



Expansion of International Market Accelerated

"We now have over 600 customers in Europe as compared to approximately 50 in 1971, and the availability of our Network in overseas locations is being expanded and accelerated," reported **Paul L. Wexler**, manager of the division's international operation, at the December 15 headquarters meeting in Bethesda.

Mr. Wexler stated that the extension of the Honeywell distributor agreement, signed in Bethesda in December, and a demonstration of our Network in Japan in October are two of the latest accomplishments in the international market.

"This amendment of our agreement with Honeywell Information Systems, Inc. extends Honeywell's distributor arrangement through 1978 and allows for renewals thereafter," Mr. Wexler said. "We have extended this agreement almost a year ahead of time because of the progress — against considerable odds — that we have been able to achieve. And, the future poten-

tial looks bright so we saw no reason to delay the potential benefits for both parties. It will also enable Honeywell to make longer-range plans for serving customers in their territory."

Network Demonstrated in Tokyo

Thousands of Japanese and foreign businessmen traveled to Tokyo to attend the USA-Japan Computer Conference in October. One significant attraction at the conference was a demonstration of the power and ver-



Phyllis Cohen counsels visitors to the Dentsu-General Electric demonstration at the USA-Japan Computer Conference in Tokyo.

satility of General Electric's worldwide information services processing Network. The demonstration marked the first time that Japan was linked to GE's computer center in the United States.

Visitors to the Dentsu-General Electric conference exhibit were able to view this demonstration through the joint effort of Dentsu Advertising Company, Ltd. (the division's Mark I licensee in Japan) and personnel from many components within the Information Services Business Division.

The Information Services Business Division provided the equipment and

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Rate Increase Announced for Salaried Employees' LTDI Plan

The year 1972, among other things, brought higher-than-anticipated claims by salaried employees participating in the Long Term Disability Income Plan for Salaried Employees. As a result of the unfavorable experience Metropolitan Life, the carrier, has determined that a slightly higher contribution rate is needed in the year ahead.

As of January 1, 1973, the rate for each \$100 of monthly benefit under the plan is \$1.50, an increase of 30 cents over the 1972 rate of \$1.20. The change in rate is in accordance with the provisions of the LTDI plan and Metropolitan has applied for Wage-Price Board approval on the increase.

Norman B. Barth, manager of the division's relations operation, pointed out that there was no change in the contribution rate of the Long Term Disability Insurance Plan for Hourly Employees.

Mr. Barth said that despite the increase in cost, the LTDI Plan for Salaried Employees still offers valuable

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Does your 1973 paycheck have a new look?

Yes, it does and the computer didn't goof. You should remember that Congress voted Social Security changes that will mean bigger benefits and much higher taxes this year.

The maximum Social Security tax in 1973 — payable by both the employee and the employer — will be \$631.80 as compared to a 1972 ceiling of \$468.00.



George J. Feeney, Vice President and General Manager, signs the extension of the Honeywell distributor agreement for the Information Services Business Division as Donald F. Brosnan, (right) Vice President and Managing Director of HIS, Ltd., representing Honeywell Information Systems, Inc. affixes his signature to the amendment.

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technical know-how while Dentsu personnel provided local assistance for the demonstration.

James G. Hiemenz of the Systems Department was primarily responsible for circuit testing and remained in Brook Park to insure that the Network link was functioning properly. He was part of a dedicated U.S. team which successfully supported the demonstration.

Bob Knight (who has led our activity in Japan since 1969), **Larry Geller**, **Bob**

Cohen and **Phyllis Cohen**, division employees assigned to our Japan Operation, and **Dave Lillywhite** of HIS, Ltd., trained the Dentsu staff, handled all details involved in installing the equipment and lines and conducted this successful demonstration of Network service.

The demonstration, from all reports, was a complete success and proved conclusively that Networking to Japan is technically feasible and viable as a commercial investment. □

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disability income protection. Benefits vary by earnings and service. For a very low rate the benefits purchased, when added to Social Security disability payments and GE's disability pension, are about 55% to 65% of pay. Benefits begin after 26 weeks of weekly sickness and accident income have been paid under the GE Insurance Plan.

Mr. Barth urged that no one drop the extremely good coverage of the plan on impulse because of the increase in the rate. Such a move should receive careful consideration before being taken, he said. □



Many conference attendees displayed great interest in the Dentsu-General Electric exhibit.



DECEMBER SERVICE AWARDS

15 Years

William Bacon Bethesda

10 Years

Hugh Hopper Bethesda
Morris Keranen Los Angeles

5 Years

Ted Day Bethesda
Judith Power Bethesda

NAM Survey Shows Economic Impact of Burke-Hartke Bill Would Cost Many American Jobs

The potential economic impact from the tax provisions of the Burke-Hartke bill would cost hundreds of thousands of American jobs, adversely affect tens of millions of stockholders, and make the United States a second rate economic power.

These implications were contained in a survey of 83 U.S. manufacturers with foreign subsidiaries conducted by the NAM (National Association of Manufacturers) and reported in December by J. Stanford Smith, Senior Vice President, General Electric Company. The survey covered the potential impact of enacting Sections 102 and 103 of the Burke-Hartke bill and similar legislation -- those calling for repeal of the tax credit for foreign taxes paid and taxation of all foreign subsidiary income in the year that it is earned.

The survey covered 83 multinational corporations in 24 industries with worldwide sales totaling \$151 billion, and earnings of \$9.8 billion after taxes. Over half the companies received 25% or more of their profits from abroad.

Mr. Smith said the survey data "completely disproves critics who claim that U.S. corporations invest abroad because of lower tax rates. A comparison of U.S. and foreign taxes shows that, contrary to popular belief, these 83 companies studied did not pay less taxes on their foreign earnings than they did on their domestic earnings. Income and withholding taxes took 50% of their foreign corporate income vs. 45% of their U.S. income."

The NAM study showed that tax proposals similar to those in the Burke-Hartke bill, "would cost American workers hundreds of thousands of jobs."

Mr. Smith said that, "Since it takes an average of over \$22,000 of capital investment to support one employee in manufacturing, the net remitted earnings of the 3,000 key American firms with direct investments abroad have provided the capital to create or maintain upwards of 200,000 jobs in the

U.S. over the last five years. If the Burke-Hartke type tax provisions were enacted, these firms would not have the capital to modernize or expand their domestic operations costing American workers hundreds of thousands of jobs."

He also pointed out that today, 25% of our total exports and 35% of our manufactured exports go to U.S. foreign subsidiaries. The study showed that a majority of these could not have been made without the "pull through" effects of our foreign subsidiaries.

The tax provisions of Burke-Hartke would also "seriously affect tens of millions of Americans who depend upon pension funds, mutual funds and



Pacific Zone's Exhibit Makes a Hit at Society of Petroleum Engineers' Regional Meeting

"General Electric, The World Leader in Information Processing," was the theme presented to the 43rd Annual California Regional Meeting of the Society of Petroleum Engineers of AMIE by our division in Bakersfield, California recently.

Attendees (from the Mississippi West and as far away as Saudi Arabia) were exposed to the world of General Electric Information Processing via lectures and demonstrations of the division's international information Network.



Paul Wexler, manager of the division's international operation, attended the meeting and presented a paper entitled "Information Service — An International Technology for Petroleum Engineers" which became

dividend income because of the resulting lowered dividends and reduced stock values."

The survey showed that the remitted earnings of the 83 firms studied contributed over \$800 million to the dividends paid to U.S. share-owners. With tax proposals of the Burke-Hartke bill, this total would have dropped by \$355 million.

"At the same time," reported Mr. Smith, "the sharp reduction in the per share earnings which would occur as a result of these tax changes would have reduced the stock value of the 83 firms studied by \$10 billion. The potential economic hardship which these tax proposals would impose on the

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the focal point for visitors to GE's exhibit and information booth.

Participating with the Pacific Zone and Encino Office were representatives from Garret Computing of Dallas, and the American Oil Company of Tulsa. **Mick Monroe, Ken Clement, Phil Moody, and George Nazarian** were on hand to competently represent our division.



This effort represented a conscious decision to promote General Electric as the leader in information services — a Best Buy for the Petro-Chemical Industry. Results from the exhibit should prove to be long-lasting and profitable. Several unexpected new areas of applications interest were uncovered, including order entry, oil field/oil equipment inventory, etc.

These newly uncovered areas of interest prompted George Nazarian to muse, "Who says engineers don't have imagination?" □

