the five-year program would reach nearly $11 billion that otherwise would be taken from people under current rates of personal taxation. Tax rates would be reduced for all income groups. Nearly 60 per cent of the total savings under the Sadlak proposal would go to taxpayers with incomes of

$6000 a year or less. (See box below.) A little more than six per cent of the savings would go to those having incomes of more than $50,000 a year.

The top personal rates, which now take 91 cents out of every dollar earned, would be gradually reduced to 42 per cent. The present combined corporate-tax rate of 52 per cent—levied as an emergency measure during the Korean War, but extended year after year—would be cut to 42 per cent by the end of the five-year period. (This compares to a combined corporate rate of 38 per cent for 1946 through 1949.) Both of these (personal and corporate) tax adjustments will mean more buying power for everyone and will help to encourage people to make investments that create jobs and higher levels of living for all. And since corporate taxes really are paid by everyone as part of the price of the things they buy, the adjustment in corporate taxes would have the effect of reducing taxes on everybody.

What if the economy doesn't grow in step with the recent historic average? Or what if some emergency arises calling for unexpected spending? Mr. Sadlak takes that into account. His bill provides for a limited postponement of the tax-reduction schedule. The five-year program could be stretched out for as long as nine years—if necessary. The scheduled corporate-tax reduction could be postponed, while allowing the individual income-tax rate cut to go into effect. However, the Sadlak bill says the government can't hold back the personal income-tax reduction unless the corporate-rate reduction also is postponed.

This plan does not "turn the clock back." But it does put a stop watch on the future. It is a method of getting government out of the habit of thinking up

HOW THE SADLAK PLAN WORKS

Tom Robinson and his wife, filing a joint return, have a taxable income of $4000 after they figure all the deductions and exemptions the Internal Revenue Service allows them. Here's how they'd fare under Rep. Antoni N. Sadlak's proposed five-year personal income-tax reduction program:

On this year's income, the Robinsons will pay Uncle Sam $800.

Each year—assuming their taxable income remains the same—they'd pay a little bit less.

By 1962, they'd pay Uncle Sam *not* $800, but $600—a cut of $200.

Or let's say the Robinsons' taxable income went from $4000 this year to $5000 in 1962. They'd actually pay a smaller tax on the larger income in 1962 than they would on the smaller income for this year.

During this five-year period, assuming continued prosperity and the present rate of economic growth, the Treasury would have available for spending the same amount it is now collecting—and probably a bit more.

new ways to soak up, through taxes, the new wealth we produce.

As Congressman Sadlak points out, there are some obstacles in the way of trying to do the job solely through annual protests to Congress. These citizen protests are helpful, but here's what happens when the budget bill hits Congress:

1. The House of Representatives gets first crack at the budget, and—responding to encouragement from back home—makes a noisy display of paring spending proposals. Then the public outcry lessens, the budget goes to the Senate, the special local interests make pleas for their pet programs, the Senate and House versions are compromised, and by the end of June most of the budget parings are glued back together. This is tradition and history.

2. Many federal programs are planned for several years ahead. Once Congress authorizes these long-term programs, future tax income is virtually committed. Year-by-year control of spending is pretty much lost. Congress has a choice of continuing to appropriate money for these long-term programs or stopping the programs. Stopping a long-term program, particularly one which has built up a big payroll, isn't politically popular, and it isn't often done.

And those who estimate the long-term programs anticipate the increase in revenue which comes from a growing economy. So, much of the anticipated increase in future revenue is "spent" before it materializes. If there's a greater increase in revenue than expected, another federal spending program is ready to sop it up.

The result: less and less opportunity to reduce taxes and debt; more and more inflation; more and more needless drain on everyone's level of living.

Congressman Sadlak's plan of scheduling future tax reductions instead of new spending programs largely overcomes both of these obstacles.

And Mr. Sadlak's plan gives citizens who have been *against* high taxes a sensible, workable plan they can be *for*. If enough people write to their own representatives in Congress asking them to support actively the spirit and principle of Mr. Sadlak's approach, the effect may surprise everyone—including Congress. There's nothing a representative would rather know and act upon than voter support of a positive and constructive course of action to correct a national headache.

Congressman Sadlak presents the challenge: "We cannot have both the tax reductions and spending. It is up to the taxpayers to make a choice . . . ."

"DEAR MR. CONGRESSMAN . . ."

SPENDING AND TAXES

A Constituent Comments

Why the Sadlak bill? Congressman Sadlak told General Electric's Norman Goodfellow this month that the bill to control federal taxes and spending (see pp. 16-18) is aimed at "making money available to the individual to spend for himself, rather than have the government spend it for him."

Mr. Goodfellow, a Construction Materials Division supervisor in Bridgeport, who is uncertain about where the tax and spending spiral is leading the country, wrote each of Connecticut's six congressmen late last month, asking this question:

"What are you doing to relieve the American people from an ever-increasing burden of taxes and government-spending programs that seems to have gone out of control?"

"No matter who gets the bill," he added, "I and people like me really pay it."

Republican Sadlak, a member of the House Ways and Means Committee, was first to reply—proffering a detailed analysis of the possibilities of his own plan.

He summed up the potential results this way: "This bill provides great promise for all citizens, both in respect to the direct tax reductions which would be provided to them, and the benefits of diminishing tax barriers which hamper our economy."

If this happens, the Congressman will have the "deep appreciation" of letter-writer Goodfellow (photo left) and many another tax-conscious citizen as well.

BROADCAST EQUIPMENT

Meeting Customers' Needs

Paul L. Chamberlain, marketing manager in the Technical Products Department, made no bones about it. "If manufacturers can show they are willing to assist radio broadcasters by providing new and more reliable products that are customer-oriented, the entire radio industry will prosper and grow."

General Electric is definitely willing to help. Its new 50,000-watt radio broadcast transmitter has scores of special features aimed at satisfying customer demands.

Broadcasters want reliability. The new unit is the first in the industry to use germanium rectifiers, cutting the number of tubes from 35 to 16.

Broadcasters want simplicity of design and ease of maintenance. The new unit is smaller in size and less than half the weight of earlier models, and its design is such that far less technical skill will be necessary for its maintenance and operation.

They want lower operating costs. Besides savings from smaller size and fewer parts, the new unit consumes less power and can be operated in an unheated building. Despite the improvements, the price to the customer is about the same as that of earlier models.

AIRCRAFT PROPULSION

We'll Build a "Convertible"

The Navy has announced that General Electric has been awarded a multi-million-dollar contract for the development of a unique new aircraft gas turbine engine.

To be known as the T64, the new powerplant will be a "convertible," equally adaptable for use in turboprop and turboshaft applications. This means that development efforts and funds that go into the T64 will provide the Navy with an advanced power source for future propeller-driven planes, as well as for future helicopters and other turboshaft aircraft.

The T64 will have a basic power section to which individual units will be added to make it either a turboprop or a turboshaft engine. Small Aircraft Engine Department General Manager Guy C. Shafer —below with Edward Woll (left), manager of engineering—describes the T64 as "the best qualified engine design of its kind for meeting the powerplant requirements of future support aircraft."

HERE IT'S A TURBOSHAFT

RESEARCH

Long Life for a Replica

A replica of Edison's first lamp is glowing atop Edison's desk in the lobby of the General Electric Research Laboratory—and it's expected to do so until 2057.

The 100-year lamp was switched on by President Cordiner in a brief ceremony last month. At his side were Dr. William D. Coolidge, director emeritus of the laboratory, and Dr. C. Guy Suits, vice president and director of research, who noted that the lab's new memorial to Edison's ingenuity "is no bargain for ordinary use."

Designed by Lamp Division engineers specifically for long life, its efficiency—light per watt of electricity consumed—is far below the standards of today's ordinary incandescent bulbs, which are produced at the rate of a billion units a year.

Hot New Rectifier

Recent progress in semiconductor devices has given the electrical industry the silicon rectifier and the germanium rectifier, both made from single-element materials.

Late last month came word of still further progress in rectifiers, this time with a compound—silicon carbide—best known as an abrasive. Under development at the General Electric Research Laboratory is a new silicon carbide rectifier which should some day play an important role in aircraft and military electronics.

The tiny device, about the size of a tack's head, will operate in temperatures ranging from a frigid 100° below zero to a super-hot 1200° F. Similar rectifiers made of other materials have functioned only as high as the 400-500° F range.

Progress in heat generation:

QUARTZ LAMP PLAYS MANY NEW ROLES

THE REMARKABLE tubular quartz infrared lamp, developed and pioneered by General Electric, is helping to solve problems of supersonic flight at an Air Force base on Chesapeake Bay. In announcing the versatile lamp's latest employment, the Large Lamp Department reviewed some of the wholly unrelated uses to which this smallest, hottest electrical heat source has been put within the past three years.

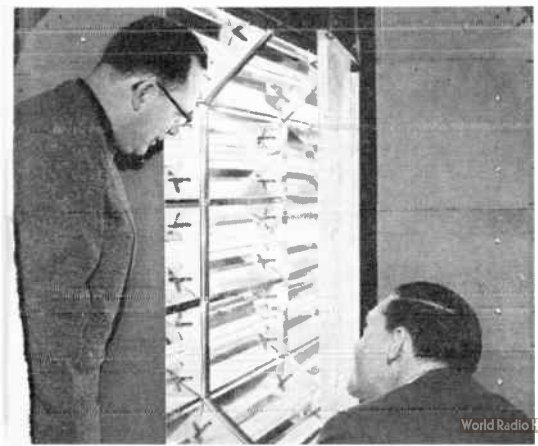
At Langley Field, Va., researchers for NACA (National Advisory Committee for Aeronautics) are using banks of these lamps to reproduce extreme supersonic wing-surface temperatures and thermal shock in a developmental quartz infrared oven. A grid of special 1000-watt lamps, designed for intermittent burning, gives a total energy concentration exceeding 150,000 watts per sq. ft. The high concentration and almost instantaneous warm-up of which the lamps are capable make them ideal for this purpose.

Only 3/8 of an inch in diameter, the lamp comes in six lengths (5 to 50 inches), at 100 watts per lighted inch, and is designed to last more than 5000 hours. Based on an idea patented by Nela Park engineer Alton G. Foote in 1942, the infrared tube is made of fused translucent quartz.

The tube's unusual qualities make it adaptable to a wide variety of uses—from heating hamburgers to setting ink in high-speed printing presses. Railroads use it to shrink-fit pinions and bearings; secretaries use it in office copying machines; textile manufacturers use it as a radiant energy source to speed drying, improve processing.

It bakes lacquers, enamels, and varnishes in a fraction of the time required by other techniques. It is fast replacing gas and oil

CUSTOMER: Vice President I. J. Barber (left) of Fostoria Pressed Steel Corp.—leading producer of infrared industrial ovens—is one of the many businessmen who benefit from General Electric's quartz infrared lamp development progress.



SUPPLIER: Leslie Prior (left), Cleveland branch manager for Driver-Harris Co., gets a new order for nickel lead wire—an important quartz lamp component—from Lamp Wire and Phosphors Department metals and fuels buyer, Joseph Neubauer.

ENGINEER Alton G. Foote (right), credited with quartz lamp's development, and application engineer Morgan Christensen compare 50-inch, 5000-watt clear quartz lamp with pen-size, 5-inch, 500-watt translucent unit. Foote patented idea in 1942.

ovens, electric heaters, and even blow-torches in drying processes involving the evaporation of liquids.

According to engineers at Nela Park, this amazing versatility is due to the lamp's small size, high operating temperature, and ability to withstand the shock of violent temperature change—such as being suddenly doused with cold water (photo right) or held against a piece of ice.

The Market: With demand for the lamp growing, increased production and the continuing mechanization of the manufacturing process will enable General Electric to reduce production costs and pass the resulting savings along to the customer. Although competitive products are beginning to appear on the market, the Lamp Division leads the field in producing and marketing the lamp. In short, the profit picture looks excellent.

"To meet growing demand, we must be ready with mechanized production facilities in order to take advantage of profit opportunities," says Ernest A. Howard, general manager of the Lamp Glass Department. Part of this readiness will be realized in August, when a new quartz glass plant is scheduled to begin operations at Willoughby, Ohio.

"Uppermost in our minds," Mr. Howard explains, "was the establishment of production facilities to provide more efficient processes for manufacturing basic products for our entire quartz line."

The new quartz lamp business is not staggering in size, but already it has been responsible for the creation of 70 jobs in Nela Park's Cuyahoga Lamp Plant and Large Lamp Engineering Pilot Plant. The Willoughby plant will employ about 150 persons by the end of the year, increasing to 200 with full production.

NO HARM FROM ICE WATER: Gwilym F. Prideaux, product planning consultant at Nela Park, demonstrates one of the quartz lamp's greatest assets—its ability to withstand thermal shock.

WHAT'S NEW

The Discerning Thief: When the Davis-Irion Furniture Co. store in Oklahoma City was broken into last month, nothing was disturbed but a summer patio display featuring two General Electric portable TV sets and one competitor's portable. From the local GESCO office comes a terse but satisfied report: the thief made off with both General Electric sets, left untouched the competitor model. TV brand-preference researchers indicate that they aren't taking the evidence too seriously.

An industrial "stethoscope" is the latest instrument which General Electric test engineers have put to work to ensure quality control on the production line. At the Gear Motor and Transmission Components Department in Paterson, N. J., automatic testing equipment quickly rejects gear-motors which do not meet the department's rigid specifications. But only the trained ear of engineers like Joseph Allewelt (photo below), using an instrument more familiar to a doctor's office than to a testing bench, can diagnose the specific ailment in a rejected motor. Objective: complete dependability of Paterson's products.

Dr. Victor G. Szebehely, manager of structures in the Missile and Ordnance Systems Department, has been named an Officer of the Order of Orange Nassau by Queen Juliana of The Netherlands. Formerly with the U.S. Navy, guided-missile engineer Szebehely was honored for his "co-operation and helpfulness" to the Royal Netherlands Navy during joint American-Dutch maneuvers in the North Atlantic a year ago.

TV in Dentistry: For the past six months, New York University's College of Dentistry, largest in the U.S., has been using closed-circuit TV as a new teaching method. Initial results spell complete success for the system, designed and installed by the Technical Products Department at Syracuse. Reports Dean Raymond J. Nagle: faculty members definitely able to make more efficient use of time; examinations show students receptive to TV demonstrations; films and other visual aids obsolete. During instruction, cameras are trained on demonstration (photo below), with special lens enabling some 70 students in lecture hall to get close-up view over two 21-inch receivers like those in photo. Formerly, six or seven students would crowd around demonstrator. A sound system enables the students to question the instructor.

"DOCTOR" AT THE TEST BENCH

DENTIST AT THE TV LECTERN

WHAT'S NEW . . . Cont'd

High on a remote mountain top in western Massachusetts, General Electric is doing important work on a high-priority defense project. The site is a new $1.5-million Air Force facility near the town of Hancock. The project involves assembly and testing of high-precision radar antennas by the Missile and Ordnance Systems Department. Because of the nature of the work, unique precautions have been taken to make the facility dust-and-dirt free. Employees must wear special uniforms and shoes and go through vacuum-type cleaning chambers before entering precision areas. The remote location was chosen for its freedom from external vibrations. About 50 Company employees will work at the new facility. Prime contractor for the complete radar system, of which these antennas will be a part, is the Heavy Military Electronic Equipment Department at Syracuse.

Pint-size for Precision: New technologies beget new products—or give old products a new look. A recent example of this is the Industrial Heating Department's miniature soldering iron that is smaller and handier than its predecessors. Developed in co-operation with Bell Laboratories, the 1½-ounce iron is designed for production-line soldering of subminiature devices, printed circuitry, and electronic instruments. Its flattened tip, attaining a temperature as high as 850° F, will permit soldering of tiny connections amid a congestion of wires and terminals, with a minimum of heat loss or danger to adjacent wiring and insulation, and without dismantling the equipment. Made in Shelbyville, Ind., the new iron should prove extremely valuable among the labyrinthian innards of computers and radar components.

Five Weathertrons were installed last month in the Jefferson Memorial, Washington's beautiful replica of the central portion of Thomas Jefferson's renowned Monticello. The air conditioning of public rooms and offices in the shrine seemed somehow appropriate, especially on April 13—the statesman's 214th birthday—for Jefferson built an efficient central "air conditioning" system into his 35-room mansion a century and a half before the development of the electrified version we know today. Jefferson's answer to summer in Virginia: extra-high ceilings and cellar-to-attic air shafts. His perpendicular shafts simplified the modern air conditioning of Monticello a few years ago.

From French Road in Utica comes word of a new $42-million contract for the Light Military Electronic Equipment Department. The latest radar-jamming equipment will be built for the Air Force on a production schedule that will extend well into 1958. Because the contract also calls for the purchase of spare parts and equipments, its total amount could reach $58 million. Not only General Electric will be kept busy on this vital project. Department General Manager Herman F. Konig has announced that, as is so often the case in major defense contracts of this type, "more than half the material content of the contract will be furnished to the department by several hundred subcontracting firms across the country."

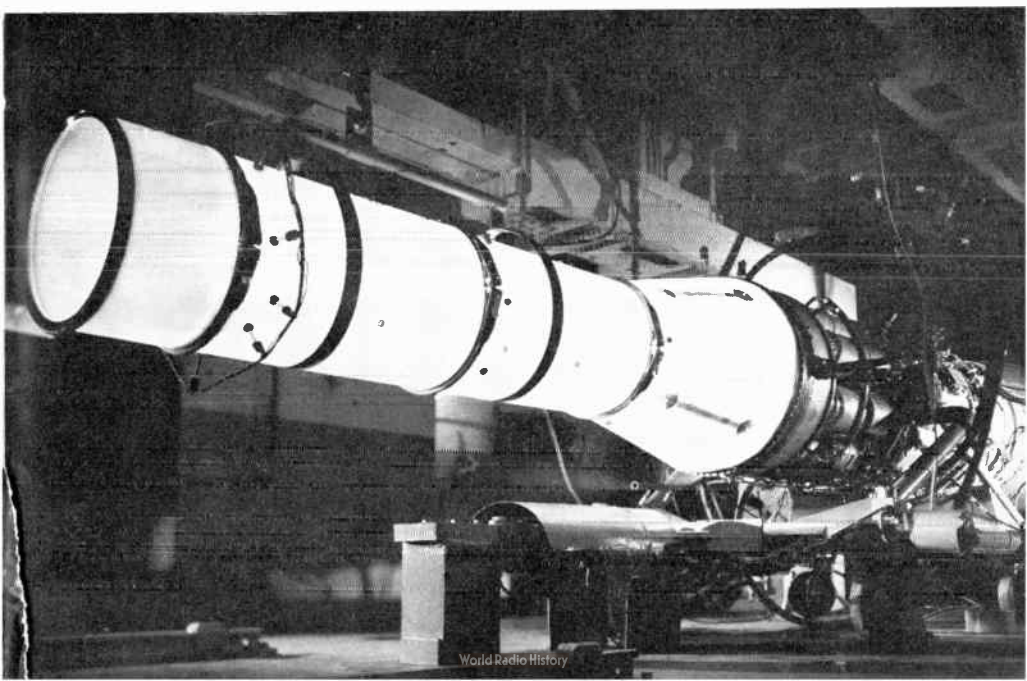
The Golden Reel Award, highest citation for 16-mm films in the U.S. and Canada, has gone to a General Electric sales-promotion film. Produced by the Receiving Tube Department at Owensboro, Ky., the prize-winning animated color film, *Through the Looking Glass*, is part of an audio-visual-aids package designed "to develop a high professional attitude among

tube and parts salesmen toward the industry in which they sell, toward the products which they sell, and toward the dealers to whom they sell," according to Electronic Components Division distributor sales manager, John T. Thompson. The award was made by the Film Council of America.

General Electric's famous J79 jet engine was the object of two Air Force contracts announced during April. One was an $11-million production contract for engines and related items. The other was a $5-million contract for engineering improvements. The Aircraft Gas Turbine Division at Evendale is planning an official unveiling of the J79 in Washington, D.C., on May 21. On May 23, the commercial version of the J79—the CJ805—is scheduled to be unveiled at a European air show in Paris.

Purring away at well over 1600° F in the photo below is a General Electric research engine called the Hot Rod. Believed to be the only test vehicle of its type in the U.S., the Hot Rod is actually a modified version of the Company's J47 turbojet. By operating at temperatures far above those reached in today's production engines, the Hot Rod enables Flight Propulsion Laboratory Department engineers at Evendale to study stress and temperature problems anticipated in jet-engine operation five to ten years from now. Also, it enables metallurgists to test materials today under temperature conditions of the engine of tomorrow. This J47 will never serve its original purpose of powering an airplane; but, in sacrificing that adventurous pursuit, it has taken on an even more exciting one: helping General Electric develop better engines for the airplanes of the future.

EVENDALE'S HOT ROD JET OPERATING AT TEMPERATURE "GREATLY IN EXCESS OF 1600° F"



CLEAN-UP TIME IN SYRACUSE

SIGN-UP TIME IN PROVIDENCE

PEOPLE

Sweeping Improvements: This month's "Clean-up, Paint-up, Fix-up Week" in Syracuse saw members of the Junior Chamber of Commerce jauntily marching up main street (photo above), well-armed with brooms, mops, and other cleaning gear. Conspicuous by his ingenuity was Company-conscious Robert G. Heitzman, manager of visitor relations at Electronics Park, who strode along with a General Electric Roll-Easy vacuum cleaner in tow. Just as conspicuous in the community is the Company's own record for industrial cleanliness, with Electronics Park having just been chosen as one of the two cleanest plants in Syracuse.

Speaking of Devices: Combining self-development with pleasure, an alert employee recently talked his way into new business for the Company at Providence, R.I.—although his experience is far removed from sales. Louis G. Giarrusso, manager of machine accounting for the Wiring Device Department, has for some time been a member of a local Toastmasters' Club. Fulfilling the club's requirement for a ten-minute presentation, Mr. Giarrusso chose wiring devices for his subject, spoke so convincingly that a fellow member—Edward Consove, president of the Standard Supply Co. (a hardware distributor supplying over 500 retail outlets)—was persuaded to switch from a competitor's line to General Electric. In photo above, amateur salesman Giarrusso (left) turns his most responsive listener over to Raymond J. McCormick (right), Wiring Device's New England sales representative, for the clinching pitch.

Scheduled for publication in the May 25 issue of the *Saturday Evening Post* is the heart-warming story of a General Electric employee whose life was saved by a General Electric product. The employee is Guy Dietrich, a draftsman at the Small Steam Turbine Department in Fitchburg, Mass. The product is one of the X-Ray Department's Maxitron-2000 units, under which Mr. Dietrich was treated for a rare disease (see Letters column, *The Monogram*, Nov. 1956). The *Post* article is entitled "They Said I Was a Neurotic."

AROUND THE COMPANY

For better testing of aircraft electrical systems, Aviation & Defense Industries Sales Department has set up a new development laboratory at Waynesboro, Va. By duplicating the wiring and equipment positioning in test-stand installations, and by using flywheels to provide jet-engine-like acceleration and deceleration rates, engineers at the Aviation Systems Laboratory can study how well a system functions under simulated operating conditions.

Auburn, N. Y., is the new location at which General Electric manufactures its high-fidelity sound equipment. Formerly made by the Television Receiver Department at Syracuse, hi-fi components are now the product responsibility of the Specialty Electronic Components Department. The Company's current hi-fi line includes speakers, pre-amplifiers, amplifiers, crossover networks, tone arms, styli and cartridges, equipment cabinets, and speaker enclosures. According to Edward L. Hulse, general manager of the Specialty Electronic Components Department, the high-fidelity line is to be expanded in the future.

What do kids think of General Electric's widely heralded and much-traveled House of Magic show? One English teacher in the Pittsburgh area wanted to find out. After a regular Thursday morning assembly program, which featured General Electric "magicians" Jerry Rice (below left), and Ross Stemer (below right), the teacher asked her tenth-graders to write down their comments.

All 27 reported favorably, with many calling it the best program of the year and nearly all asking to see it again. More than a third said they gained new interest in science or learned something that would help them in their studies. Two lads announced their intention to become scientists. Some typical comments:

"Well I thought the science program was very interesting and exciting. If I had more brains, I'd go to college to be an engineer like that . . . ."

"I liked the assembly this morning, over much. It was very interesting. Showed us something new for a change. For once I could see and hear what went on. Other times you couldn't hear what the person was saying and it got very booring [*sic*] . . . ."

"The assembly was the best we've ever had. I liked the music and when he mixed some stuff together to form that pink ball of sponge or whatever you want to call it because I got it . . . ."

There was one discordant note. Griped one youngster: "The only part I didn't like was at the end of the program. I went back stage to ask the gentleman a few questions and the principal told me not to disturb him. What was the reason he came here if it wasn't to learn something from him?"

GENERAL ELECTRIC ON TV

General Electric Theater

(CBS, 9:00 p.m., E.D.S.T.)

May 19—"The Man Who Inherited Everything," with George Sanders.

May 26—"New Girl in His Life," starring John Forsythe.

June 2—"The Glorious Gift of Molly Malloy," with Greer Garson.

June 9—"The Invitation," with Kathryn Grayson and Larry Pennell.

"Cheyenne"

(ABC, 7:30 p.m., E.D.S.T.)

May 21, June 4

AROUND THE COMPANY

TV News: "Cheyenne" will be back again next year under General Electric sponsorship. Seen alternate Tuesdays by more than 30-million viewers, the show has been signed for the 52-week 1957-58 season by the Housewares and Radio Receiver Division, with the Lamp Division also participating. According to recent Nielsen ratings, "Cheyenne" is jockeying with "Climax" for top position among hour-long dramatic programs. From the General Electric Theater comes news that between June 2 and September 22, the most popular shows of last season will have repeat showings.

Another anniversary—the Household Refrigerator Department's 30th—will be celebrated by special price reductions for Company employees during June and July on two 1957 refrigerators and one freezer, according to Sidney G. Stevens, manager of sales planning. To be conducted with the co-operation of local distributors, the birthday sale will feature markdowns at least 15 per cent below regular employee prices (varying slightly according to location). Models being offered are the popular wall refrigerator (LW11), Straight Line combination refrigerator-freezer (BH-13), and matching Book-shelf freezer (HU-13). Mr. Stevens said the sale would bring the wall refrigerator within the budget of nearly every employee.

Open-House Record? More than 15,000 citizens of Roanoke, Va., turned out on April 13 to observe Good Neighbor Day with the Industry Control Department. The event was held as "a gesture of appreciation for the hospitality and helpfulness shown by Roanoke neighbors since the depart-

ment's arrival in the community about two years ago." It had been preceded two days before by Family Day, when about 5000 members of employees' families toured the new multi-million-dollar facility. With 20,000 people, one fifth of the city's population, visiting the plant during the two days, Paul R. Thomson, E & PCR manager, believes Roanoke may have set a Company open-house record.

Recently elected president of the American Council To Improve Our Neighborhoods is Roy W. Johnson, executive vice president of the Consumer Products Group. Mr. Johnson has helped initiate ACTION drives in some 60 General Electric plant communities throughout the country.

ORGANIZATION

Defense Electronics

The Aircraft Products Department has been discontinued. The following components have been assigned to the Light Military Electronic Equipment Department: Specialty Heating Products, Coxsackie, N. Y.; Schenectady Flight Control and Fighter Armament Manufacturing; Advance Engineering Laboratory, Schenectady; Johnson City (N. Y.) Plant. The Burlington (Vt.) Plant is assigned to the Missile and Ordnance Systems Department. The Flight Test Laboratory, Schenectady, is assigned to the Electronics Laboratory.

LETTERS . . . Cont'd

months. During that time, it was a wonderful feeling to know and receive the benefits which are provided through the benefits program. My doctors tell me that my recovery was due, to a great degree, to my attitude and cooperation. To this I would like to add that the assurance of Company benefits gave me the peace of mind that was so important.

I want to express, through you, my heartfelt appreciation: I feel most fortunate in having been an employee of this great Company for 34 years.

VIC WESTMORELAND
Charlotte, N. C.

Eyes on the Cover

Editor:

The article on Lexan® (*The Monogram*, April 1957, p. 12) was very good and no doubt thousands of your readers were sold on its amazing properties. However, I think you missed a wonderful opportunity to sell them on something else.

You are perhaps familiar with our never-ending struggle of convincing people that there is no substitute for adequate eye protection in operations like that on your April cover, which shows a man driving a plastic nail . . .

S. A. YINGLING, JR.
Schenectady

Editor:

. . . I'm sure there must be a reasonable explanation for the employee sans safety glasses.

E. J. FOLKMAN
Schenectady

An avid booster of safety measures, The Monogram did miss an opportunity in neglecting to equip the photographer's model with a very important prop. Incidentally, Lexan should make excellent safety glasses, too. Ed.

Another Use for Lexan?

Editor:

. . . ought to make a superb finjan!

W. E. ROAKE
Richland, Wash.

Lexan has not yet been perfected for use in food or drink containers. (A finjan is a handle-less coffee cup, such as is held in a zarf. The market for both zarfs and finjans is somewhat limited.)—Ed.

DRIVER J JR

EDITORIAL M-00

Planning for Tax Relief

AT THIS TIME of year, when many of us have just come to realize the impact of federal taxes on our own pockets and purses, a pocket-protection plan like that initiated by Representative Antoni J. Sadlak of Connecticut (story, page 16) should find a warm welcome with many people.

For, in the final analysis, people and *only* people pay taxes, whether they be federal income taxes, which startle us annually with their size, or indirect taxes, which the government has business collect for it in the prices of goods that people buy.

Congressman Sadlak's proposal for tax relief and spending reductions is particularly interesting because he rejects the blunderbuss approach to taxation and spending—the type of approach that each year produces gusty oratory, headlines, and not much else.

Instead, the Connecticut congressman recommends that the Congress take the long-range look. He suggests that, instead of just scheduling future spending programs, our representatives in government ought to schedule a long-term tax-reduction program. Mr. Sadlak's proposal calls for reduction over a five-year period.

How? Here's how, says Mr. Sadlak: If, as almost everyone anticipates, the economy continues to grow, there will be more money available for tax revenues. Therefore, it should be possible to reduce the *percentage* of revenue taken from each individual—and still have enough available to pay for the spending to which our government is already committed, as well as applying some revenue to debt reduction.

BUT, and it's a big one, this can be done *only* if it is *planned now*. Congressman Sadlak's plan proposes to do just that.

In the presentation of his bill to the Congress, Mr. Sadlak has worked out carefully a table of proposed tax-reduction rates, a plan for reduction of the national debt, and answers to many of the complexities of the federal tax question. To many, his analysis seems to be a sensible and refreshing approach. We recommend it for careful study.

Copies can be obtained by writing for Sadlak Plan, Public and Employee Relations Services, Room 113, Building 2, Schenectady.