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Profile of a Corporation

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GE: PROFILE OF A CORPORATION

Early in 1960, when the big price-fixing indictments against General Electric were made, Ralph J. Cordiner, GE board chairman, called the resulting publicity a "blow upon the company's good name. But this situation will pass," he added, "as have other unfortunate situations."

There have been many other such "unfortunate situations." GE's record includes, besides price-fixing and other antitrust activities, anti-union efforts and ties with the right wing.

GE was a defendant in an antitrust case as far back as 1911, when the company was only 19 years old. Since that time it has been a defendant in 64 additional government antitrust cases, 49 of them in the last 10 years. The Justice Department referred to "GE's proclivity for persistent and frequent involvement in antitrust violations" in early January 1962, when it unsuccessfully asked for a court order to forbid GE's fixing of prices.

Price-Fixers Since 1911

Back in 1911 a federal court held that GE had violated the Sherman Antitrust Act by fixing prices and eliminating competition with respect to light bulbs by concealing its stock ownership of ostensibly independent

companies and using tie-in contracts and other agreements. GE then gained control of a patent from two Viennese scientists and fixed prices and divided markets under cross-licensing agreements. But this still wasn't good enough for the company.

In 1932 a GE engineer's report told how GE had reduced the life of its flashlight bulbs by one third, so that they would last as long as two instead of three batteries. Then he added, "We have been continuing our studies and efforts to bring about the use of one battery life lamps. . . . If this were done, we estimate that it would result in increasing our flashlight business approximately 60 per cent."

A former GE vice-president, T. K. Quinn, admitted that "from the beginning of the electric lamp industry, freedom of enterprise in manufacture and sale has been restricted by GE. The effect has been to keep prices and profits up and investment down."

No wonder, then, that light-bulb profits carried the whole company during the Depression, even enabling GE to pay dividends, although the volume of bulb sales was only about 10 per cent of the GE total sales volume.

In 1959 TVA authorities protested GE's high prices on turbines and

showed that, even excluding labor costs, prices were higher than the competing British product. GE lowered its turbine prices but immediately raised the prices of its light bulbs.

GE was convicted of monopolizing electric bulbs in 1949. Suits against the company, totaling \$104 million, were eventually settled for \$1.395 million.

On April 4, 1937, GE, Allis-Chalmers, Westinghouse, and two other firms were ordered by the Federal Trade Commission to "cease and desist" from acting to maintain uniform turbine generator prices. As the convictions of the same companies less than seven years ago for similar charges showed, GE did not "cease and desist."

GE resumed price-fixing on what has perhaps been its most ambitious scale around 1954. In 1953 GE boycotted price-fixing, which had begun when OPA was discontinued after World War II, because some companies were undercutting others. GE resumed its rigging in 1954, a year in which sales had slumped. In 1955, although GE's sales continued to drop, the company earned a profit of \$212,613 million.

Price-fixing was GE's private face. In an article in the July 1954 issue of *American Magazine*, Philip D. Reed, chairman of the board, revealed GE's public face. Writing of a talk with a cab driver, Reed said, "I told him that in any modern business you must move forward, take risks, and yes, stick out your neck if you want to lead rather than follow in your field. At my company," he emphasized, "we see 10 golden years ahead."

Those golden years were cut short in 1960, when GE was named as defendant in 37 antitrust suits. The gov-

ernment charged that GE and other companies worked out common prices, split up markets, and set up systems for rigging bids under which the companies involved took turns at making the low bid.

George E. Burens testified at Senate Trust and Antimonopoly Subcommittee hearings that in 1954 GE president Robert Paxton had suggested he meet with officials from Cutler-Hammer of Milwaukee to discuss prices. Paxton, who had referred to price-fixing as "optimum prices," resigned from the company in February 1961 because of "ill-health." Burens also said that Henry Van Erben, executive vice-president, told him the "only way to operate the apparatus business was to meet with competitors and set prices."

In August 1956 GE executives, including company vice-president W. F. Oswalt and executives from other electric manufacturing companies, moved into separate cabins at Camp Keystone, North Bay, Ontario. A messenger carried communications between them and when all was over, prices on heavy electrical control equipment increased by 10 per cent.

In 1958 there were eight meetings between executives and in 1959, 35 meetings. They used code names, assumed names, pay telephones, plain envelopes, and never contacted each other at company headquarters.

From 1951 to 1959 prices on generators, for example, rose 50 per cent. The Senate Small Business Committee announced that on one contract in 1959 GE had charged the Navy \$82 per unit of carbon packing while a small company in Hackensack, New Jersey, had charged \$15, representing an overcharge of 446 per cent.

In the summer of 1959 a grand jury in Philadelphia began investigating price-fixing. The following February indictments against GE began. In 1962 the company's sales totaled close to \$5 billion, and GE, which had already been fined \$437,500, agreed to pay the government \$7.470 million in damages. From 1962 to 1964 GE paid out over \$150 million in damage suits filed by electric utility companies as a result of the 1960 indictments.

Earlier, Ralph Cordiner, who once served as head of the Commerce Department's Business Advisory Council, had said, "We don't think anybody's been damaged." And in the 1960 GE Annual Report, dated February 17, 1961, Cordiner wrote in his "Report on the Antitrust Cases": "Your management believes that purchasers of electrical apparatus have received fair value by any reasonable standards." Several weeks earlier, Cordiner had been named the National Association of Manufacturers' Man of the Year.

GE demoted, shifted, or cut the pay of 48 employees involved in antitrust violations, including 16 who were indicted and fined a total of \$53,500. However, GE did not discipline its \$125,000-a-year vice-president William S. Ginn who was one of three GE officials to spend 30 days in jail. Ginn, who was director of a boys' club in Schenectady and chairman of a campaign to build a new Jesuit seminary in Lenox, Mass., left GE of his own accord to become president of Baldwin-Lima-Hamilton Corp. at approximately \$70,000 a year. A second indicted GE official became president of ITT Europe, Inc., and European general manager of ITT; a third became president of an earth-moving equip-

ment company; a fourth became vice-president of a car-leasing company, and a fifth official a division manager of the Philco Corporation.

Identical bids continued. On December 14, 1960, less than a week after GE, Westinghouse, and others had pleaded guilty (with no contest) to price-fixing charges in federal court, TVA opened identical bids of \$1,680.12 for lightning arresters from GE and Westinghouse. On January 5, 1961, TVA opened another set of identical bids for lightning arresters from GE and Westinghouse as well as identical bids of \$2,208 for instrument transformers from the two firms. On January 12, both GE and Westinghouse bid \$604.80 on current transformers, and on January 20 both bid \$1,276 on overcurrent ground relays. On January 30, GE and *five* other firms all bid \$4,274.50 on bus-type insulators, and in April GE and four other firms submitted identical bids on 11 different types of watt-hour meters to the city of Cleveland. Not only were bids continuing to be identical, but some prices were also rising identically.

"Sure, collusion was illegal, but it wasn't unethical," an "old GE hand" was quoted saying in the April 1961 issue of *Fortune*.

Industries Sue GE

Not only the Justice Department has initiated suits against GE. A suit filed in May 1933 by Tectron Radio Corp. charged that GE, RCA, and Westinghouse had restricted Tectron's use of its own radio tubes, and through conspiracy to monopolize trade the three firms had acquired control of over 4,000 patents. (During that year the Justice Department ordered GE

to divest itself of its controlling stock in RCA and ordered GE company director Owen Young to resign as director of RCA.)

The Save Electric Company of Toledo, Ohio, also brought suit against GE and in February 1934 a federal judge ruled for Save Electric Co., declaring that GE's light-bulb patents were invalid. In March 1954 Save Electric Company brought another suit against GE, charging that \$7 million had been lost in profits due to conspiracy and monopoly in light-bulb manufacturing.

In 1934 the Electric Machinery Manufacturing Company brought suit against GE for violating 15 of its patents covering operation and control of synchronous motors for a period of more than 10 years. In February 1936 a federal judge found GE guilty and ordered the company to pay court costs plus part of its profits. The amount GE eventually paid has not been disclosed, but it ran into the millions.

In November 1940 the United Lens Corporation of Detroit filed a suit against GE in Philadelphia for infringements of its patents on two filament headlight bulbs. In August 1944 Duro-Test Corporation and its subsidiary Tungsten Products Corporation instituted a trade monopoly suit against GE. The suit charged GE with controlling 90 per cent of electric lamps manufactured in the United States and asked that GE be rejoined and restore former prices. The suit was settled out of court by a compromise, according to Duro-Test attorneys.

In the same year that GE's profits were falling and the company resumed price fixing, the career of Ronald Reagan was also failing.

A New Career for Ronald Reagan

At one point Ronald Reagan was \$18,000 in debt and had resorted to emceeing a Las Vegas night-club act in a desperate attempt to make money. Revue, an MCA subsidiary, suggested a weekly dramatic program to GE which was then looking for a new television show. Reagan would emcee the program, star in six of the plays each year, and spend a few weeks each year making personal appearance tours for GE.

GE Theater ran from 1954 to 1962, and Reagan visited all 135 GE plants during that time and spoke before innumerable civic groups. After the first year, Reagan was accompanied by George Dalen, an ex-FBI agent, who was put in charge of the tours and promotion for GE Theater. Reagan's tours changed. His Hollywood gossip shifted to dire talk of the "attempted take-over of the industry by the Communists." He spoke of the GE union that "suffers from Communist infiltration amounting to outright domination" and warned his audiences of "the swiftly rising tide of collectivism that threatens to inundate what remains of our free economy."

Now Reagan no longer spoke only before GE employees. Soon his tours were scheduled for three years in advance, with speaking engagements at Chamber of Commerce banquets, national conventions, high-school assemblies, executive clubs, and so on. Reagan recruited members for Young Americans for Freedom, helped plan Los Angeles Project Alert, appeared with Fred Schwarz's Christian Anti-Communist Crusade, made an anti-Medicare recording for the AMA, and was campaign chairman for John

Birch Society supporter Lloyd Wright in the 1962 California GOP primary. He also was a featured speaker with Arkansas Governor Orval Faubus and Dr. George Benson of Harding College at a joint meeting of the Arkansas Chamber of Commerce and the Associated Industries of Arkansas.

He kept attacking Social Security, federal aid to education, public housing, foreign aid, federal farm programs, and public power; and he called for the repeal of the income tax which he claimed was "spawned by Karl Marx." Reagan was always a representative of GE. They never indicated, he said, "I was singing the wrong song and should switch tunes."

The right-wing politics of Reagan and GE even carried over to GE Theater. In March 1962, for example, Reagan starred in a two-part program on Marion Miller, an FBI agent on whose testimony before HUAC right-wingers have capitalized (including her charges that the American Friends Service Committee was a belt line of the Communist conspiracy).

But the meeting at which Reagan shared the speakers' platform with George Benson was not the company's only contact with Harding College.

GE's Ties with Harding College

Harding College operates the National Education Program, with Benson as president and the same board of trustees as that of the college. NEP is mostly known for its film "Communism on the Map," produced by Bircher Glenn A. Green and widely used by the Birch Society, which contends that the only remaining non-Communist countries in the world are West Germany, Formosa, Switzerland,

and the United States. NEP is under the supervision of Howard Bennett, a retired GE executive. While with GE, Bennett originated a plan to teach the "fundamental facts" about America's private enterprise system to GE's 280,000 employees and traveled from plant to plant setting up educational programs.

In a letter written March 25, 1961, in response to an inquiry to NEP, Bennett replied: "The General Electric Company uses the NEP films extensively in their many plants." He then gave a list of industrialists who recommend NEP, which included Ralph Cordiner and five other GE officials.

"It is a pleasure to endorse, without reservation, the National Education Program," G. Roy Fugal, GE's manager of employment practices, wrote that same year on GE stationery.

GE has also given money to Howard Kershner's Christian Freedom Foundation and to the Southern States' Industrial Council, a group that has fought organized labor, protects Southern wage differentials, and opposes anything federally supported. Lemuel Boulware, who developed GE's labor policies, is a leading contributor to Americans for Constitutional Action and the Intercollegiate Society of Individualists. GE official Russel E. White is a member of the senior advisory board of the American Security Council which was organized in 1955 to provide information on "Communist and other statist activities" and keeps a file on tens of thousands of Americans for industries to use.

In 1964 GE built a special communications network system for the two private planes of Barry Goldwater and

William Miller so they could be in fast contact with their Washington headquarters, and Ralph Cordiner headed a committee to raise funds for Goldwater's campaign. More recently, John T. McCarty of GE has been active in the New York Conservative party.

Cooperating with Nazi Rearmament

GE's cooperation with the Far Right extended to Germany where the company worked closely with the firm of Nazi war criminal Alfred Krupp who was to serve six years of a 12-year sentence for using concentration-camp slave labor in his factories. In August 1940, while Nazi planes were bombing London and British planes were bombing Germany in retaliation, including the Krupp armament plants in Essen, GE was indicted by the federal government for conspiring with the Krupp corporation. GE was charged with and in October 1948 found guilty of conspiring with Krupp from 1928 to 1940 to achieve and maintain control of trade and commerce, to fix prices, eliminate competition, pool patents to restrict production, maintain a monopoly, and to impose restraints, limitations, and restrictions upon trade and commerce in hard metals. Although the Justice Department had asked for jail terms, arguing that fines were considered a license fee to be charged off as the cost of illegal business acts, GE, its two subsidiaries, and the three company officers involved were only fined a total of \$36,000.

John Henry Lewin, Assistant to the Attorney General in the Antitrust Division, charged that GE's agreement with Krupp was "directly responsible for the disadvantage at which this

country finds itself in comparison with its enemies" in the use and production of hard metals, mainly tungsten carbide.

The price of one hard-metal compound, according to the government, was \$48 a pound. After Krupp and GE agreed that GE would set the price in the U.S., the cost sky-rocketed to \$453 a pound, and at the time of the suit the price was still around \$205 a pound. Two months after the government indictment, the price dropped to about \$40 a pound.

Jay Jeffries, a GE vice-president and chairman of the board of the Carboloy Co., a GE subsidiary which manufactured the hard metals, stated that the \$453-a-pound price tag wasn't excessive. But a letter by a GE engineer in GE's files said that the metal cost \$8 a pound to produce. He suggested setting the price at \$50 a pound for a "satisfactory profit."

Under terms of the agreement, GE would not compete with Krupp while Krupp controlled GE's licensing of additional manufacturers of the hard-metal compounds in the U.S. and collected royalties from GE. Krupp shipped the compounds to the U.S. until 1936, selling at the high prices set by GE, but the rest of the arrangement wasn't broken off until GE sent a cable to its international representative in Berlin on December 16, 1940.

Correspondence shows how GE referred business to Krupp. On August 8, 1939, GE advised a firm that "we are not in a position to make offers on Carboloy to the Russians." On April 18, 1940, a GE official wrote that the firm couldn't sell the hard metals to China. "You'll have to take your business to Germany," he advised.

Agreements Extend to Five Continents

On January 18, 1945, while the Krupp indictments had been postponed until after the war, the Justice Department filed suit against GE and International GE, charging them with having made agreements, since 1919, with six companies in England, France, Belgium, Germany, Italy, and Japan to divide the world into marketing areas, eliminate competition, and exchange patents and trade processes on an exclusive basis. Wendell Berge, Assistant Attorney General in charge of the Antitrust Division, said that some agreements were still in effect during the war and that "without them the capacity to produce electrical equipment here would have been greater when the present war started." A vice-president of IGE explained that GE feared "a general lowering of prices of these products in this country" if there were competition.

Nine months later the government filed another antitrust suit against GE and Westinghouse and two of their subsidiaries, aiming, in Berge's words, at "extensive cartel activities" in Asia, Africa, South America, and Australia which had begun in 1931. GE, Berge explained, with Westinghouse and leading German, British, and Swiss manufacturers, conspired to form a cartel organization which acted as "a bid depository." The secretary of the cartel would decide to whom business was to be allocated. Prices were fixed, Berge said, and the company which was permitted to win the bid paid "compensation" that was divided among the members who did not receive the contract.

Although GE had illegal agreements with companies in countries the U.S.

and its allies were fighting, two of GE's leading officials, C. E. Wilson and Ralph Cordiner, served as vice-chairmen of the War Production Board from 1942 to 1944. And while GE had seen nothing wrong with its cooperation with Krupp, even when the United States was at war with Nazi Germany, the company suddenly became very patriotic when Sen. Joseph McCarthy ran his investigations of alleged Communists.

Cooperation With McCarthy

When McCarthy shifted his investigation to industry, he began with GE, explaining on November 13, 1953, "Frankly, I hope that General Electric decides to can any employee who pleads the Fifth Amendment before this committee." After five days of hearings the company announced, on December 9, that it would "discharge from its employ all admitted Communists, spies, and saboteurs and will suspend employees who refuse to testify under oath on such matters when queried in public hearings conducted by government authority." With this policy, GE became the first non-governmental or non-institutional employer to have a "loyalty" program. McCarthy called GE's policy "fine" and said that the company "certainly should be commended" for it.

By March 1954 GE vice-president Lemuel Boulware was able to boast before the Senate Internal Security Subcommittee that the company had suspended 17 employees who had taken the Fifth Amendment. Back in the mid-1940s, while under government indictment for the Krupp conspiracy, Jay Jeffries, GE and Carboly official, defining what he considered

un-American, said that labor leaders had "un-American objectives." This was the beginning of GE's present labor policies which were developed by Lemuel Boulware and have become known as "Boulwarism." Boulware considered both major GE unions, the IUE and UE, "collectivist-minded." GE wanted, president Robert Paxton explained in February 1959, "responsible union leaders who will not only avoid unwarranted strikes and slowdowns, but will also be constructive in their economic and political teachings."

The Birth of Boulwarism

Boulware's policy was established in 1947, following a strike in which GE had attempted to hold firm with a 10¢-an-hour pay raise to UE members. GM and Westinghouse both had agreed to 18½¢, and finally GE was forced to fall into line. GE, which had abolished a pension plan in 1935 when the Social Security Act was adopted, was also forced to reestablish a pension plan for workers. GE, however, reduces its pension payments when Social Security payments begin or increase and has steadily reduced its own payments to the pension fund.

Workers' support of the 1946 strike and of the union caught GE by surprise. GE was also taken aback and frightened by the criticism it received during the strike from mayors, merchants, and editors, and by the clergymen who even had walked the workers' picket lines.

Boulwarism was developed so that GE would not have to give in to union demands again. In 1947 GE also abolished its bonus plan for employees, which had been established in the

1930's in an attempt to stem the tide of unionism. However, GE continued its bonus plan for executives. Under this plan company president C. E. Wilson, for example, in 1946 received a bonus of \$90,000 above his base salary of \$108,000.

"We decide what is fair," Boulware himself explained of his policy, "and stick to it. We don't go in for haggling." An NLRB trial examiner reported:

It [GE] disparagingly refers to the "ask-and-bid" or "auction" form of bargaining as a "flea-bitten eastern type of cunning and dishonest but pointless haggling." Such bargaining . . . only serves, it says, to mislead employees into believing that union officials are useful in ways they are not, thus falsely enhancing the union's prestige while diminishing that of the employer and encouraging employee support of union shows of strength.

"General Electric seeks nothing less than to maintain total management control over the bargaining process," wrote Prof. Salvatore J. Bella of the University of Notre Dame in an unpublished study, "Boulwarism and Collective Bargaining at General Electric." Under Boulwarism, Bella pointed out, the power of unions decreased while the number of unionized workers increased and unions had to retreat on their demands and sometimes capitulate totally to the firm.

Because of GE's decentralization and the fact that it manufactures such a wide variety of products, strikes have little power. Also, less than half of GE's 250,000 employees are unionized

with 70,000 in IUE, 10,000 in UE, and the remainder in some 100 other bargaining units. GE has also been able to play competing unions, IUE and UE, against each other to its own benefit.

In 1957, before Boulware retired, GE brought in Jack S. Parker as Boulware's successor and retained Boulware as Parker's consultant to provide continuity in labor policy. During that year, IUE tried to reach an overall automation agreement with GE. In April, GE agreed to study the problem and then to discuss it with the union, but by July IUE still was waiting. IUE wrote to the company, and GE replied by saying there wasn't anything to talk about. In August, GE finally agreed to hold a meeting on automation, but that meeting was never held.

GE Refuses to Change Policies

In April 1963 an NLRB trial examiner upheld IUE's unfair labor charge that Boulwarism was a "take it or leave it policy" and in December 1964 the NLRB itself upheld the trial examiner's report and found GE guilty of unfair labor practices. After the NLRB trial examiner issued his ruling, GE vice-president Virgil Day declared that GE "will approach and conduct this year's negotiations with over 100 unions in the same spirit and with the same approach as in the past years' negotiations."

The IUE, UAW, and Steelworkers filed charges of bad-faith bargaining in 1963 against GE. These charges were still pending before the NLRB as of February 1967.

NLRB trial examiner Arthur Leff found that even before negotiations

began GE was discrediting union leaders and presenting its case directly to its employees. After negotiations began, GE put into effect for non-union workers the wages and benefits contained in its offer to IUE, although in the past GE had never given non-union workers benefits offered to union members until after a new union contract had been signed. But in 1960, before negotiations had begun, the company had told plant managers: "Show how employees not represented by unions get their wages and benefit improvements without possible delay of waiting for union acceptance."

GE also, in Leff's words, "rejected, ignored, or brushed aside" requests for cost or other information relating to holiday and vacation proposals, income extension aid, supplementary unemployment benefits, pensions, and insurance. Under the National Labor Relations Act companies are obligated to make pension and insurance costs available to the union but, out of six requests, GE only fulfilled two, and those only after the strike had ended.

At a meeting on September 27, 1960, GE's Union relations manager, Moore, told the IUE president "You'll get the information when we get it, or if we feel we should get it for you." When the union asked Moore how many workers would benefit from income extension aid, Moore gave his reply: "Somewhere between zero and 100 per cent." Leff stated that although GE was not talkative with union leaders, it was talkative with its employees. GE, he found, "advanced arguments not only more full but different from those presented to the union negotiators at the bargain-

ing table" and "criticized to employees the Union's demands before first discussing them with the Union."

GE communicated with workers at plant meetings, through supervisors, and by means of plant newspapers, reports, bulletins, leaflets, letters, press releases—and newspaper, radio, and television advertisements. (GE conveniently owns radio and television stations in Schenectady.) In Waterford, letters were even sent to the homes of neighbors of GE employees. The communications, Leff found, reached "flood proportions."

GE Threatens Workers

At the Augusta, Ga., plant, GE refused to reinstate 20 striking employees and hired replacements for them. At the Waterford plant, employees were told by letter that "a strike would wipe out indefinitely all of the 75 new jobs created . . . since . . . 1958. It would also bring about a direct reversal of promotions, and result in a great many downgradings in reassignment."

At Lynn, GE's largest and oldest plant, foremen warned workers that the plant might be closed down if there was a strike. The company explained to supervisors that "the Company has more and more in recent years looked to the South and the West for its growth and expansion."

GE also bargained directly with employees and union locals and in some cases offered terms and conditions different than those offered in national negotiations. Leff concluded:

There can be little doubt from the totality of its conduct that the Respondent [GE] was determined . . . merely to go through the motions

of bargaining in the conference room and to rely entirely on the effectiveness of its direct "sales" approach to employees to resolve the bargaining issues in its favor. . . . Respondent virtually stated as much. . . .

On December 16, 1964, the NLRB found GE guilty of unfair labor practices and issued 11 orders to the company, including to rehire the Augusta workers, supply the union with the information it had requested, and to refrain from bargaining with locals or offering locals separate terms.

In May 1965 when workers at the Wayneboro, Virginia, GE plant voted to join UE, GE challenged the vote in an attempt to prevent the NLRB from certifying UE as the collective bargaining agent. The NLRB dismissed GE's objections in September and certified UE, but GE still told the union in a letter that "it cannot recognize or bargain with UE." Late in 1966 the NLRB ruled in favor of UE for the third time, this time ordering GE to bargain with UE. GE then appealed the ruling to the Circuit Court of Appeals.

In early 1964 GE even threatened to shut down its Schenectady plant unless the union agreed to shift 3,000 employees from piece rates to day rates. The resulting pay cut would have averaged \$60 a week per worker. The plant employed 5,000, and 3,700 additional workers in Schenectady depended upon those 5,000 jobs.

The union did not agree, and GE began cutting pay on its own on July 13. In October GE and the union, UE, finally reached an agreement whereby workers would be given "transition" pay for four years so they could adjust

and the company would begin a new incentive plan under which 250 workers would return to piece work in the next five years.

To make sure that employees at the Schenectady plant worked just as hard for less pay, GE installed what it termed "a modern industrial tool, closed circuit television." A television monitor was placed in the office of the general foreman who kept in touch with foremen by a direct telephone hook-up.

GE's efforts in Schenectady, company vice-president Donald E. Craig explained, was an attempt to prove "we could be able to do everything in Schenectady we could do in the South."

The South has been an especially attractive spot for GE since the mid-1950's; the company, of course, has long been attracted to such low-wage areas. At the end of World War II, for example, GE abandoned a number of war plants and spent over \$91 mil-

lion building seven new plants in small-town low-wage areas.

In June 1953 Ralph Cordiner announced that the South would soon become a major center of GE's operations. Two years later, when GE opened its twelfth Southern plant, Raymond W. Smith, GE general manager, said, "It is in this area that great future growth is forecast."

In 1958 Cordiner and 18 other GE directors toured the South. Speaking in Atlanta, Cordiner explained why the South was becoming a major area for GE. "Right-to-work legislation very definitely is a factor," he said, "in deciding where General Electric plants are built. General Electric has a very firm stand in favor of right-to-work laws because we are interested in the rights of individuals."

The individuals whose rights General Electric is interested in are its own officials and major stock-holders, not the American worker or the American consumer. Profiteering is still the most important GE product.

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