

GENERAL ELECTRIC
Monogram
SEPTEMBER - OCTOBER 1976



**IMPROVE
YOUR INTERVIEWING
of job applicants**



PLUS: POLITICS STILL NEEDS YOUR SUPPORT

THE COMPANY



In 1938, on the Case varsity. He also spent a season with the Lakers professional basketball team.



As an outstanding alumnus, he received the Case Silver Bowl.



As Chairman of the President's Commission on Personnel Interchange, he introduces then-VP Gerald Ford to participants.

Farewell to Herm Weiss

He was a big, amiable man with the shoulders of the ex-football player. At his alma mater, now Case Western Reserve University in Cleveland, he did, in fact, make both the football and basketball varsities and was named to the All-Ohio basketball team for three years. In 1963, *Sports Illustrated* named him to its Silver Anniversary All-American team of former college athletes who have achieved outstanding careers.


Outstanding he was in his 37-year career with General Electric. Graduated from Case in 1939 as a civil engineer, he started in cost work at the Lamp Division's Pitney, Ohio, Glass Works. By 1941 he had a staff job at Nela Park. During World War II, at the age of 27, he served as GE's representative on the Incandescent and Fluorescent Lamp Advisory Committee of the War Production Board. By 1952 he was manager of two GE lamp plants and in 1955 was appointed general manager of the Large Lamp Department. In 1959 he became general man-

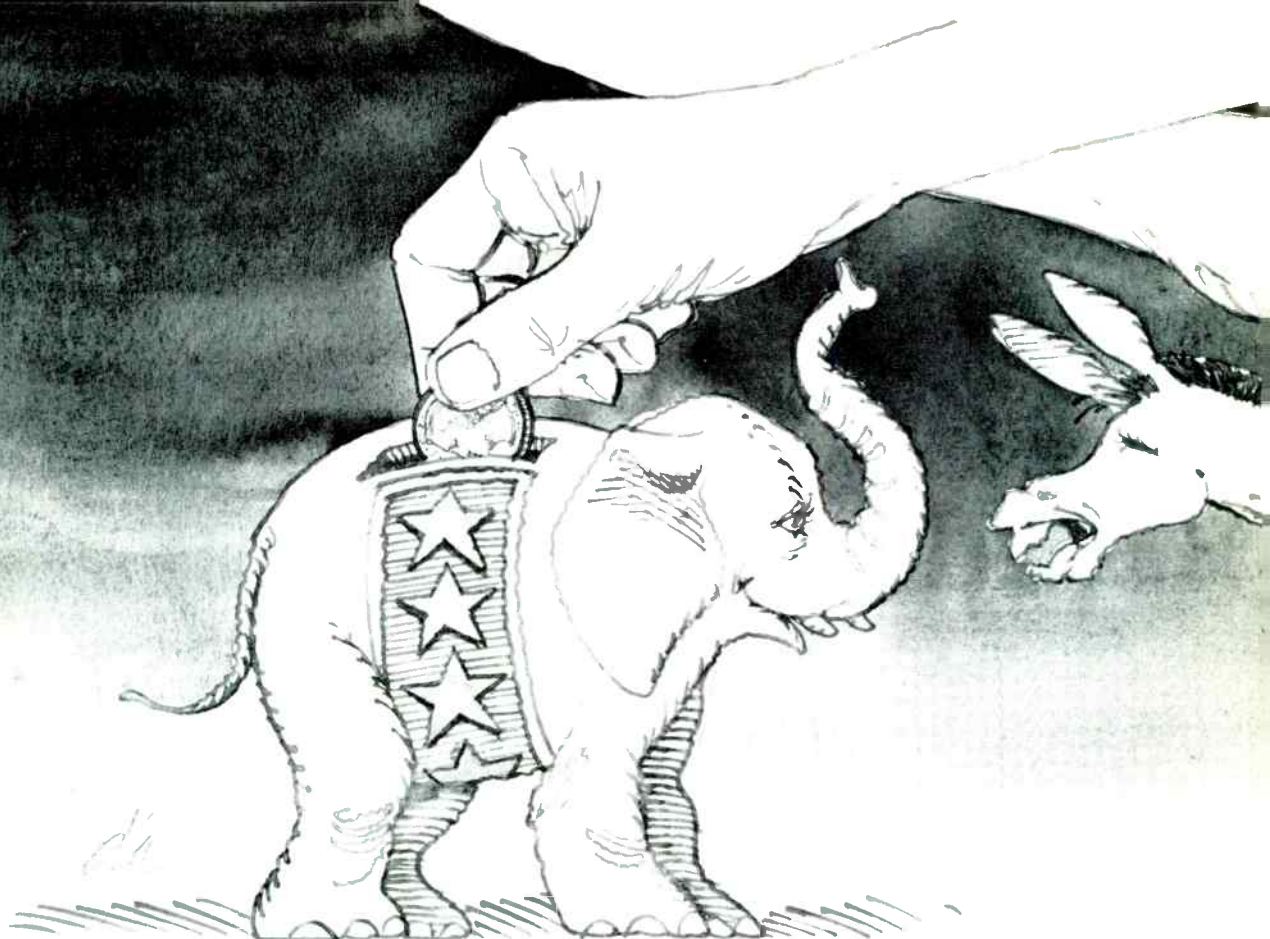
ager of the Lamp Division and was elected a GE Vice President in 1961.

His move to headquarters came in 1962, when he was promoted to Group Executive of the Consumer Products Group. In 1968 he was elected a Director, Vice Chairman of the Board and an Executive Officer of the Company. In this capacity he was a member of the Corporate Executive Office. He was responsible for the Corporate administrative and business development staffs, in addition to overall responsibility for the Components and Materials Group.

Herman L. Weiss died in New York on September 6 at the age of 60. Praising his many valuable contributions to the Company and in public service, Chairman Reginald H. Jones added: "But perhaps Herm will be best remembered for his warm and open spirit, which expressed itself in helpfulness and loyalty to his many, many friends in General Electric and the business community. He will be sorely missed."



September-October 1976		Volume 53, Number 5
Edward H. Morgan, Jr., <i>Editor</i> Carol A. Olcha, <i>Editorial Assistant</i> ; Ron V. Taylor Associates, <i>Design</i>		
Contents		
THE COMPANY		2-11
Farewell to Herm Weiss / Political contributions—defusing the confusion / Photo history: GE's 'living link' / Monographs / New cash management course		
THE BUSINESSES		12-17
Corporate Consulting Services / Beauty in a service shop		
INTERNATIONAL		18-21
GE's growing 'geocentricity'		
PEOPLE		22-29
Improving your interviewing / Insurance: an inside view / Backstage at the Bake-Off / Organization changes		
PERSPECTIVES		30-31
Unemployment: How it can best be solved		
<p>The Monogram's purpose is to keep its readers informed on General Electric activities so that they may more effectively represent the Company in its relationships with the public. It is published bi-monthly by Corporate Public Relations Operation—Douglas S. Moore, Vice President. Editorial supervision is by David W. Burke, Manager, Corporate Communications, and J. Herbie Hausler, Manager, Corporate Editorial Programs. Request permission to reprint articles from the Monogram Editor, Fairfield, Connecticut 06431. Copyright 1976, General Electric Company.</p>		



Political contributions – defusing the

An interview with Stephen K. Galpin,
Manager -Public Affairs Programs

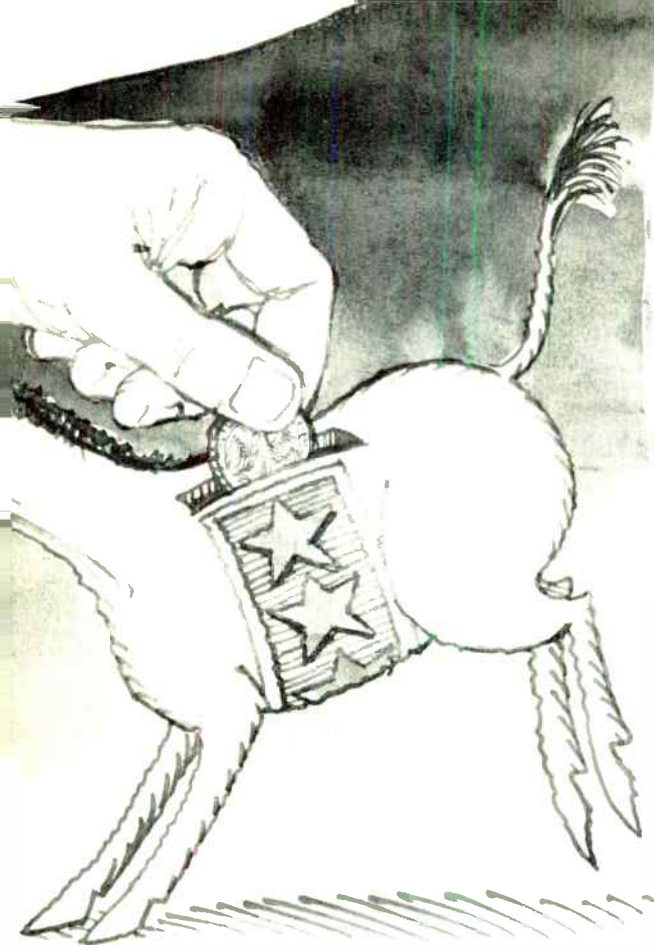
If the whole subject of political contributions turns you off because of Watergate and confusion over the law, you are not alone. There are, indeed, a number of legitimate questions to be asked and answered, such as:

- Isn't the federal government now financing political campaigns?
- Is there really any need for private political giving – any legitimate use for the money?
- How did some companies and individuals get in trouble with the law over contributions in the 1972 Presidential campaign?
- Is favorable tax treatment for political contributions still in effect?

To provide answers to such questions, the

Monogram arranged the following interview with Stephen K. Galpin, manager of Public Affairs Programs, Corporate Public Relations Operation, Fairfield, who serves as Secretary of the Company-sponsored Non-Partisan Political Support Committee. The Company's Constructive Citizenship Program is also one of his responsibilities.

MONOGRAM: Let's start with the question of financing political campaigns with federal government money. When we paid our federal income tax for 1975, we had a chance to designate \$1 (\$2 on joint returns) to be used for the Presidential Election Campaign Fund. Is there any further need to contribute private funds to either major presidential candidate?



confusion

GALPIN: Directly, no. The dollar check-off will supply the basic funding for both President Ford's and Governor Carter's campaigns for the Presidency. They'll get about \$21.8 million each from the Treasury. And, having agreed to accept these funds, they've given up the right to accept any private contributions for their campaigns.

For the primaries, though, they did raise private money to finance their campaigns and to qualify for the Federal matching funds available under the election law.

MONOGRAM: Why then are citizens being urged to contribute to the candidates of their choice during the general election drive in this Presidential election year?

GALPIN: Because with the single exception of the presidential campaign, private contributions remain the mainstay of political financing. Many hundreds of candidates for Congressional, state and local offices will be on the ballot on November 2. In these days of increasingly expensive mass communications, including TV, radio and print advertising, the only way that candidates other than millionaires can let voters know what they stand for is through the expenditure of substantial sums contributed by individuals. The major political parties also must depend on private contributions to help support these candidates. And the cost of this year's TV debates, to be handled by the League of Women Voters, will have to be borne by private contributions.

MONOGRAM: Do political contributions from individuals get the same favorable tax treatment as they did in the 1974 campaigns, or has that been changed?

GALPIN: There has been a very substantial change— for the better. The dollar amounts of political contributions eligible for favorable tax treatment have been doubled. As the rules now stand, the Internal Revenue Code allows a 50% tax credit for individual contributions up to \$50, meaning that if you contribute \$50 you are entitled to a tax credit which reduces your income tax by \$25. In effect then, your \$50 contribution really costs you only \$25. Married couples filing a joint return can get a 50% tax credit for a contribution of up to \$100. If they contributed \$100, their tax would be reduced by \$50, and their \$100 contribution would really cost them only \$50.

MONOGRAM: Is the same amount of tax credit with the same limitation available no matter whether you take the standard deduction or itemize your deductions?

GALPIN: Yes. Furthermore, if you itemize deductions on your federal tax return, you have the option of taking up to \$100 in political contributions (\$200 for married couples filing jointly) as one of your itemized deductions. Of course, you have to determine whether it's to your advantage to take the 50% tax credit on the first \$50 of your contribution, or to take up to \$100 as one of your itemized deductions. You can't take both. A married couple in the 32% tax bracket who contributed \$200 to a political candidate would realize a tax saving of \$64

(continued next page)

CONTRIBUTIONS *(continued)*

(\$200 x 32%) by listing the contribution as an itemized deduction. If they went the tax credit route, their saving could not exceed the maximum \$50 (50% of the first \$100).

MONOGRAM: How can you be sure that the kind of political contribution you are making will be OK with the IRS?

GALPIN: The contribution must be made to bonafide candidates, and these could include those running for Congressional, state or local office. It can be made to a campaign committee, or to a national, state or local committee of a national political party. The money must be used in connection with an announced candidacy. Contributions are not deductible if they are used for political activities that are not directly related to a campaign. Political committees which engage in educational or legislative activities, for example, will not qualify.

MONOGRAM: Is your canceled check sufficient proof for the Internal Revenue Service?

GALPIN: Generally, yes. However, most candidates and parties send receipts and they should be retained as further proof.

MONOGRAM: During the 1972 Presidential campaign, a number of companies succumbed to campaign fund-raising pressures and got into trouble. You should feel proud that GE avoided that trap.

GALPIN: Yes, we do. To us, the law is clear and compelling. So is long-standing Company policy: No corporate funds may be contributed to political parties or candidates. Some companies contributed corporate funds, not only for the Presidency but for campaigns of other federal candidates of both parties as well, and that's what got them in trouble.

Let me emphasize, though, that the Company does encourage all employees to take an active part in the political process, and this includes giving their personal money to the party and candidates of their choice.

MONOGRAM: Let's discuss that—some of the GE programs that encourage employees to make political contributions to the party and/or candidates of their choice. First, may we assume that the Constructive Citizenship Program will again be promoted on a Company-wide basis?



GALPIN: Yes. The Company's Constructive Citizenship Program has gone to the field with Reg Jones' strong endorsement and with clear guidelines for the chairmen who are now implementing it. We're confident they will carry out this program with distinction, urging all employees to register, work, give and vote in this very important election year. The program successfully survived the confusion of Federal Election Commission and Congressional indecision over new restraints on all citizenship programs, and it is moving ahead at full speed. All in all, this program is so clearly in the best interest of our country and all its citizens that I feel sure that Constructive Citizenship will continue to draw commendations from all quarters. It is a vehicle for truly meaningful reaffirmation of the principles of our founding fathers—and a most appropriate way to celebrate our Bicentennial year.

MONOGRAM: What is the mission of the Company's Non-Partisan Political Support Committee, which received some attention a few months ago in the *New York Times*, along with similar committees sponsored by other companies?

GALPIN: The Non-Partisan Political Support Committee is a legally constituted fund-raising mechanism which invites some 500 higher-level GE employees to channel their voluntary personal political contributions through a committee. About two thirds of those invited to do so are participating. The Committee serves as a lawful and open vehicle for responding to the many and varied campaign fund requests from candidates and parties who consider corporate managers as prime prospects for their fund-raising campaigns.

MONOGRAM: If it's a good idea to have a Non-Partisan Political Support Committee

involving a few hundred higher-level employees, why wouldn't it be worthwhile to sponsor similar committees to handle the voluntary personal contributions at the state and local level—in key states, for example?

GALPIN: That's exactly what is happening. Political fund-raising committees modeled on the Non-Partisan Political Support Committee are being organized by GE State Public Affairs managers in a number of states to help support candidates in campaigns of local interest.

MONOGRAM: What states have such committees?

GALPIN: There are now in existence non-partisan political support committees in Massachusetts and Ohio, and there are plans for Illinois, Connecticut and several other big GE states. These state-based committees have identified campaigns of special interest, whether they be state or local, and they will solicit voluntary contributions from scores of fairly high-level GE employees in each state. The absolute right of every employee to participate or not will be rigidly respected, and there will be no rewards for contributing or reprisals for not.

MONOGRAM: Would you say that GE gets some reflected good will because of the voluntary and personal contributions of some of its executives through the various non-partisan political support committees?

GALPIN: Well, I hope so. But the main point is that since Company funds are not being contributed, and the programs conform in every way to both the letter and spirit of the law, the Company and its executives are protected against the possibility of questionable practices that some companies without such a program fell into under the pressures of intensive fund-raising activities by energetic candidates.

MONOGRAM: Suppose a GE employee in a lower level position felt that, even though he had not been invited to do so, he would like to contribute to his favorite candidate, either through the Corporate-sponsored Non-Partisan Political Support Committee or through one of the state-based committees if he happened to live in one of those states. Perhaps he might be motivated by the feeling that he would thus help to make a good impression concerning GE or the people of GE—and at the same time

help his candidate. Could he contribute to one of these committees and designate which party or candidate he wished to support?

GALPIN: Sure. We would welcome a contribution from any GE employee, including those who had not been invited to contribute.

MONOGRAM: If an employee contributes to a non-partisan political support committee in General Electric, could he claim the same favorable tax treatment as if he had contributed directly to the candidates or party?

GALPIN: Yes. But, as I said, there will be no campaign to solicit contributions from any employees other than those at fairly high or high salary levels. We will be urging that others make their political contributions, if they choose to make any, directly to the candidates and/or parties of their choice.

MONOGRAM: GE employees, then, whatever their level, seem to have a lot of options in making personal political contributions. Just for clarity, could you summarize them?



GALPIN: Sure. First, they can give directly to the party or candidates of their choice. Second, for candidates for Congress or to give to national political parties, they can give through the Non-Partisan Political Support Committee. Third, they can give for state and local candidates through a GE-affiliated state committee if they live where there is one. And fourth, of course, they can elect to make no contribution at all. Surely it's everyone's right not to participate in politics, but our democracy and everyone in it will fare far better if they do. □



McManus on the balcony of the Swampscott Administration Building, once the home of GE co-founder and scientist Elihu Thomson.

Charles Coffin, Elihu Thomson, Charles Steinmetz, Edwin Rice — to most GEers today they're names from the distant past, shadowy presences known only through photographs in historical accounts of General Electric's origins.

But to a GE pensioner living in Salem, Mass., they're all well-remembered figures.

This "living link" with GE's founding fathers is John A. McManus, who at 95 still recalls the days when, first as Thomson's personal secretary and later as GE's patent attorney in West Lynn, he was closely associated with the men who shaped GE's early history.

Thomson, the prolific inventor whose Thomson-Houston Company was merged with Edison General Electric to form General Electric in 1892, was McManus' favorite: "He was a genius, but very modest and gentle. I had offers to go elsewhere, but I just couldn't leave Professor Thomson."

His eyes still flash when he discusses his belief that Thomson should have received far more attention from history than he did. "Professor Thomson was never as well known for his achievements—he patented over 750 inventions—as Thomas Edison, because he was so overwhelmingly modest. I think Edison enjoyed publicity and

Pensioner McManus: 'living link' to GE's beginnings

even stimulated some, but Professor Thomson was different—he was quiet and didn't like to be made a fuss of."


Furthermore, McManus points out, Thomson led the way in rejecting the opinions of other early electrical leaders, including Edison, that only direct-current electricity was feasible. "Professor Thomson proved that alternating current was safer and less expensive."

Thomson is credited by McManus with having preserved Lynn as a GE plant city. "For the first few years after consolidation, many Lynn employees, including Professor Thomson, were asked to relocate to the Schenectady plant which was being built up. In many cases, the move proved a good one for the employees—they

grew into management positions in Schenectady. But in addition to loving the greater Boston area, Professor Thomson reasoned that, if he went, the plant here might close down and leave other people high and dry. So he resolved to stay put. His decision made it possible for the Lynn plant eventually to grow into one of the Company's largest facilities and one of Greater Lynn's most prominent employers."

One element in Lynn's growth was the construction of the Thomson Laboratory. McManus believes he triggered the decision to construct this facility. One day in Boston he encountered GE's President E. W. Rice, Jr., and was asked, "How's the Professor?" "Fine," McManus answered. "But I

think you could make him a bit happier if he had a little laboratory to work in at the plant—just a spot where he could experiment without being bothered by interruptions." Rice said he'd speak to the plant manager about it, "and not too much later the brick building was erected and named in Professor Thomson's honor."

In later years, when Thomson slowed down his pace and came into the office only two days a week, McManus expanded his responsibilities in maintaining contact with the Company's main Patent Office in Schenectady. Enrolling in night school, he earned his law degree and became the Company's Patent Office representative in Lynn—the position he retained until his retirement in 1947. 



McManus' boss, Elihu Thomson, is next to Charles Steinmetz at Lynn meeting with Lady Kelvin and Lord Kelvin, famed British physicist.



McManus (left), with Thomas Edison's son Charles.

Monographs



First Lady Ford, GE's Cochran



IR-100 winner: new crystal



GEer Sunderland and plane



VP Allen congratulates winner

Honors. Newsworthy recognition has come in many forms for General Electric and GE people:

- The Company's Re-entry and Environmental Systems Division is one of 41 firms that have won the "Business in the Arts" award from the Esquire/Business Committee for the Arts for outstanding support programs in the fine and performing arts during 1975. At a White House reception held for the award winners, First Lady Betty Ford congratulated David Cochran, GE VP—Aerospace Government and Industrial Activities, shown with his wife Rosemary.
- Awards for developing five of the "100 most significant new technical products or processes of the year" were presented to General Electric in September by *Industrial Research* magazine. GE has once again received the greatest number of awards in this year's IR-100 competition—making a total of 102 since the IR competition was inaugurated in 1963. Three of the five winning processes were developed at the Company's R&D Center in Schenectady: the field-controlled thyristor, aircraft lightning suppressor and radial gradient germanium crystal. The other two awards were presented to scientists of the Fast Breeder Reactor Department for an oxygen potential probe, and to the Space Sciences Laboratory for its discharge-heated copper vapor laser.
- Luther D. Sunderland, a flight control engineer in the Aerospace Controls and Electrical Systems Department,

Binghamton, N.Y., has received the *Mechanix Illustrated* Award for Outstanding Workmanship in the field of experimental aircraft design and construction.

- Jack S. Parker, GE Vice Chairman of the Board, was master of ceremonies at a function marking the start of construction of the \$14-million Herbert Hoover Memorial Building on the Stanford University campus in late July.
- GE was granted more patents in 1975 than any other firm in the United States, according to the Association for the Advancement of Invention and Innovation. The AAI list, which ranked the top 100 companies in the U.S. by number of patents received during 1975, was headed by GE with 839.
- A bronze plaque proclaiming GE's Nela Park an official historic location has been installed on the Park's premises. The Cleveland, Ohio, facility, housing the Company's Lamp Business Division headquarters, was given this designation last year when it was included in the National Park Service's National Register of Historic Places.
- GE also bestows honors. The first of three annual awards established by General Electric recently for outstanding research in the field of strategic planning by members of the Academy of Management was bestowed in August at the Academy's annual conference in Kansas City. Michael G. Allen, VP and Staff Executive—Corporate Strategy and Systems, presented the award to Dr. G. Richard Patton, a teacher at the University of Pittsburgh.



The Declaration's done. GEer Joseph Horvath, whose progress in handcarving a replica of the Declaration of Independence in wood was reported in the May-June *Monogram*, has completed his Bicentennial project. The finished work, measuring nearly

17½ feet high by 8 feet wide—larger than originally estimated by Horvath, a maintenance painter with the Appliance Components Support Operation in Fort Wayne, Ind.—is shown on display in the Woodbury Missionary Church.



An Olympic gold medal. Darrell Pace, 19-year-old son of GE employees Roy and Mary Pace of Evendale, Ohio, walked off with the Olympic Gold Medal in archery at the 1976 Summer Olympics. Now serving in the U.S. Air Force, Pace has been a dedicated archer since he was 13—accumulating such titles as U.S. Champion for the past three years and 1975 World Archery Champion. His father is a balance machine operator, while his mother is a secretary in Engineering Product Integrity at Evendale.

Cash Management continues to be at the heart of the Company's thrust to improve return on investment. After having received a growing amount of attention during the past two years (September-October, 1975 *Monogram*), the proven techniques have become a how-to-do-it course—the most extensive new GE course in years.

The Effective Cash Management (ECM) course was recently introduced by VP-Finance Alva O. Way, who described the project as a way of "changing the culture of General Electric" by wider application of techniques that have already saved the Company millions of dollars of unnecessary cash lock-up. Way's



Top cash managers Doty (left) and Al Way.

boss, Board Chairman Reginald H. Jones, sent a special message to Department and Division Managers emphasizing the importance of the program.

As Way told the Crotonville audience training to lead the course in the field, the operating components have made great strides in improving the Company's cash position since the

cash crunch of 1974. But further improvement is required, he noted, and the ECM course will provide the "multiplier" through a multi-functional approach.

"Through some 200 course leaders trained here, we're going to reach about 9000 section, sub-section and unit employees who make the day-to-day decisions on inventories, receivables and plant investment," he said. The aim of the course: more effectively manage the Company's cash flow.

ECM is an outgrowth of the Corporate Cash Management Task Force, formed by Way and headed by Special Systems and Products Group Financial manager Ted C. Doty. **AW**



VP Kellogg: her 'product line' is salable expertise

THE BUSINESSES

Corporate Consulting Services

Where next week's work depends on convincing a client you've got a capability he needs as a supplement to his own organization

"We offer operating components our expertise. But no one *has* to hire us. This means we must have something *special*—a creative idea, a unique competence, or a broad third-party viewpoint. And our track record for problem-solving and accomplishment must be excellent. Otherwise we'd be out of business."

The speaker is Marion S. Kellogg, VP of Corporate Consulting Services, headquartered in Fairfield, Conn. In her view, CCS has only one thing to sell—the expertise, or know-how, of its people. But, according to VP Kellogg, that know-how is just as much a product as is a refrigerator, or a gas turbine, or a jet engine.

"We have the responsibility to develop a competitive and viable 'product line' of expertise which people will want to buy—and to 'sell' that product line to potential clients, both inside and outside the General Electric Company."

Kellogg doesn't believe in the mystique that is often attached to the word "consultant": "All it means, as we apply it to ourselves in CCS, is that we know our field, and because of our varied backgrounds, we have been able to develop some very practical techniques that apply to a wide variety of business situations."

The basic concept of corporate-level consulting began back in the 1950s, with the setting-up

of headquarters services in engineering, manufacturing, marketing and employee relations to advise and counsel the Company's operating components. The services' contract, Kellogg says, was to "research and teach," and the various GE services built up a valuable body of knowledge in their respective areas.

Several years ago, the services operations were combined under one "umbrella" as Corporate Consulting Services.

The

CCS consultants—their key to success is personal and team expertise. But what's a specific example?

A talk with James M. McDonald, Manager-Marketing and Strategic Planning Consulting, in his Fairfield, Conn. office, establishes a broad range of specifics.

Overseas market information, as an instance. In cooperation with the International Sales Division, McDonald's operation

The umbrella is a big one—covering CCS segments in Fairfield and Bridgeport, Conn., and in Schenectady, N.Y. CCS areas of expertise now include Engineering and Manufacturing Engineering Consulting, Productivity Programs, Cash Flow Improvement Programs, Manufacturing Management and Quality Control Consulting, and Marketing and Strategic Planning Consulting.

Where do CCS consultants come from? Most of them come from operating components of the Company. Says Kellogg: “They are individuals with experience in operating a business, but they must all have the kind of mind that can grapple with pivotal issues—and the ability to be unconventional in their thinking.”

She adds: “We must be able to approach each problem by asking, ‘How can this job be accomplished in a new and more effective way?’”

CCS’s greatest asset, in her view, is its capacity for providing multi-faceted talent and a fresh look at the challenges and opportunities brought to the group by its clients.

What happens when a GE business asks CCS for help? A team of consultants goes out to evaluate the situation; a proposal is made to the component; then, if the component, as Kellogg puts it, “decides that our proposal is valid and that they want to hire us, we implement our recommendations.”

The challenges faced are as varied as the Company’s diversified businesses, and the methodology developed in finding the right answer for each one becomes part of an invaluable CCS body of knowledge that can be applied to future

problem-solving situations.

There’s another phase of CCS activity, which involves the initiation of “joint-venture” projects with Company business segments.

“Our main challenge in these joint-venture projects,” Kellogg says, “is to try to solve ‘answerless problems’ by developing new approaches and testing them. Current projects involve challenges brought on by inflation, government regulations, low productivity and rising inventory levels. Our consultants seek out GE operations willing to work with us to jointly identify new opportunities and programs.”

As new techniques and processes developed in the joint-venture projects are verified, they are incorporated into a constantly-updated body of functional training courses taught by CCS personnel in central locations across the country. CCS consultants update their own knowledge through reading, course work and special seminars, both in and out of the Company.

For the future, VP Kellogg envisions CCS as remaining about the same in size but changing in emphasis and personnel to meet the changing situation of the business community.

“We shall continue to encourage in-and-out movement of individual consultants,” she says. “We believe it is valuable for operating component experts to bring practical experience to us by serving as consultants—and for consultants to accept operating component assignments.”

What happens when there are no more challenges to meet? Kellogg: “It’s a highly unlikely scenario, but if we’re ever that successful, we’ll have worked ourselves out of a job.”

CCS role: some specifics

has developed a data base system for providing a country-by-country rundown on predicted growth in GNP and estimated future purchases of various types of equipment. This research information is sold to a number of GE clients on a subscription service basis.

Another example: all those thorny questions that come under the label of “pricing.” Again, the base of CCS service is a unique body of informa-

tion. “We began our major pricing study,” McDonald says, “by contacting GE operations, the academic community and anyone else who could provide us with information.”

This fact-gathering was followed by a series of workshops where several GE components’ pricing teams, headed by marketing managers, met to discuss their pricing policies, exchange ideas and brainstorm new pric-

(continued next page)



AMMS study team: twice-yearly programs are a regular feature of Marketing and Strategic Planning Consulting service.

CCS (continued)

ing approaches and plans.

Another string in McDonald's bow is training: his component is responsible for a number of courses for salesmen, sales managers, marketing specialists and marketing managers. One such course, the Advanced Marketing Manpower Seminar (AMMS), has been in existence for 25 years and has trained more than 3,000 participants. Another, the Modern Marketing Course 1 (MMC-1), was developed by VP Marion Kellogg before she was named to head CCS.

Seeking solutions for clients

There's another hive of CCS expertise in Bridgeport, Conn., where Alfred P. Taylor, Manager-Manufacturing Management and Quality Control Consulting, and two of his managers talked about some of their current projects.

A CCS technique, called INTROSPECT, increases the profitability of a business component by eliminating work duplication and combining activities to make jobs more meaningful. "INTROSPECT really



Manufacturing Management and Quality Control Consulting experts meet with clients to measure successful inventory control results achieved through CCS proposals.

teaches management how to concentrate on *more* important rather than *less* important tasks and how to make a business more efficient," according to Robert B. Erskine, Manager-Manufacturing Management.

Working with co-consultants from the client component's organization, CCS experts enlist the help of a computer to produce a "dictionary of work" for each client's operation—a detailed model of work activities and priorities, individual work patterns, work relationships and responsibilities—in order to recommend changes for improvement in productivity.

Al Taylor says that INTROSPECT "has a potential for moderating the effects of fluctuating economic cycles by creating for the client a more flexible organization which will minimize the problem of hiring too many employees during an economic 'up' period and then having to reduce the work force drastically when the economy sags."

On another front: Thomas M. O'Brien, Manager-Materials Flow Planning and Control, has projects in which CCS consultants and clients, as joint-venture partners, seek solutions to the many-faceted problems of inventory management.

"Inventory control today," he says, "goes far beyond the nuts-and-bolts details of ordering the right things at the right time in the right way. We get involved in everything from the location of production facilities to manufacturing schedules, optimum use of factory equipment, stocking procedures—and even the motivation of employees."

On these and a wide range of other projects, Al Taylor's consultants are putting their know-how to work for clients—in Canada, Latin America, Europe and the Far East, as well as in this country.

Hatching automation systems

And then there's the Automation Equipment Operation in Schenectady, N.Y.—where "consulting" takes a giant step beyond analysis, recommendation and implementation of plans. AEO actually *builds* things: specifically, custom automation equipment designed and engineered to client specifications—from the simplest analog control loop to the most complex computer-based control system.

"We have successfully designed, built and installed custom automatic equipment for every phase of manufacturing fabrication, assembly, machining, material handling and packaging," says Roland P. Carlson, Manager-Automation Equipment Operation. "Our equipment has helped clients realize significant dollar savings through increased productivity, better utilization of floor space, and improved product quality."

The machines shown are only a small sampling of the equipment designed and manufactured by this unique arm of the CCS organization.

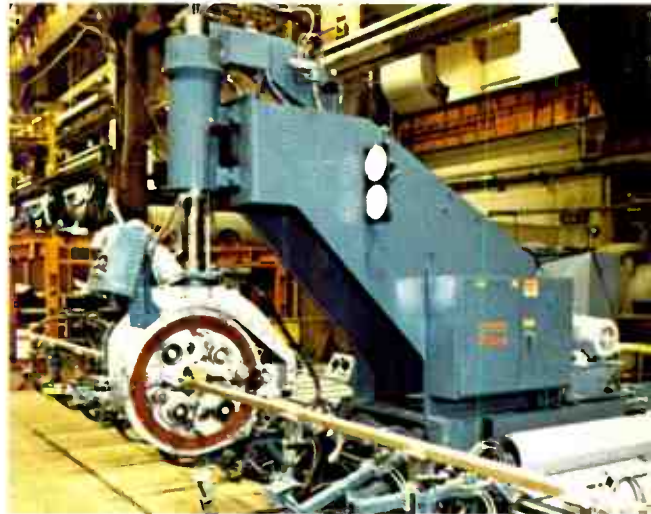
Prototype Product Model ▶

GE's new total body scanner is a good example of the Automation Equipment Operation's talents in the engineering, design and fabrication of development models for new products. Mechanical fabrication and electrical drive systems for the scanner were provided by AEO in a joint venture with the Medical Systems Business Division and the Corporate Research and Development Center.




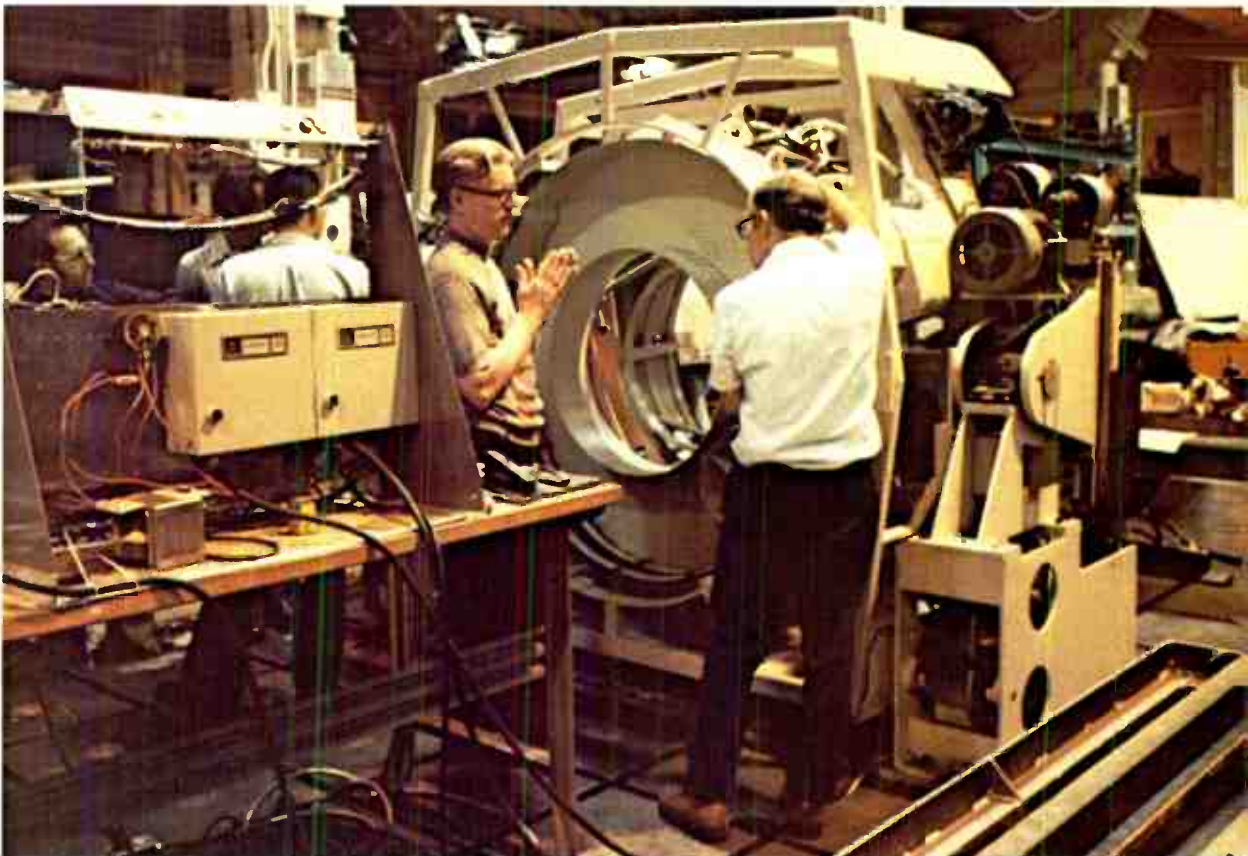
Centrifugal Casting Machine

Specially designed and fabricated for General Electric's Small AC Motor Department, this unique unit produces cast aluminum motor frames up to 30 inches in diameter.



Taping Machine

Built for GE's Steam Turbine-Generator Division, this equipment tapes generator coil bars. At rates of up to 200 inches per minute, it applies tape to pre-selected wrap configurations. 



Beauty in a service shop



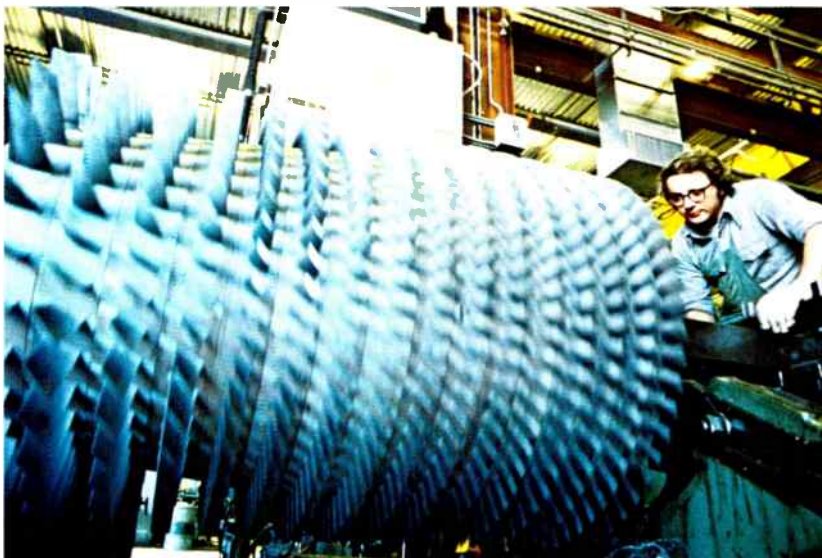
A facility that's host to broken-down machinery . . . workmen probing the innards of damaged products . . . the gritty atmosphere of repair—these would seem to offer poor prospects to a photographer looking for things of beauty.

Yet those are the elements that Dallas-based lensman Shelly Katz found fascinating on a recent visit to General Electric's Houston Apparatus Service Shop, one of GE's 161 shops and the world's largest service facility.



"Flame and sparks always catch a photographer's eye. The routine grinding of a turbine bucket cover becomes a thing of visual excitement."

"The people I saw at Houston took a special interest in their jobs—possibly because the problems are constantly varying, the challenge always changing. Everyone seemed intent and happy in what he was doing."



"Craftsmanship—it was all around me: men who could take incredibly complex machines and confidently put them back into working order—using the shop's great variety of other massive types of equipment to do the job."




"To my eyes the shapes and textures were strange and interesting. The camera's eye turns a rotor shaft into a huge yellow top for a giant to spin."

Katz, former *Life* magazine staffer who is now on *People's* masthead as well as being a prolific freelancer, found two main elements coming together at Houston to make for intriguing photographs: massive objects with unusual shapes, forms and textures; and the intensity of craftsmen at work. "It gave me numerous opportunities for exciting pictures," he says.

Here's a sampling of Katz' shots and his personal reactions.



"This picture captures the spirit of camaraderie, of working readily together, that I found among the GE people at Houston. Everyone seemed capable and flexible—as though any one of them could do every job in the shop—and so they were able to combine their efforts easily." 

Paolo Fresco



João M. de Vasconcellos



Dr. Juan Ignacio Trillo



Three European General Managers discuss GE's growing 'geocentricity'

Multi-country executive. As President and general manager of Compagnia Generale di Elettricità S.p.A., Paolo Fresco is an Italian by birth and has become, through GE rotational assignments which included a year on the General Counsel's staff in New York City, an executive who is comfortable almost anywhere. His current responsibility, COGENEL, is one of Italy's prime industrial firms. Fresco holds a law degree from the University of Genoa and joined COGENEL in 1962.

GE-trained manager and linguist. João M. de Vasconcellos started in flatiron production for General Electric Portuguesa in 1963, just after receiving a master's degree in electrical engineering from Lisbon Technical University. Since January of 1976, he has been President and general manager, leading GEP at a very difficult time in Portugal's history. Prototype of the internationalized manager, Vasconcellos is master of several languages and of the difficult American conversational idiom.

Opinion leader in Spain. General Electric gained a man of national standing when it appointed Dr. Juan Ignacio Trillo Chief Executive Officer of General Electric Española in February of 1975. Comprehensive knowledge of Spain's fast-changing industrial and financial establishment is among his qualifications. Holder of industrial engineering and law degrees from the University of Madrid, Trillo was a member of the Board of Directors of Altos Hornos de Vizcaya, Spain's largest steel producer, before joining GE.

As recently as 1972, GE visitors to a European country could count on one thing. When they met the top GE man there, they were likely to see an American face.

That's all changing now. General Electric is in transition from an extraordinarily diversified U.S. company, which happens to do about a quarter of its business overseas, to a truly world-wide enterprise in which many strategic decisions must be based on the global need for a product or service. Professors of business administration call the results of this metamorphosis *geocentricity*.

Today's visitor to GE operations in Spain, Portugal and Italy finds a leading citizen of each of those countries very much in charge. The visitor also detects among these top manager-nationals a strong sense of mission for helping the Company become the geocentric enterprise it must evolve into if GE is to continue its strong growth in world markets. The *Monogram* asked these three leaders in GE general management—Paolo Fresco of Italy, Dr. Juan Ignacio Trillo of Spain and João M. de Vasconcellos of Portugal—to comment on the “state of GE's international union” from their unique perspectives.

As a first specific query: “What are the advantages of having a national as the general manager in your country?”

Dr. Juan Ignacio Trillo: “It is hard to answer that question without appearing to promote oneself, but the obvious ideal candidate for the top GE job in any country is one who knows the country just as well as he knows the Company. Now I am relatively new to General Electric, with just one year of service, so I don't bring great knowledge of the Company to our Spanish operations. In fact, one of my most vivid recollections of my first year with GE is of the last General Management Conference in Belleair, Florida, when I heard GE Board Chairman Reg Jones say that the people in the room with me represented something like 9,000 years of GE experience. I thought: I surely am dragging down that average! But that aside, what I can definitely contribute to GE is knowledge of how our country works, as I accelerate my knowledge of the Company.

(continued next page)

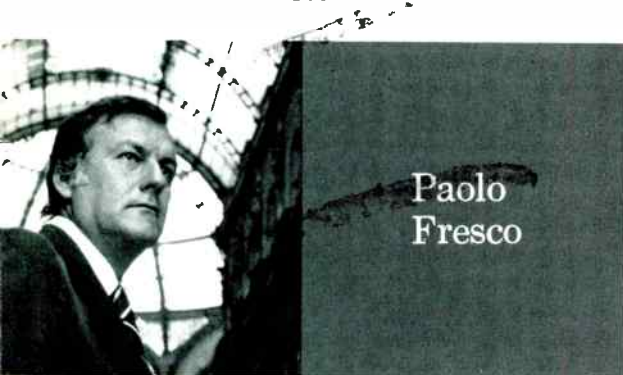
'GEOCENTRICITY' *continued*

"I have joined a Company which has an unmatched reputation in the world for technical competence and good financial management. Those attributes have been high on the list for general managers in the States, but now that GE is serious about its future as a world enterprise, we have to add social and political expertise to the list of qualifications."

Paolo Fresco: "It's helpful in running COGENEL to be a full-fledged member of two cultures—the culture of General Electric and the culture of Italy. And it's probably more important to have these qualifications now than before, because of the rapid reorganization of GE in Italy to a format of the future.

"We see COGENEL's future, in fact, as a base of operation for a wide range of joint ventures between domestic components and local partners rather than as a miniature GE. An example of this trend is our newest acquisition by COGENEL of 35% equity in the Savigliano Company, with management rights and the option to acquire a majority. This acquisition establishes a GE service shop in Italy as a joint venture between the Apparatus Service Business Division and Europe Business Division, with the balance of the equity being acquired by Italian partners selected for their ability to provide needed local support for this operation. I am engaged in setting up these new ventures and investments, both in my capacity as President of COGENEL and as the GE 'national executive' for Italy.

"To be a 'national executive' requires increased attention and emphasis on the political, economic and social environment, much greater than under the prior concept where COGENEL was self-contained and headed by a 'business administrator' from the U.S.



"All this shows how far GE has come in the past three years toward organizing as a true world enterprise overseas."



João M. de Vasconcellos: "It's probably easier for 'stateside' GE people to think of the advantages of having a qualified national in charge if you transport the analogy back to the States. Take Volkswagen of America as an example: I would venture to say that their giant new operation in Pennsylvania and their U.S. marketing would run best if they placed an American in charge of operations. Even more in Portugal, which has been under revolutionary rule for the past two years, it is necessary to understand the nuances behind each morning's news just to carry on the business of the day.

"When the banks peremptorily cancelled all our credit lines last year, for instance, it was important to have an 'under the skin' feel for the best way to get it restored—which we did.

"I'm convinced that internationalized managers hold the pieces of the puzzle necessary to organize for maximum world effect. I believe there are few countries in which GE operates now, including here in Lisbon, in which the Company will not do several times its present business when most product areas are organized as potential global markets."

The next question the *Monogram* posed to these three national-managers: "How far should internationalization go? Should GE managers in the future be interchangeable among countries?"

Fresco: "I think it is a wise course not to choose either of the two extremes—the highly rotational 'man without a country' approach or the semi-permanent 'nationals only' policy.

"I think the one principle we have to remain committed to at GE is the willingness to take considered risks in placing high-potential managers, both Americans and other nationals, in GE jobs other than those in their homelands. Without that, there's no chance of developing a truly international corps of managers.

"On the other side, a manager's effectiveness is also a function of his ability to integrate with the culture and we should try for an ideal match between skills and environments in long-term careers."

Vasconcellos: "Internationalization is an exciting new frontier for General Electric managers, I think. It is true that an American will always be able to read another American's mind better than a European's and vice versa, but businessmen who are fluent in the language of the countries to which they are assigned can master a culture—become internationalized—to a surprising degree.

"I believe creating this class of broadly-experienced world managers requires rotation. I have a theory that when a new manager comes to a location, 90% of the questions he asks are 'stupid questions', but the other 10% are questions that should have been asked years ago! That can be of tremendous benefit to an organization."

Trillo: "Every manager should have a world view and I am in favor of rotational assignments to broaden the corps of international managers. But the top man in each country must know that country intimately. So it's important to keep the balance between long-term generalists and specialized country experts."

Finally, on the assumption that an overseas national would handle his management responsibilities differently than an American, the *Monogram* asked each of the three general managers to comment on the specific skills and ways of thinking necessary for managing in a home country and how these skills might differ from those necessary for managing a strictly domestic operation.

Vasconcellos: "Running the business of a world company in your own country is like walking a narrow beam over a canyon. You need extreme sensitivity to the external environment but firmness in retaining the basic internal prerogatives of management. In Portugal, many companies went down the drain in the last two years because management couldn't walk that beam under political stress and fell over onto one side or the other. In addition to this balancing act, you need all the usual professional skills.

"The area of talent development is one in which I feel the top nationals in General Electric have a different and special responsibility to the Company—to find more people like ourselves, people qualified for and interested in an international career."

Trillo: "I'm sure you could guess that Spanish employees have different strengths than Americans. As I admire Americans for their prag-

matism, I find in our own Spanish employees a strong imagination that is more creative but sometimes less practical. This spills over into leadership where, in a group of ten people, all ten Spaniards will aspire to be the leader at the same time! Spanish employees are hard workers and our workday in Spain is a long one, often running into early evening hours.



"In development of managers, I distinguish between two valuable types. In any enterprise you need both *entrepreneurs* and *operating managers*, and it is my desire to develop both for GE in Spain."

Freseo: "A modern manager must always be able to recognize and serve dual interests—country and company—while avoiding the emergence of conflicting loyalties. This need acquires increased importance and added dimension for a multi-national manager in a foreign country. His principal job is to develop local corporate strategies serving both interests, to 'sell' those strategies both inside his company and in the national environment, and to implement them while walking the fine line of compromise between the pressures he receives from these two entities. The ability for tactical compromise without prejudice of the principles is a difficult art that a good multi-national manager needs to possess.

"I think we have to face the fact that as the world grows increasingly complex and interdependent, a manager's job does the same. An international manager has to view both his priorities and his reporting responsibilities in a whole new way—in the framework of an organizational matrix instead of a simple, one-line chain of command. Life becomes less clear-cut.

"Finally I think the quality of agility in reacting to change is greatly magnified in importance. In a stable environment, a domestic manager can rely on experience and good judgment because some factors remain constant. In the new multinational environment the one constant is change. The manager of the future recognizes this and actively uses change to advantage rather than going on the defensive."

Employment interviewing: doing it better



Fairfield's Dave Lasher: "Good interviewing can lead to good employees."

"Hiring someone after one interview is a lot like getting married after only one date," sighed the veteran GE manager when discussing the importance of interviewing skills, and he's not alone in his feeling.

At least 70,000 times a year, according to conservative estimates, a General Electric manager sits down with a prospective employee and, on the basis of their conversation, decides whether or not to extend a job offer. Rising costs of recruitment, selection and training make the

employment interview an increasingly critical function, and one where solid skills are needed.

"The more we learn about people and their complexities, the more we realize how complicated this business is," writes Richard A. Fear in his book, *The Evaluation Interview*. "When anyone makes the decision as to whether or not a person should be hired, he is assuming a grave responsibility. He had better be right, equally for the good of the company and for the good of the individual."

“Most of the skills that must be cultivated by a good interviewer are identical with those needed in a great variety of managerial situations,” says Glenn A. Bassett of Corporate Employee Relations in Fairfield, Conn., and author of the book, *Practical Interviewing*.

Insight into how interviewers can sharpen their skills is provided by several comments made to the *Monogram* by GE experts who have conducted thousands of evaluation interviews.

“I view the selection process as making a direct contribution to the business,” stresses C. David Lasher, employee relations specialist at GE’s corporate headquarters. “Good interviewing skills can lead us to good employees, but without those skills you may get a poor interview, you may get faulty data, and consequently you make decisions that could lead to an unproductive employee who may need counseling later.”

The main function of the employment interview is threefold, say the experts. First, it determines if an applicant’s experience and training are appropriate to a specific job; second, it allows appraisal of the individual’s personality, motivation and character; and third, it helps evaluate his or her intellectual functioning in both quantitative and qualitative terms.

“In addition to making the critical job-candidate match, the purpose of every interview is to lay a foundation for the relationship that may continue beyond it,” says Bassett, who stresses that successful interviews also provide mutual understanding of two points of view.

Good interviews follow good planning, say those most experienced in the field. “Thoughtful preparation is an absolute essential,” emphasizes Dr. Stanley C. Duffendack, educational consultant, management education courses, at GE’s Management Development Institute, Crotonville, N.Y. “This seems obvious, but we’re so used to talking spontaneously with others that we forget it. Even people who have good interviewing skills often hold poor interviews because they haven’t really prepared.”

Marjorie G. Grimes, manager-relations, Data Communications Products Department, Waynesboro, Va., says that she starts by identifying specific needs: “What is the job? Is there

a position guide? Is it accurate? Does it really say what I want the individual to do?”

Next, an interviewer should look at the specifications of the person applying for the job, says Edward L. Pipkin, manager-organization and manpower, Group Finance and Management Support Operation, Aircraft Engine Group. “I don’t believe that you must memorize a person’s resumé, but you should be familiar with it.”

Planning questions to be asked and jotting them down prior to the interview is a sound strategy. Resumés seldom tell all, so an interviewer must effectively probe for a qualitative profile of an applicant.

“The purpose of an evaluation interview is to determine quality, and not just in terms of what a person did, but *how* and *why* it was done,” says Pipkin. “I’ve learned that resumés tell you only favorable information. The person who tells me that nothing ever went wrong is not coming clean, because there isn’t anybody who hasn’t had a problem someplace.”

Bassett: “Managers should make a list of skills, capabilities and attitudes which appear to be really critical. Analyze the elements of both success and failure and describe how an applicant might demonstrate these qualities. But interviewers should avoid a ‘bad apple’ approach in which they too zealously screen out those they feel ‘only want to sneak into the company’. Fault can always be found by those who look hard enough for it.”

Most employment interviews follow a standard format. They open with a warm-up period of small talk or personal chit-chat and, after the candidate is at ease, smoothly move on to educational and work experience. Next is a summary of the job itself, followed by a discussion of the match between individual and the job. The closing may or may not involve an actual job offer.

“The interview rests upon four cornerstones,” says Bassett. “One is the manager’s ability to develop valid personal relationships with others; two is his ability to identify and apply sound job specifications to the interview; three is his ability to direct the interview along lines of overall goals and objectives; and four is his ability to exchange information meaningfully.” Bassett adds that evaluation should be de-emphasized during the actual interview, since it

(continued next page)

tends to create defensiveness and gets in the way of the interview process.

Most experienced interviewers stress the importance of first putting a candidate at ease and establishing good rapport. Robert J. Canning, manager of the Company's Corporate Financial Manpower Operation and a veteran of over 10,000 interviews, says that his aim is to make people feel welcome and that he's personally interested in them. "I've always followed the practice of finding out about their background, where they come from, home, family, college and activities."

After a candidate is relaxed, the interview should proceed easily, with most of the talking done by the interviewee, not the interviewer. "The manager should listen 85-90% of the time, and talk only 10% of the time," says Pipkin.

Beginning the main portion of the interview with questions about the candidate's educational or employment history is generally recommended, since these are most familiar and prime



Marjorie Grimes: "Good listeners interview better."

the conversational pump. "You then need to lead and control so that the interview doesn't get off the track and you get all the information you want," notes Grimes.

How to keep the interview moving? Experts agreed that questions should be phrased to avoid yes or no answers. Avoid using leading questions such as, "Did you get good grades?" Use open-ended ones such as, "Tell me about your

grades." Soften direct questions and leave an "out", they say. Instead of, "Why did you leave your job?" ask: "How did you happen to move on from that job?"

The most fruitful way to analyze the candidate's answers to your questions, in Bassett's view, is to sort them into two rough categories: what was said and what could have been said, but wasn't.

"An important aspect is the quality of a person's thinking," stresses Pipkin. "How analytical and logical is the individual? Your probes can yield strong clues, but they must be supported by considerable evidence, not just one or two shreds of it." Lasher also points out that if a manager doesn't ask the right question to get the desired information, then he's not going to be able to make a good decision. "You can lose some really talented people that way."

Canning adds that he frequently asks a person what it is they *don't* like to do. "Take a specific: a marketing major who says he doesn't want to start out in sales. There's something wrong there."

During an interview, experienced managers look beyond the specific replies given to questions. "I want to know if the individual is able to relax, can he or she set their mind on a specific task and hold to that without becoming visually uncomfortable," says Grimes. "Do we have eye-to-eye contact? Is the individual trying to determine what I'm trying to get at? Does he or she respond to the meat of the question or take off on a tangent?"

What distinguishes a good from a mediocre interview? Pipkin feels that it's the fact that the interviewer has a good grasp of a candidate's shortcomings and development needs as well as strengths and knows what the person can and cannot do.

"I think that when a person leaves an interview, and it's been a good one, you have a sense of accomplishment," adds Canning. "You feel that you've found out a lot about this person and what his or her job opportunities will be."

What skills should interviewers have? "First of all, they should really clear the mental deck to be 100% effective," says Grimes. "They need to be very, very good listeners—and not just listening with ears and hearing words but being attentive to the total candidate."

Another key skill, says Duffendack, is the ability to observe. "Because in situations of personal importance we communicate with all of our selves—our facial expressions, our posture,

our vocal inflections and so on—these must be observed if we're to receive the total input."

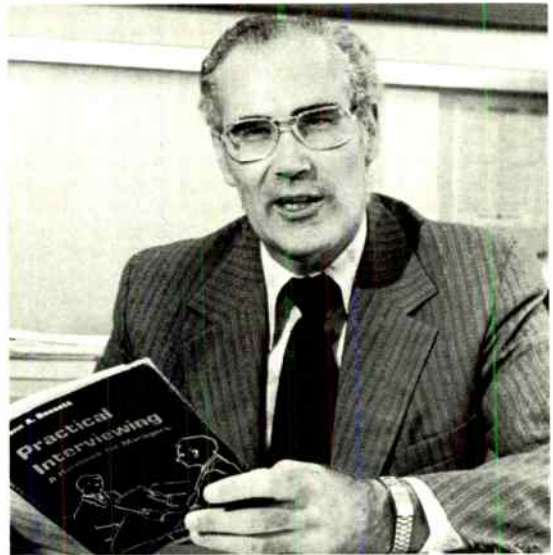
"Being a good evaluator is the most important thing to me," says Lasher. "Once I've got a person talking, I have to make a decision on whether or not this person can really do the job based on the information I'm getting."

"One of the most critical skills an interviewer can develop is in making contact with a human being and not playing manager," points out Bassett. Adds Canning: "I would think that the list would include the pleasure of meeting people; being one who is able to verbalize the type of work for which he or she is interviewing; being enthused about the company. I would think a manager would have a plan for an interview, knowing where a component fits into the scheme of department or division. I think some empathy training would be desirable."

GE managers and others who are concerned with developing their interviewing skills can get help from several sources. At Crotonville, for example, five hours on interviewing are included in the regular Managerial Skills Development Course, with practice via videotape for instant feedback. The Management Practices Course also includes eight hours of interviewing, focusing on selection, work planning and career discussion.

The Aircraft Engine Group conducts regular in-house interview training sessions that are available to others in and out of the Company. Non-GE interview training courses are available from such firms as the Psychological Corporation.

Most managers have opportunities daily to practice interviewing, points out Grimes. "You



Glenn Bassett: "Interviewing is a basic skill."

have an opportunity all day long to practice—whether it's an employee coming to you with a question of an assignment, whether you're doing a performance appraisal, or having a staff meeting. In each of these situations you're interviewing. You have exactly the same give-and-take situation."

Sums up Pipkin: "The employment interview is the beginning of a relationship between manager and employee, and one of the important things is for an open channel of communication to be established between them."

"Without such human relationships," states Bassett, "it's like trying to drive a car without sufficient oil; the interchange between people is the lubricant that keeps organizations moving and reduces the friction that can destroy them."

Equal Opportunity and the Interviewer

Interviewers in General Electric should know that it is the policy of the Company to provide employment, training, compensation, promotion and other conditions of employment without regard to race, color, religion, national origin, sex, age or handicap. This is stated clearly in General Electric Company Policy 5.4.

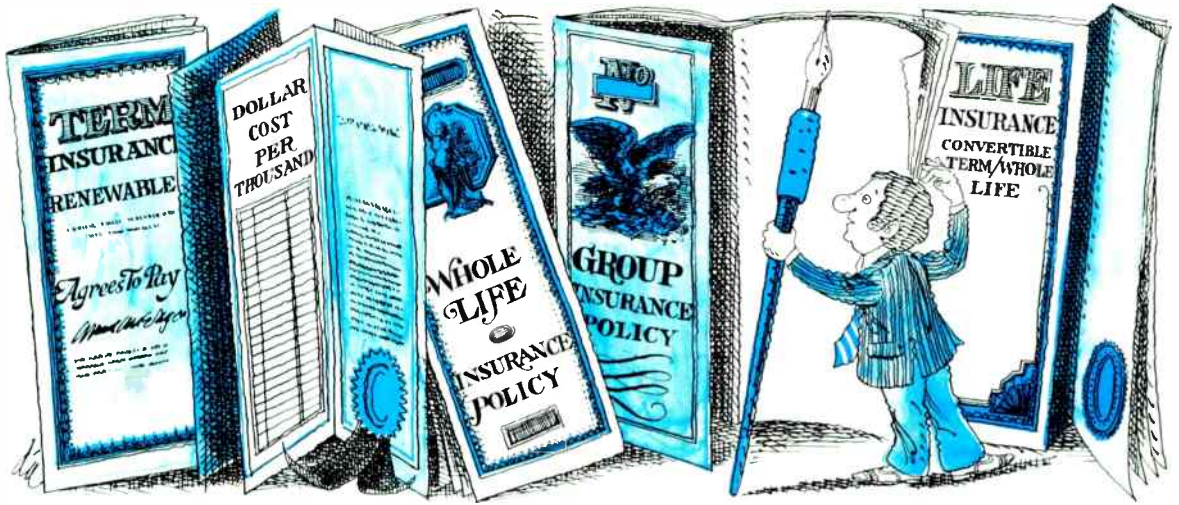
Civil rights laws regulate employment practices throughout the country and aren't limited solely

to hiring practices. Companies found to be in non-compliance can be subjected to stiff penalties. In extreme cases, all federal contracts of a company can be cancelled even if only one component is in non-compliance. Also, the right to bid on federal contracts can be suspended until a company acquires full compliance.

Interviewers should be careful and thoughtful about making tenuous and difficult-to-prove associa-

tions between some overt item of appearance, mannerism or obscure element of individual history and job performance. All questions should have a valid and provable relationship to ability to perform the job.

For instance, such questions as asking a woman her marriage plans or when she plans to start a family are not job performance related and are, therefore, irrelevant



Insurance: an inside view

GE's Art King talks about the basics of buying life insurance and about GECC's growing insurance ventures

When the *Monogram* went looking for a GE-connected insurance professional to offer some guidance on how the average employee should view the complicated subject of life insurance, it found a top insurance industry executive right on the GE staff. He is Arthur O. King, Chairman of the Boards of Puritan Life Insurance Company and Puritan Insurance Company, wholly-owned insurance ventures of General Electric Credit Corporation.

King, whose third title is manager—GECC Insurance Operations, agreed to give some general advice and also tell about GE Credit's insurance ventures.

Mr. King, many people apparently don't even see a clear need for life insurance. Do you feel most employees should have life insurance, and if so, why?

If your assets are great enough to enable those who are dependent on you for food and clothes and a few good things in life to have them after you are gone; if your house is paid for; if funds for your children's education are already provided; if you know all of the medical expenses of a final illness are covered; if all of your bills and

taxes can be paid with cash in the bank, and there would be enough left over to invest for future income—then you may not need life insurance. I know few people in this position.

What kind of life insurance would you recommend to GE employees?

There's no simple answer to that question. For example, if you want insurance with no frills, then term insurance is best—for younger people, it provides the maximum amount of protection at the lowest possible cost. Of course, as its name implies, term provides only temporary protection, but most term policies are convertible to the other major kind—whole life. If an employee decides on term insurance, I strongly recommend one with a renewal privilege. This permits you to renew the policy without proving your insurability.

You mentioned "whole life"—how does that differ from term?

Whole life insurance provides lifetime protection at a fixed cost that does not increase from term to term, be that term yearly, or every three,

five or ten years. It has the added flexibility of building up cash value that you can borrow from via policy loans, have premiums paid from, or use to buy a paid-up policy—in a sense the cash value is forced savings. On the other hand, this type of policy costs more during the early years of policy ownership than term. Your choice should depend upon the purpose for buying the policy and, of course, your ability to pay premiums.

How much life insurance is enough?

That may vary widely during different times in your life. The need for protection probably peaks when you have a young family to protect. But as you get older, insurance policies can take on other attractive qualities, such as cash value and tax advantages.

A minimum of five times your current salary is a rule-of-thumb protection recommendation used by many insurance advisors.

How do you get the best value in insurance once you've decided on the type and amount?

First of all, and especially for the GE employee, group policies offer price advantages and features that few individual policies can match. If they're a good fit with your insurance needs, I would always look at them first.

Next, the principle of comparison shopping is certainly valid in the insurance field, though complicated. Try to boil a policy down to its essentials and compare the cost of the policy per thousand dollars of coverage to similar policies of other high-rated, quality insurance companies. While I would give a high priority to

favorable rates, often there are options and features which could be more important to you than the very lowest-cost basic policy, so there is again no hard and fast rule.

Mr. King, would you comment on GE's own insurance operations for a moment? Why has General Electric Credit Corporation elected to go into the insurance field in a substantial way?

Insurance operations are a perfect financial complement to a finance company's operations. Insurance operations generate cash without incurring debt, and they can provide, particularly in life insurance, predictable income growth to complement sometimes cyclical financing growth.

What is the difference between Puritan Life and Puritan Insurance Company?

Puritan Life Insurance Company, as the name implies, offers a complete portfolio of life insurance. It has been in business since 1907. Puritan Insurance Company is the result of a recent action in which the name of our property-casualty company was changed from The Manhattan Fire and Marine Insurance Company to Puritan Insurance Company.

One of Puritan Insurance Company's prime markets is property that GECC finances, ranging from recreational vehicles to dealers' inventories. With only 90 employees, two field offices and about \$28 million in statutory assets, Puritan is not a giant in its field—at least not yet.

Incidentally, we're very proud that both Puritan and Puritan Life have received Best Policyholders Recommendations from A. M. Best & Co., prime analysts for the insurance industry.

What is your biggest opportunity right now?

One of our biggest opportunities right now is the consumer's interest in buying specialized kinds of personal insurance directly from the insurance company. More specifically, we will soon be launching our first mass mailing offering a highly innovative, new life insurance program directly to the public.

We are in a strong position to grow at both GECC-owned insurance companies, because we don't have the tremendous investment in a conventional distribution system that many insurance companies have. We're convinced that the Puritan companies will become increasingly important contributors to GE profits in the future.



Managing the GE insurance business: GECC's Art King in his Stamford, Conn. office.



Backstage at the Bake-Off

Culinary competition is no cakewalk for Company cookware crew

At midnight Thursday, the grand ballroom of Boston's venerable Statler Hilton Hotel was elegant—and empty. By Saturday noon, 104 General Electric ranges had been installed and individually tested by GE servicemen. At midnight Monday, the ballroom was empty again.

This was the 27th year of Pillsbury's national Bake-Off Contest, climaxing at the Statler Hilton where 100 finalists cooked up recipes in competition for \$81,000 in prize money. For all 27 years, GE has provided ranges for the competition and awarded ranges to the winners.

For the past 16 years, the formidable behind-the-scenes appliance logistics have been handled by Dwane A. Thompson, GE's manager of product service for Range Product Management in Louisville, Ky. The job has taken him to more than a dozen cities, including San Francisco, Honolulu, Atlanta, Dallas, Phoenix, New

York—and, this past August, to Boston.

Although the work started months ago—Thompson prepared a detailed layout of necessary electrical work as soon as Pillsbury selected the 1976 Bake-Off site—the finely-orchestrated appliance installation countdown began at midnight Thursday, when transformers and electrical harnesses were installed. At 7 a.m. Friday, GE people began bringing in the ranges—24 high-low Americana models and 80 30-inch ranges, all with Self-Cleaning master ovens.

As fast as each range was hooked up, it was put through a two-hour, 20-point checkout by GE technicians: ovens were calibrated; timers, controls and lights were tested; surface units were checked. Why 104 ranges for 100 contestants? So that if one of the cooks prefers an alternate to the assigned range, he or she can be moved quickly to another one.

In addition, the GE crew set up four appliance



GE's Thompson (above left) checks floor plan with Pillsbury's Leonard Spira, as crew (below) installs Bake-Off ranges.



centers—with GE can openers, mixers, knife sharpeners, trash compactors and countertop microwave ovens—for contestant use, plus ten refrigerators for ingredients and finished recipes. They also managed to install two refrigerators and calibrate six ranges for use by Pillsbury's home economists, who prepare the winning recipes for the awards ceremony. And they set up countertop microwave ovens for a special GE cooking demonstration center.

On Bake-Off day, Monday, Thompson could relax for a few hours; there hasn't been a range failure since the contest began in 1949. But at 4 p.m., when the cooking was done, behind-the-scenes activity went into high gear again. Every range was cleaned automatically and the cost metered (at Boston utility rates, it came out to 20 cents per range; at the current national average electric rate of 3.5¢ kw/hr, the cost would have been only 13 cents per range). And then all those appliances were disconnected and returned to the warehouse before midnight.

Oh—what were the winning recipes? Top prizes of \$25,000 each were awarded for a whole wheat raisin loaf and a dessert coffee cake. Dwane Thompson says both were delicious!

Organization Changes

CORPORATE

William C. Gaygan, Staff Executive—Corporate Business Development.

Charles J. Vaughan, Manager—Corporate Audit Staff.

COMPONENTS AND MATERIALS GROUP

James J. Costello, Manager—Group Financial Planning and Analysis Operation.

CONSUMER PRODUCTS GROUP

Leo A. Halloran, VP—Finance, General Electric Credit Corporation.

Raymond F. Pettit, VP and General Manager—Consumer Financing Business Department, General Electric Credit Corporation.

Richard E. Schlegel, Manager—Group Financial Planning and Analysis Operation.

INDUSTRIAL AND POWER DELIVERY GROUP

Harold Bongarten, General Manager—newly established Apparatus Service Programs Department.

Donn D. Dears, General Manager—East Central Apparatus Service Department.

Lawrence A. Shore, General Manager—newly established International Apparatus Service Department.

K. William Carlson, Manager—Original Equipment Manufacturers (OEM) Sales Operation.

INTERNATIONAL AND CANADIAN GROUP

Donald R. Hall, Manager—Europe Sales Operation.

Ramon Palazuelos, Manager—Latin America Sales Operation.

MAJOR APPLIANCE BUSINESS GROUP

Philip J. Drieci, General Manager—newly established Major Appliance Marketing Programs.

Richard P. Gifford, Vice President, Communication Projects, Special Systems and Products Group, died unexpectedly while vacationing in Switzerland on August 27, 1976. *The News*, Lynchburg, Virginia, said of him in an editorial: "He leaves behind a record of service to his fellow man that few men achieve."

Unemployment: How can it best be solved?



Board Chairman Reg Jones has given his strongly-felt prescription for unemployment in America to many types of audiences, including the Joint Economic Committee of the Congress. But a recent opportunity—communicating directly with hundreds of thousands of working men and women through labor columnist Victor Riesel's column—gave him a chance to state his beliefs in a concise capsule. As guest columnist for the widely-respected column Inside Labor, Jones reached labor-oriented readers of 403 newspapers across the country. The Monogram reprints that closely-reasoned appeal on these pages, courtesy of Victor Riesel, Field Newspaper Syndicate.

Jobs are going to be a big issue in the coming political elections. With unemployment at 7.5 per cent of the labor force in spite of the strong recovery of the economy, and 7 million people out of work, both parties can be expected to stress their programs to create more jobs for our growing force.

In all the tumult of campaign rhetoric, it is important to keep our perspective. In spite of the high unemployment rate, 87.5 million American men and women have jobs, a historic high. Our employment rate—the proportion of our working-age population actually working—is 57 per cent, which is higher than that of practically any other nation.

It's also true that about 41 per cent of our work force is female, which puts us well ahead of most other countries in providing work opportunities for women.

So the challenge of full employment is more difficult in this country because a greater proportion of our men and women want jobs and the income that comes with jobs.

Nevertheless the problem is real. There are deep and disturbing structural problems in our economy which threaten to make high unemployment a chronic sickness, especially among young people, women and minorities. Even to-

day, with the economy expanding vigorously, unemployment for blacks stands at 13.3 per

“There are deep and disturbing structural problems in our economy which threaten to make unemployment a chronic sickness....”

cent. No wonder they are demanding action to reduce unemployment!

There is currently much discussion of proposals to establish full employment through legislative fiat, without due consideration of the consequences in terms of inflation and subjection of the entire economy to rigid governmental control.

Originally the target was set at a 3 per cent unemployment goal—right away. Even labor economists recognized that this was an impossible goal. So it was softened to 3 per cent “adult” unemployment within four years. But friendly liberal economists have pointed out that this would require an unprecedented real growth rate of 7.5 per cent in the GNP from now until 1980. The government spending and make-work jobs involved in achieving such a feverish growth rate would be highly inflationary, and almost surely produce an even worse recession than we have just been through.

Such an approach has also leaned heavily on what is called “public-service employment”—jobs that put people on the government payroll and tax the rest to pay for them. This is what has been tried in England and New York City—expanding the public payroll regardless of the impact on the tax base that supports it. This

“Public service employment ... saps the strength of the productive private sector and the tax-paying middle class.”

saps the strength of the productive private sector and the tax-paying middle class which supports all governmental services. It won't work!

As a result of this debate, there is a developing consensus that the only lasting way to produce full employment without inflation is to strengthen the productive private sector. There

may be disagreement on how to do it, but it seems to be agreed that the government and its payroll cannot continue to grow faster than the private tax base which supports it.

There is also a recognition that the jobs people want—high-paying jobs with a future, which help all of us improve our standards of living—are mostly jobs in private business.

Now, how do we step up the ability of private industry to create more jobs? It takes roughly \$35,000 in capital investments to equip a person for a job in private industry—more in some industries, less in others. Unless the factories, offices, tools and new technology are there—no jobs. So the essence of any program to create more jobs is to enable private industry to raise and invest more money in expansion and modernization.


It has been estimated that industry will have to invest more than \$3 trillion in new plant and equipment in the coming decade, roughly triple its investment of the past decade. Part of the increase comes from inflation, part from new

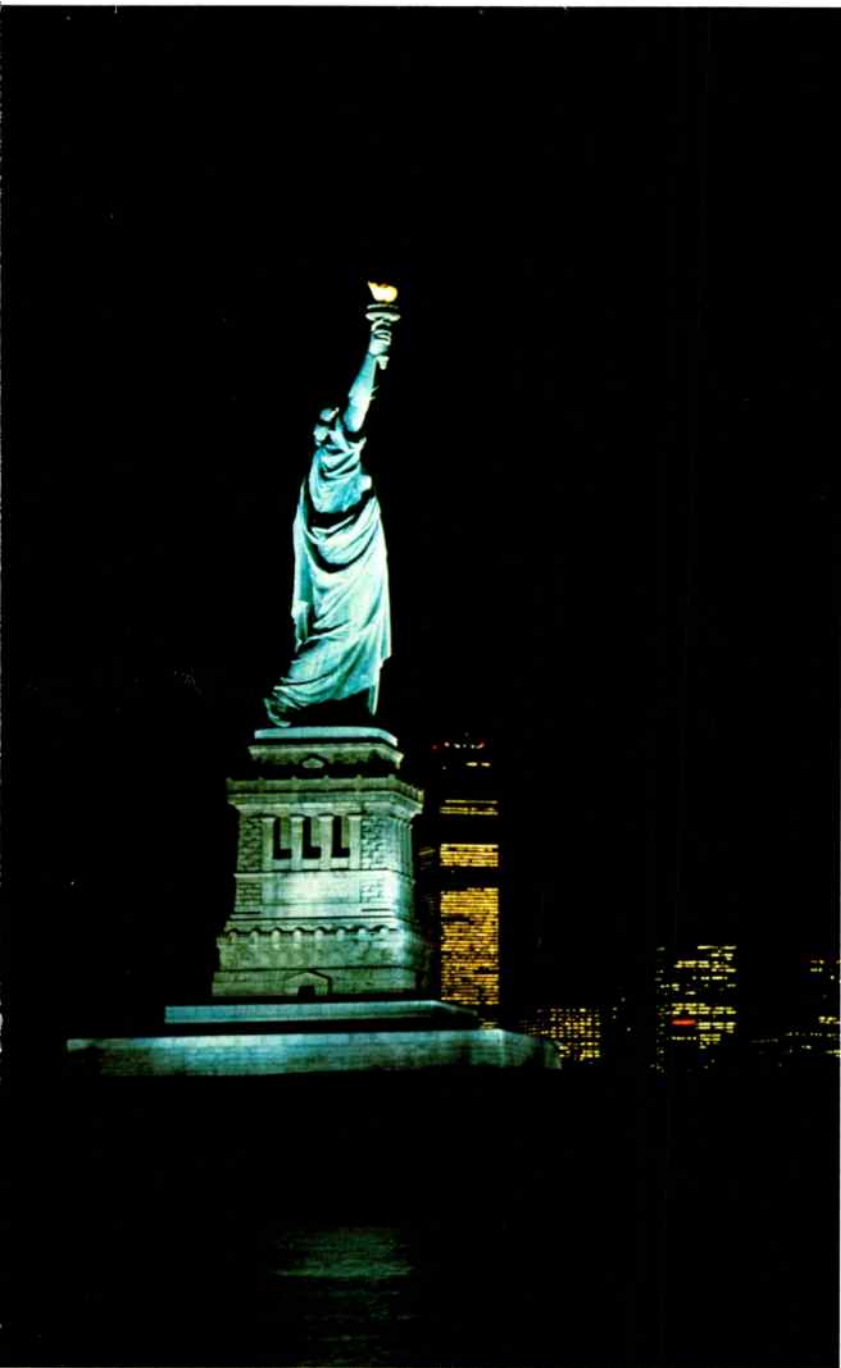
“The jobs people want—high paying jobs with a future—are mostly jobs in private business.”

demands for capital such as pollution control equipment and new energy sources and part from our failure to invest enough in the past.

Under today's tax laws, business is not able to generate the funds it needs for such long-term investments. The changes required are known. Depreciation rates must be increased to allow for the inflated replacement cost of new equipment. Double taxation of dividends must be phased out.

The Congress hesitates to make these changes because they would temporarily reduce tax revenues. But economists have figured that such “tax expenditures” would start paying for themselves in about three years, in terms of increased economic activity, more jobs, higher productivity and higher tax revenues.

And, most important of all, we would be solving our employment problems without igniting the flames of inflation, and without inviting still further intervention of the government into our economic life. 



LIBERTY'S TORCH BURNS BRIGHTER—

Her torch shining with the golden-white glow of GE Lucalox® lamps, her crown sparkling with the contrasting brilliance of GE Clear Mercury lamps, and her statue and pedestal ablaze with the light from 73 Multi-Vapor® and Lucalox lamps, the first lady of New York Harbor is wearing her first major lighting facelift since 1931. New York's Statue of Liberty now shines with Lamp Business Division's products at four times her previous level, yet she uses 33% less energy.

The world-famous symbol of freedom, a Centennial gift to America from France and maintained by the National Park Service, was not lighted at all until 1916.

Designed to take advantage of her natural beauty rather than creating the spectacular, Liberty's new lighting required careful interior maneuvering by installers, above, inside the miniature cathedral-like torch.

Photos by Charles Rotkin