

The Foundry Roundup

APRIL, 1961



from the President's Desk

EARLY last year, our Directors authorized the construction of a new office building for our Trailer Division. Shortly thereafter, there was a slackening of new trailer orders, and construction was held up. Orders are still very light today; but in spite of slack business, we have decided to go ahead immediately for a reason which I believe employees will appreciate.

A contract has been consummated with Temple Associates that will allow us to furnish available qualified manpower from our regular force to augment their crew. This means that with the exception of plastering, painting, floor covering, ceilings, and some finish carpentering the building largely will be built by our own employees. This will enable us to give employees who work on construction some 40-hour weeks, and should enable us to increase the number of hours worked per week to a number of additional people who do not work on construction.

We will furnish all the labor for the electrical and mechanical work in the building, fabricate and erect necessary

steel and duct work, and furnish men for a substantial part of the rough carpenter and concrete work.

This is the way we rebuilt the fire-damaged main office which gave a large number of people full time work on the construction job, and thereby gave more hours to others on regular work.

Although this building will not be a tremendously large one, the fact that it is being built at this time will have some good effects on the whole community.

This project is a further indication that your Officers and Directors recognize an equal responsibility to both the employees and the stockholders. Neither group can get along without the other.

We all realize, I am sure, that our State Legislature has a serious problem in raising substantial revenue not only to take care of a current deficit, but also to provide additional money for future requirements. Many citizens would like a tax that affects possibly everyone except themselves. Of course, this is hardly possible.

Taxes on business and industry are popular with legislators because a business does not have a vote. However, many legislators do not realize that everyone of us are affected by these taxes.

Not many people realize that approximately two-thirds of the tax revenue received by the State of Texas today is paid already by industry and business, a higher per cent than almost any other industrial state.

Increasing the tax load on Texas industry by increasing the franchise tax, income tax, or payroll tax will make it even more difficult for Texas industry to compete with out-of-state manufacturers. We already have entirely too much unemployment and too many short work-weeks. Higher industrial taxes would aggravate this problem.

On the other hand, a strong sales tax will not have this damaging effect. All pumping units and trailers made in Texas and sold in Texas will be subject to the same tax, so there will not be a competitive disadvantage for companies like our own.

If you too believe a strong sales tax is the correct way to raise money, then we hope you will write our State Senator Martin Dies, Jr., and our Representative Charles Wilson and recommend a sales tax to them.

The Editor's Corner

The annual Blue and Gold banquet of Cub Pack 149 was held February 24. This Pack is sponsored by Lufkin Foundry and Machine Company. The yearly banquet is held to present awards of merit to the Cubs and to enjoy fellowship among members of all the Dens.

Principal speaker for the occasion this year was Reagan Parker who discussed contributions made by local citizens who support the Scout program.

JOE FLOYD, Accounting Department, is Chairman of the Pack Committee. Other committee members are BILL PENNINGTON, Welding and Structural Shop, and HUBERT DORSETT, Mill Supplies Division. JIM RIGGS, Trailer Division, is Cub Master.

Three Cubs whose fathers are Lufkin Foundry employees received awards during the program. DAVID DORSETT, son of Mr. and Mrs. HUBERT DORSETT, received a Webelos Badge which is the highest award in

Cub Scouting. JAMES GILLILAND, son of Mr. and Mrs. George Gilliland, received a Wolf Badge. His father is a crane operator in the Machine Shop.

Along with three other Cub Scouts, GARLAND BROOKS, son of Mr. and Mrs. Charles P. Brooks, was given an Arrow Point. His father is a second-shift employee in the Machine Shop.

Elsewhere in this issue of THE ROUNDUP are pictures made at the annual Blue and Gold Banquet.

RICHARD BIVIN, Foundry Department, recently attended a study course entitled "Cupola Melting of Iron" presented by the American Foundrymen's Society in Chicago. A report from the Society was sent to Management informing them that Mr. Bivin had earned a grade of "A" on test papers given at the conclusion of the course. Grade classifications, as derived from the score curve, are: "A"—excellent; "B"—very good; "C"—average; and "D"—below average.



JAMES GILLILAND was presented his Wolf badge at Blue and Gold Banquet. Standing with him is his mother, Mrs. George Gilliland. His father is a crane operator in the Machine Shop.

We are proud to have this report on Mr. Bivin.

MARKING AN ANNIVERSARY



DAVID DORSETT is presented the Webelos Badge, highest award in Cub Scouting, by Reagan Parker, principal speaker for the annual banquet. With him are his parents, Mr. and Mrs. Hubert Dorsett.

These warm days mean fishing time. We'll be happy to have pictures of the string you catch, if you'll just bring them to THE ROUNDUP office. We are always happy to use any personal snapshots of Lufkin employees.



FOUR Cub Scouters were presented Arrow points. One of the Cubs was GARLAND BROOKS, son of Mr. and Mrs. C. P. Brooks. Shown here on the first row are Jack Dickey, Garland Brooks, Danny Hodges and Keith Glass. Behind them, left to right, are Mr. Jack Dickey, Mrs. C. P. Brooks, Mrs. Hodges, and Mr. and Mrs. Ralph Glass. Garland's father is employed in the Machine Shop.

MACHINE SHOP

	Employment Date	Years With Co.
W. H. Smith	Feb. 15, 1926	35
P. B. Largent	Feb. 1, 1929	32
G. R. Beavers	Feb. 8, 1929	32
A. W. Stevens	Feb. 12, 1929	32
Ertis W. Brock	Feb. 7, 1936	25
H. W. Breazeale	Feb. 4, 1937	24
Zack R. Cummins	Feb. 8, 1937	24
Charles T. Douglass	Feb. 11, 1937	24
M. R. (Jake) Ross	Feb. 25, 1937	24
John Burks	Feb. 24, 1938	23
F. S. Ritchie	Feb. 12, 1941	20
J. A. Lovett	Feb. 14, 1941	20
W. L. Hanson	Feb. 1, 1943	18
D. H. Matchett	Feb. 26, 1945	16
L. D. Parrish	Feb. 12, 1947	14
Frank Davis	Feb. 24, 1947	14
Boisey Anderson	Feb. 28, 1947	14
D. A. Jones	Feb. 2, 1950	11
W. R. Weeks	Feb. 6, 1950	11
Bobby H. Tucker	Feb. 12, 1951	10
W. Y. Counts	Feb. 6, 1952	9
William G. Mangham	Feb. 13, 1952	9
R. C. Roberts	Feb. 19, 1952	9
Clarence Harvill	Feb. 1, 1954	7
Fred Hopson	Feb. 24, 1954	7
Chester B. Jones	Feb. 3, 1955	6
Earl O. Deal	Feb. 7, 1955	6
Burval Holt	Feb. 10, 1955	6
Gordon Brashear	Feb. 17, 1955	6
Barbara Fowler	Feb. 1, 1957	4
Donald Lee Wallace	Feb. 2, 1959	2
Jack A. Landrum	Feb. 2, 1959	2

WELDING & STRUCTURAL

	Employment Date	Years With Co.
M. R. Hopson	Feb. 18, 1929	32
Gus A. Teer	Feb. 15, 1941	20
Stephen Warren	Feb. 18, 1943	18
Taylor W. Martin	Feb. 22, 1943	18
L. S. Neyland	Feb. 22, 1943	18
M. H. Patrick	Feb. 7, 1947	14
James P. Laird	Feb. 12, 1951	10
E. J. Childers	Feb. 24, 1955	6
Arthur T. Stanley	Feb. 2, 1956	5
Malcolm K. Lowery	Feb. 27, 1959	2

PATTERN SHOP

	Employment Date	Years With Co.
Carl D. Ross	Feb. 13, 1952	9
W. P. Westbrook	Feb. 1, 1956	5

INDUSTRIAL ENGINEERING

	Employment Date	Years With Co.
Stanley Beck	Feb. 21, 1955	6

TRAILER DIVISION

	Employment Date	Years With Co.
Lester J. Glaze	Feb. 8, 1943	18
Thomas F. Ladd	Feb. 8, 1943	18
Leo D. Elliott	Feb. 13, 1943	18
Arthur C. Warren	Feb. 1, 1950	11
Garvin Mooney	Feb. 2, 1950	11
Granville C. Wright	Feb. 2, 1950	11
James M. Fuller	Feb. 6, 1950	11
Luke S. Rouse	Feb. 6, 1950	11
Emmett D. Forrest	Feb. 8, 1950	11
Boyce S. Hendry	Feb. 9, 1950	11
Milton E. Watson	Feb. 27, 1950	11
Jimmy Wooten	Feb. 27, 1950	11
Sidney Smith	Feb. 28, 1950	11
Leonard F. Donnell	Feb. 28, 1952	9

TRAILER OFFICE

	Employment Date	Years With Co.
C. J. Schuller	Feb. 1, 1942	19
Al. Walton	Feb. 2, 1948	13

SECURITY GUARD

	Employment Date	Years With Co.
W. H. Duncan	Feb. 25, 1957	4

FOUNDRY DEPARTMENT

	Employment Date	Years With Co.
W. J. Buschmann	Feb. 9, 1939	22
Robert Burns	Feb. 24, 1942	19
A. B. White	Feb. 24, 1943	18
Josh Duncan	Feb. 28, 1944	17
Fred Benemen	Feb. 20, 1946	15
James Scott	Feb. 20, 1946	15
W. T. Bailey	Feb. 13, 1951	10
Rex Jones	Feb. 20, 1951	10
J. B. Perkins	Feb. 12, 1952	9
James Jones	Feb. 2, 1955	6
Clayton F. Jircik	Feb. 21, 1955	6
Thomas Boulware	Feb. 22, 1955	6
Fred D. Jenkins	Feb. 1, 1956	5
Ernest G. Pittman	Feb. 1, 1960	1

MAIN OFFICE

	Employment Date	Years With Co.
E. P. Trout	Feb. 25, 1926	35
Homer Thrash	Feb. 2, 1942	19
T. D. Lashly	Feb. 2, 1948	13
W. M. L. Wagner	Feb. 19, 1952	9
C. B. Burris	Feb. 11, 1953	8
W. T. Little	Feb. 18, 1957	4
Betty Stewart	Feb. 19, 1958	3
Louise Brashear	Feb. 16, 1950	1

OILFIELD SALES & SERVICE

	Employment Date	Years With Co.
Y. L. Gallia, Jr.	Feb. 5, 1947	14
Oliver McKay, Jr.	Feb. 1, 1951	10
G. R. Stein	Feb. 13, 1951	10
R. D. Dunlop	Feb. 1, 1953	8
Roy Lilley, Jr.	Feb. 2, 1953	8
David Bishop	Feb. 19, 1957	4
A. R. Beaulieu	Feb. 2, 1959	2
Stephen R. Ross	Feb. 1, 1960	1
Freedra J. Tipton	Feb. 8, 1960	1

MILL SUPPLIES

	Employment Date	Years With Co.
Harley Baker	Feb. 21, 1955	6
Carl Bruce Garner	Feb. 1, 1960	1

TRAILER SALES & SERVICE

	Employment Date	Years With Co.
R. L. Hamilton, Jr.	Feb. 3, 1954	7
Emery E. Horton	Feb. 22, 1955	6
J. C. Monroe	Feb. 18, 1957	4
R. L. Lewis	Feb. 12, 1959	2
Jimmie F. Ellison	Feb. 8, 1960	1
Carl Peppard	Feb. 26, 1960	1



REAGAN PARKER, chairman of the Pineywoods District Scout Committee, was principal speaker for the occasion, and presented the awards



JOE FLOYD, Accounting Dept., is chairman of the Pack Committee



JIM RIGGS, Trailer Division, is Cub Master of Foundry Club Pack 149

Annual Blue and Gold Banquet



THERE are five Dens in Cub Pack 149. Den Mothers are Mrs. Betty DeBehnke, Mrs. Hubert Dorsett, Mrs. Mary Glass, Mrs. Dorothy Peavy, Mrs. Charles Brooks

SOME 100 persons attended the awards program, enjoying the fellowship of all five Dens





STILE and MART READ entertained the group with several pantomimes



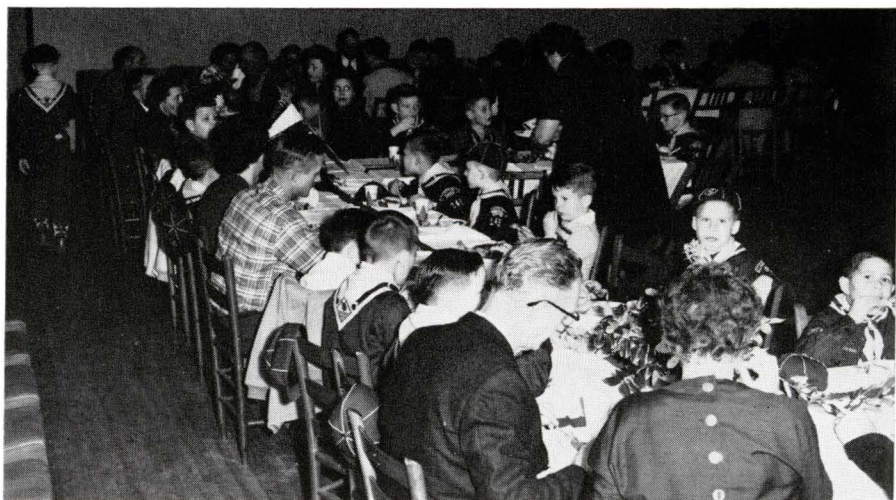
THIS shows part of the group who attended the annual Banquet

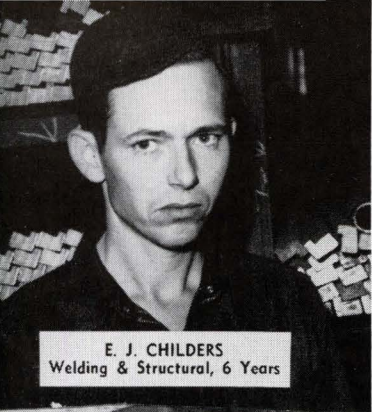
of Foundry Cub Pack



THE banquet was held in the Elks Hall and was termed a big success by all

MANY adults give much time and effort to this Pack. Serving on the Pack Committee with Joe Floyd are BILL PENNINGTON, Welding Shop, and HUBERT DORSETT, Mill Supplies





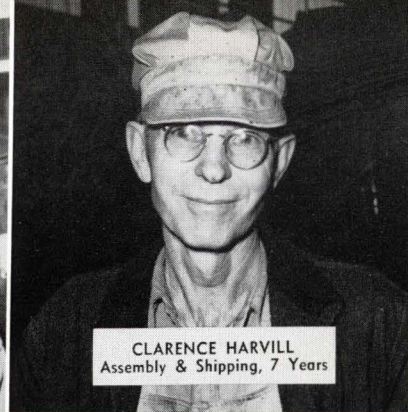
E. J. CHILDERS
Welding & Structural, 6 Years



ACACIA McMULLEN
Accounting Dept., 5 Years



JESSIE J. GRAVES
Trailer Division, 4 Years



CLARENCE HARVILL
Assembly & Shipping, 7 Years



MARCUS (CHICK) BALLENGER
Traffic, 8 Years

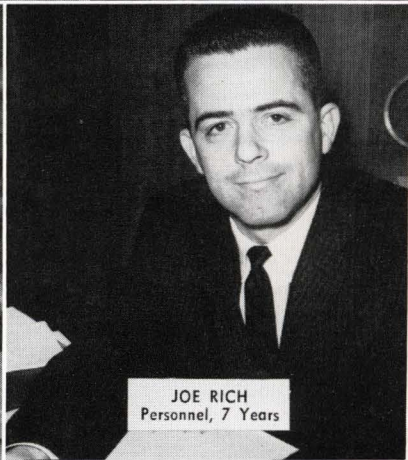
Celebrating an Annive



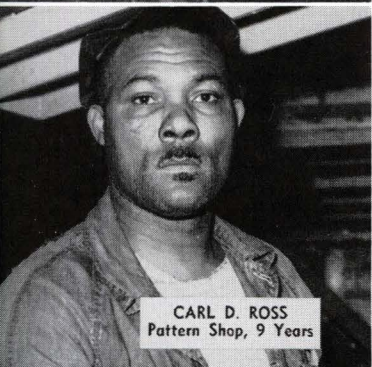
W. H. DUNCAN
Security Guard, 4 Years



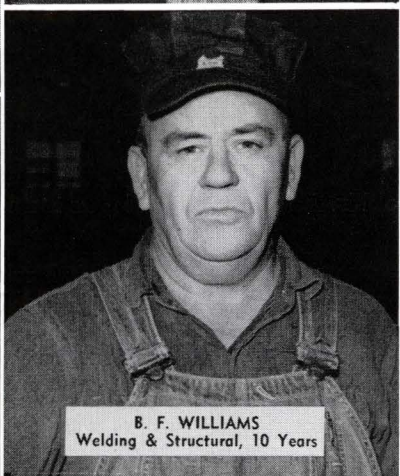
BETTY STEWART
Main Office, 3 Years



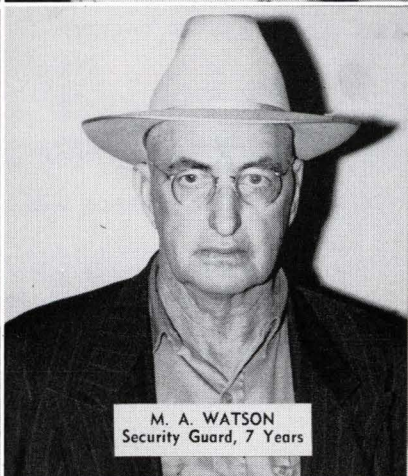
JOE RICH
Personnel, 7 Years



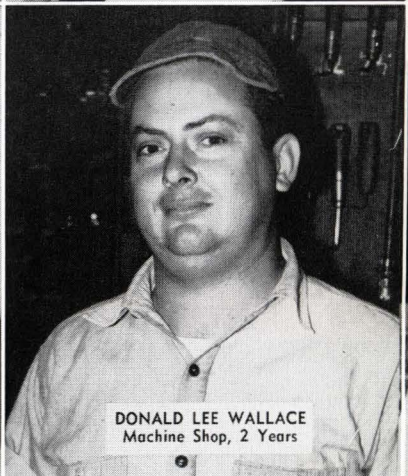
CARL D. ROSS
Pattern Shop, 9 Years



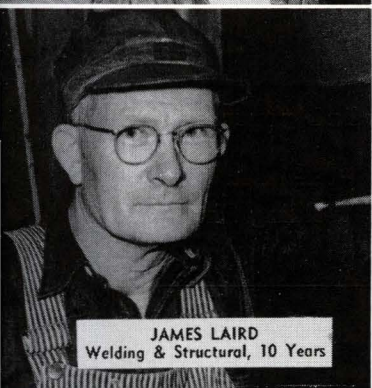
B. F. WILLIAMS
Welding & Structural, 10 Years



M. A. WATSON
Security Guard, 7 Years



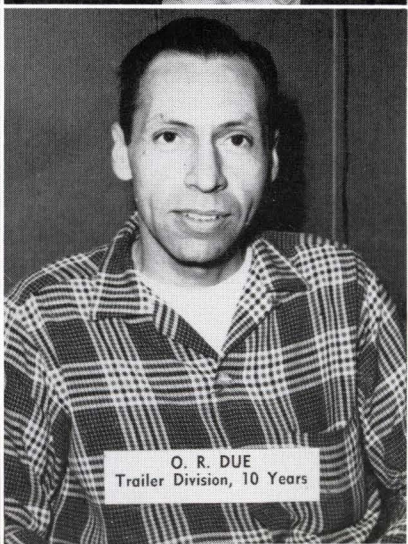
DONALD LEE WALLACE
Machine Shop, 2 Years



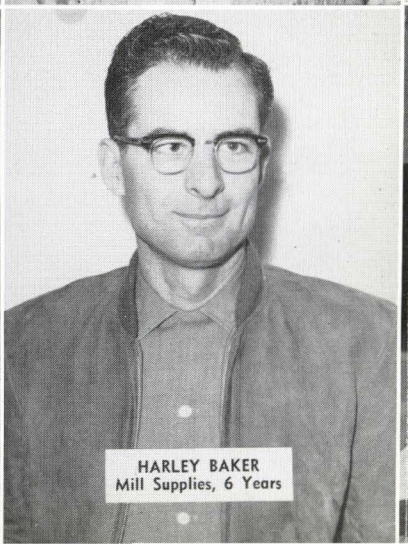
JAMES LAIRD
Welding & Structural, 10 Years



MICHAEL BENNETT
Main Office, 2 Years



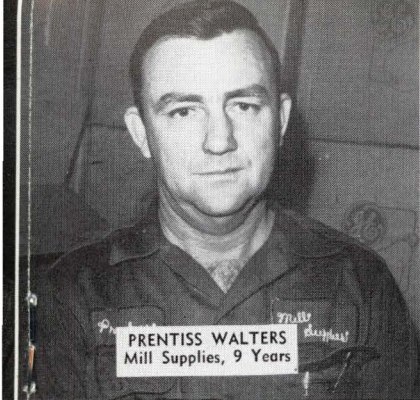
O. R. DUE
Trailer Division, 10 Years



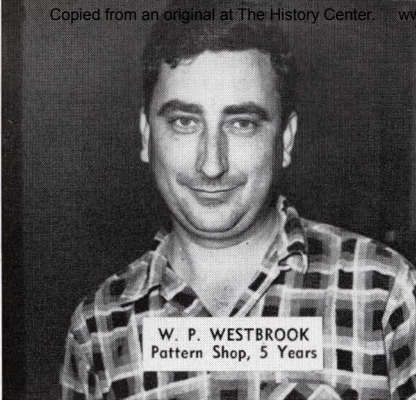
HARLEY BAKER
Mill Supplies, 6 Years



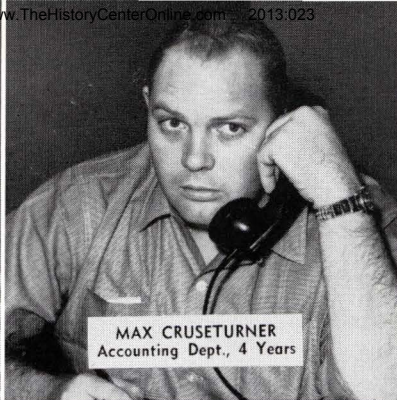
JOHN HAYARD
Welding & Structural, 10 Years



PRENTISS WALTERS
Mill Supplies, 9 Years



W. P. WESTBROOK
Pattern Shop, 5 Years

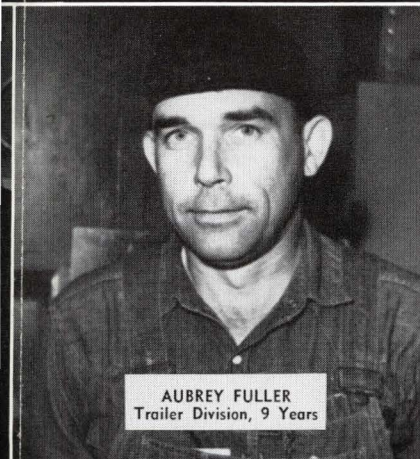


MAX CRUSETURNER
Accounting Dept., 4 Years

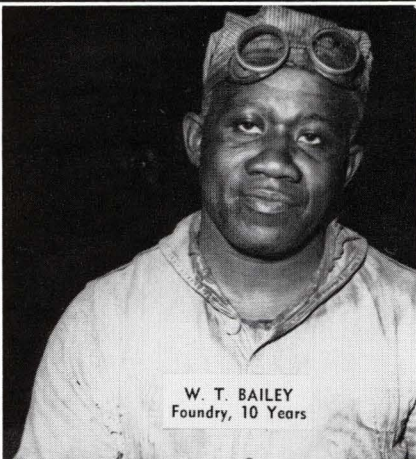


LEONARD DONNELL
Trailer Division, 9 Years

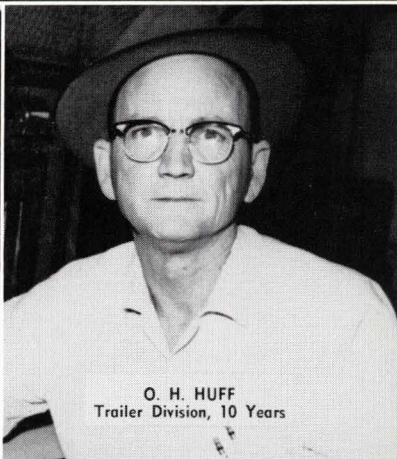
Anniversary ... 2 to 10 Years



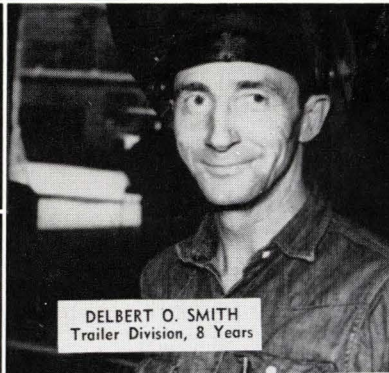
AUBREY FULLER
Trailer Division, 9 Years



W. T. BAILEY
Foundry, 10 Years



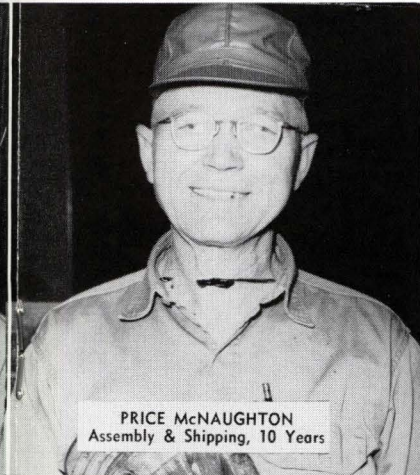
O. H. HUFF
Trailer Division, 10 Years



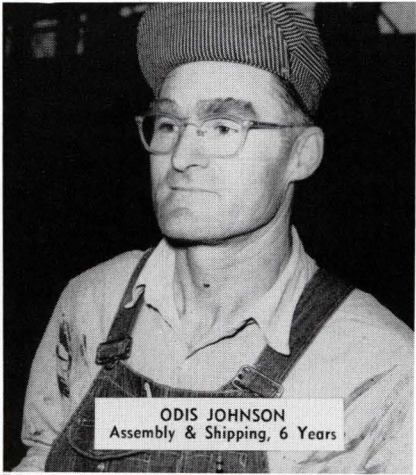
DELBERT O. SMITH
Trailer Division, 8 Years



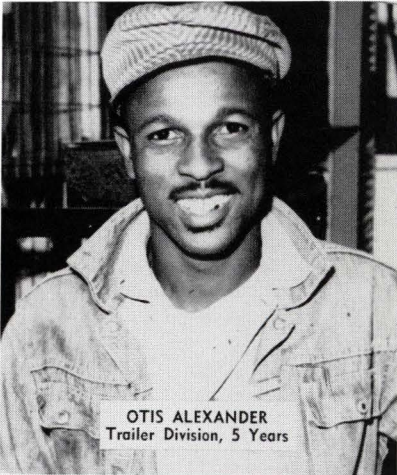
FRANK GIBSON
Trailer Division, 4 Years



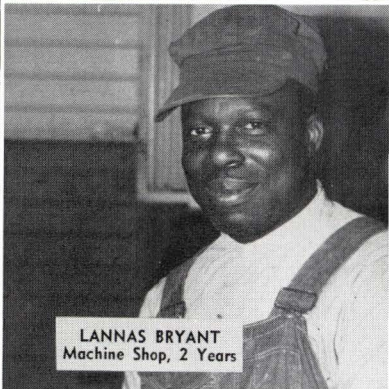
PRICE McNAUGHTON
Assembly & Shipping, 10 Years



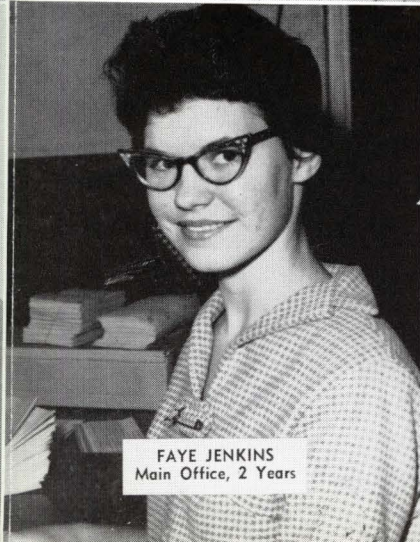
ODIS JOHNSON
Assembly & Shipping, 6 Years



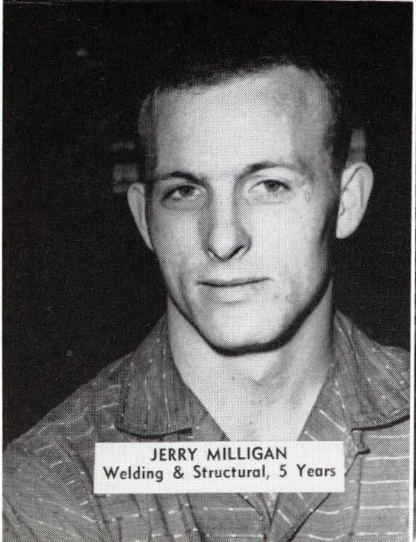
OTIS ALEXANDER
Trailer Division, 5 Years



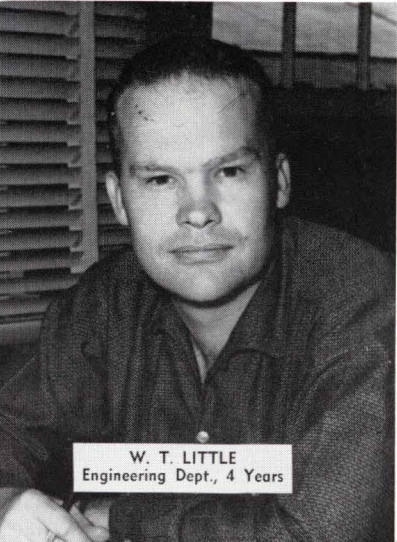
LANNAS BRYANT
Machine Shop, 2 Years



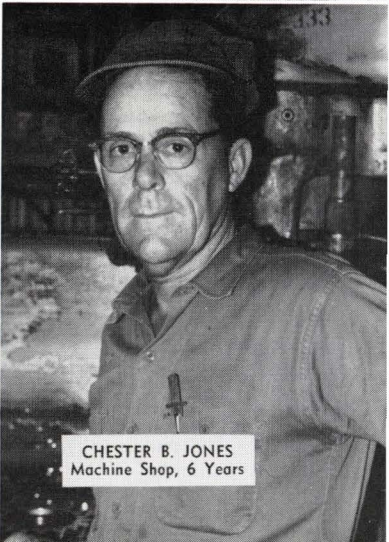
FAYE JENKINS
Main Office, 2 Years



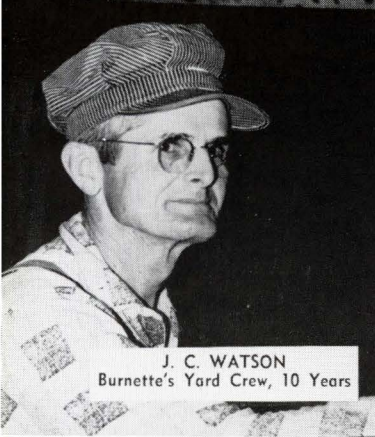
JERRY MILLIGAN
Welding & Structural, 5 Years



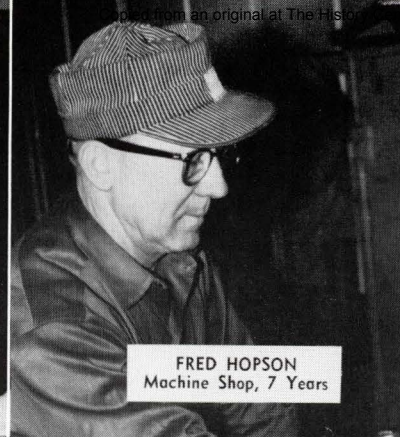
W. T. LITTLE
Engineering Dept., 4 Years



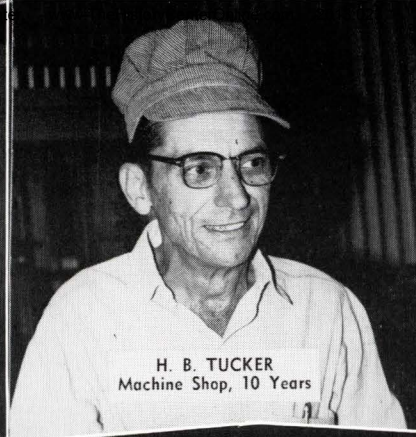
CHESTER B. JONES
Machine Shop, 6 Years



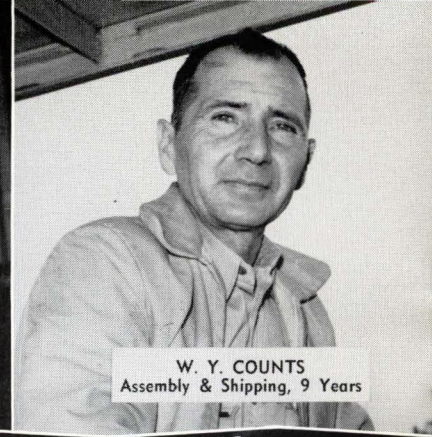
J. C. WATSON
Burnette's Yard Crew, 10 Years



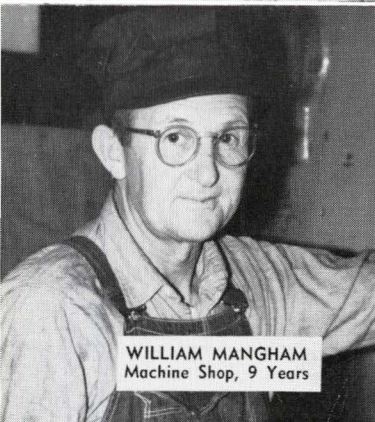
FRED HOPSON
Machine Shop, 7 Years



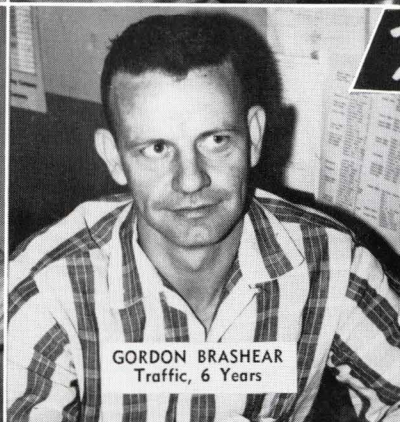
H. B. TUCKER
Machine Shop, 10 Years



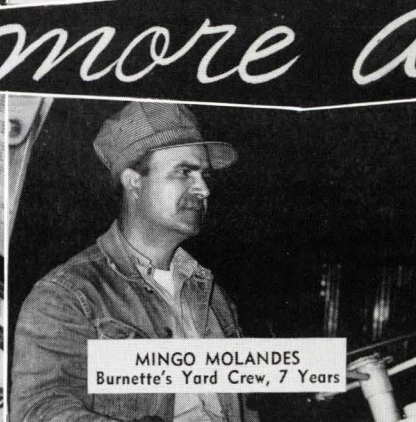
W. Y. COUNTS
Assembly & Shipping, 9 Years



WILLIAM MANGHAM
Machine Shop, 9 Years



GORDON BRASHEAR
Traffic, 6 Years

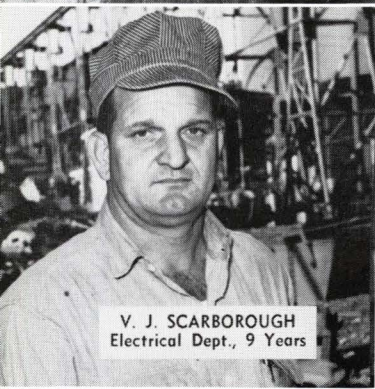


MINGO MOLANDES
Burnette's Yard Crew, 7 Years

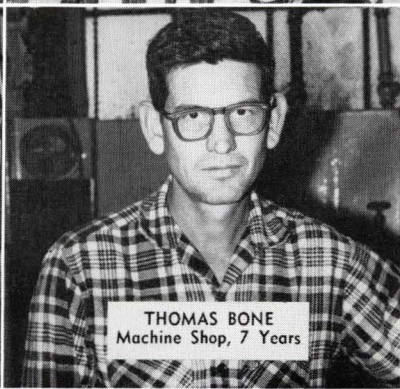


STANLEY BECK
Industrial Engineering, 6 Years

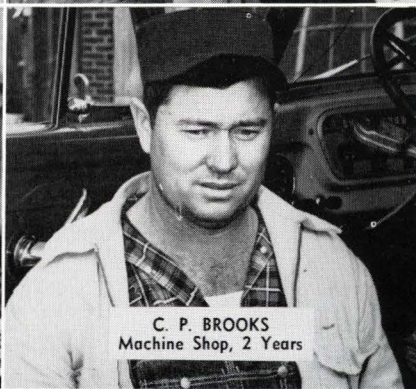
more anniversaries



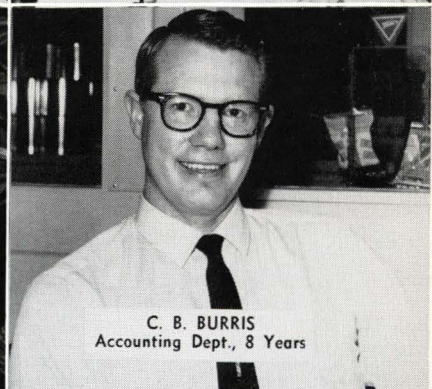
V. J. SCARBOROUGH
Electrical Dept., 9 Years



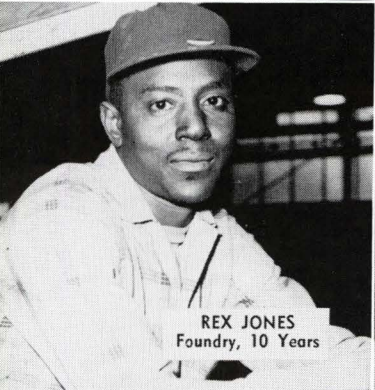
THOMAS BONE
Machine Shop, 7 Years



C. P. BROOKS
Machine Shop, 2 Years



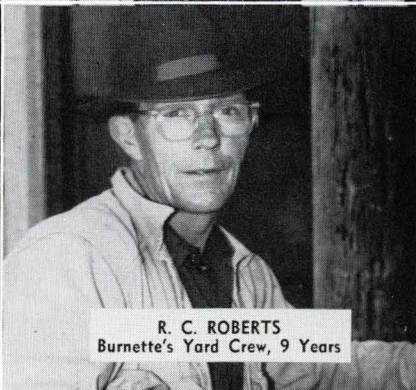
C. B. BURRIS
Accounting Dept., 8 Years



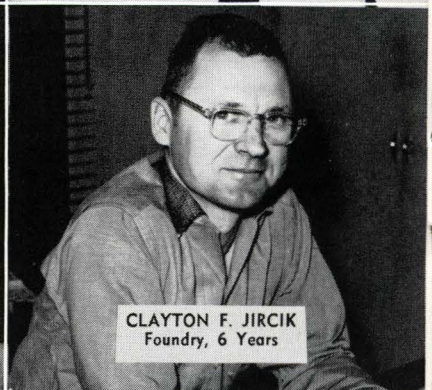
REX JONES
Foundry, 10 Years



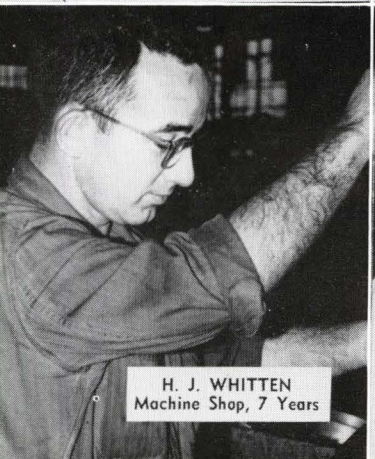
FRED D. JENKINS
Foundry, 5 Years



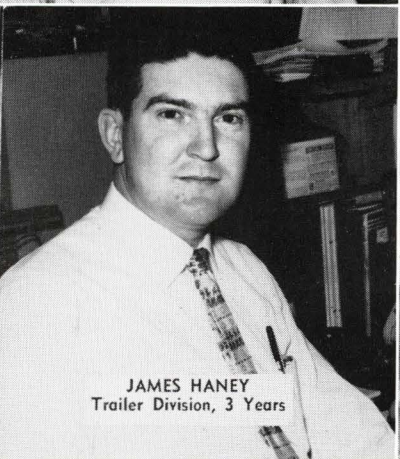
R. C. ROBERTS
Burnette's Yard Crew, 9 Years



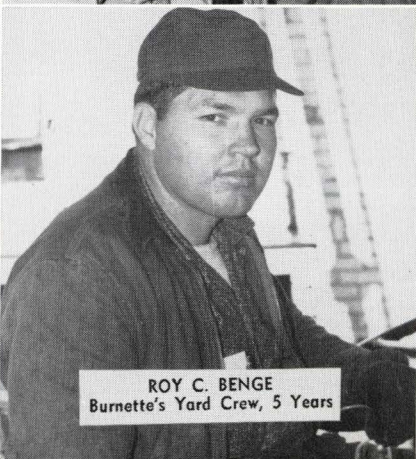
CLAYTON F. JIRCIK
Foundry, 6 Years



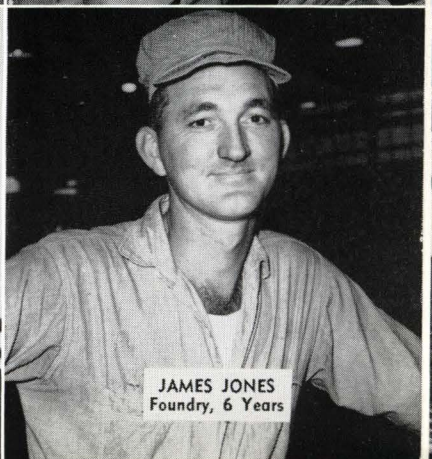
H. J. WHITTEN
Machine Shop, 7 Years



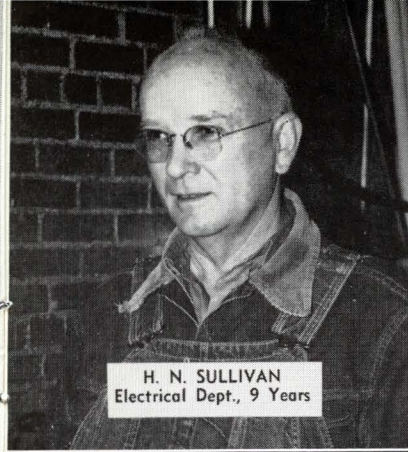
JAMES HANEY
Trailer Division, 3 Years



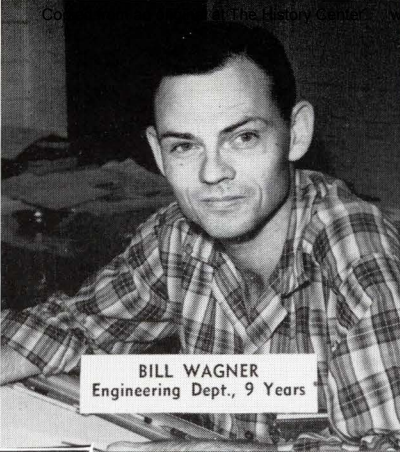
ROY C. BENGE
Burnette's Yard Crew, 5 Years



JAMES JONES
Foundry, 6 Years



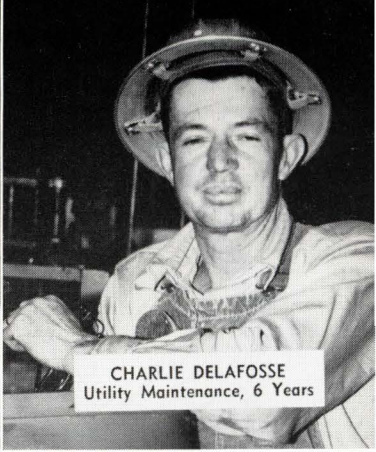
H. N. SULLIVAN
Electrical Dept., 9 Years



BILL WAGNER
Engineering Dept., 9 Years

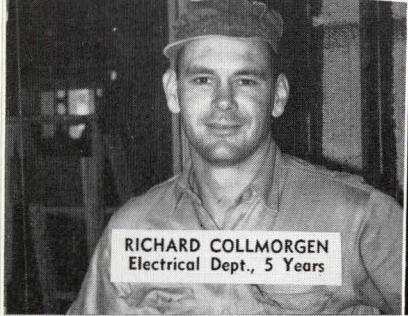


J. B. TEMPLE
Material Control, 10 Years

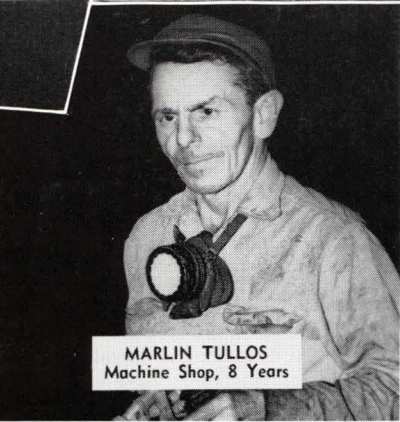


CHARLIE DELAFOSSE
Utility Maintenance, 6 Years

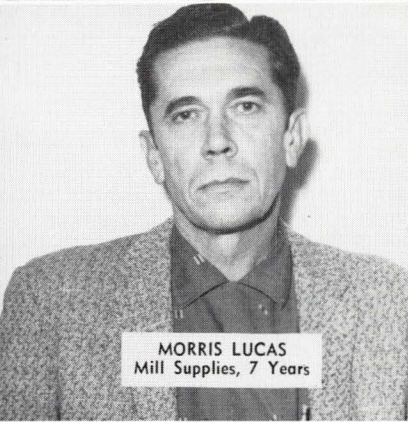
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RICHARD COLLMORGEN
Electrical Dept., 5 Years



MARLIN TULLOS
Machine Shop, 8 Years



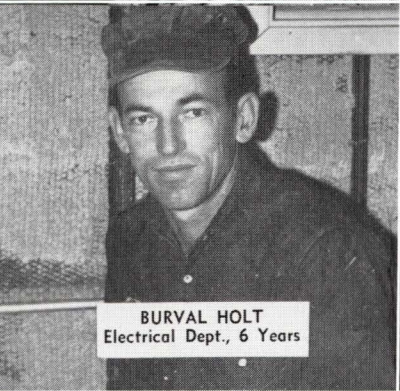
MORRIS LUCAS
Mill Supplies, 7 Years



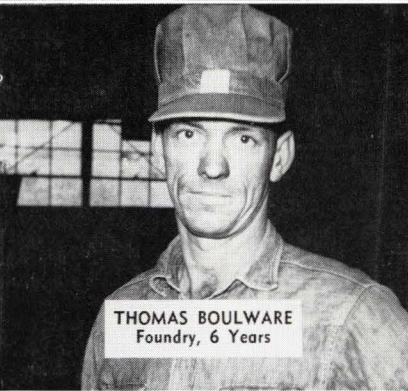
FRANK RAGLAND
Trailer Division, 8 Years



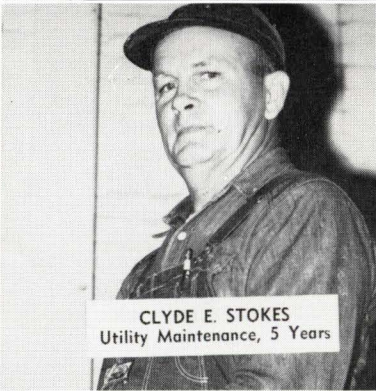
BETTY COLEMAN
Material Control, 2 Years



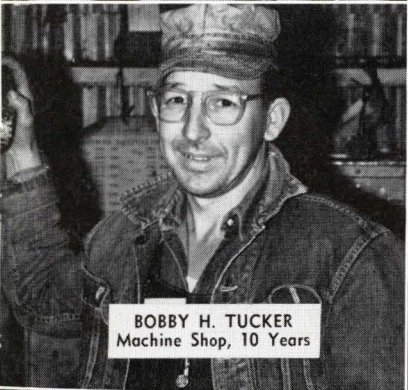
BURVAL HOLT
Electrical Dept., 6 Years



THOMAS BOULWARE
Foundry, 6 Years



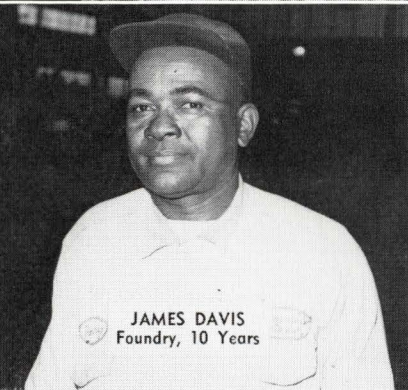
CLYDE E. STOKES
Utility Maintenance, 5 Years



BOBBY H. TUCKER
Machine Shop, 10 Years



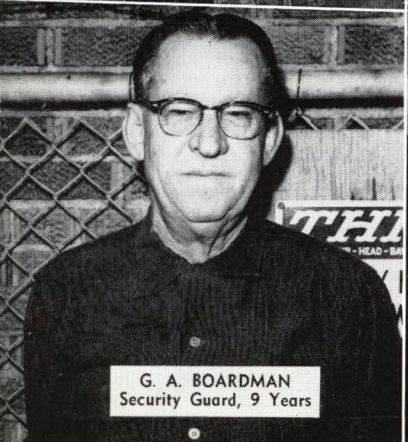
WILLIE McCULLOUGH
Burnette's Yard Crew, 6 Years



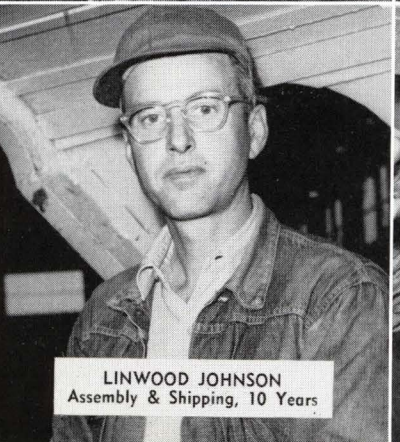
JAMES DAVIS
Foundry, 10 Years



EARL DEAL
Utility Maintenance, 6 Years



G. A. BOARDMAN
Security Guard, 9 Years



LINWOOD JOHNSON
Assembly & Shipping, 10 Years



C. A. MARTIN
Foundry, 5 Years



JOHN JONES
Foundry, 6 Years



The Race Isn't Won...

(EDITOR'S NOTE: One of the most talked about subjects today is the race between the United States and Russia. We hear all sorts of tales about how badly we are being beaten, how we have fumbled the ball, and what dire results we might as well prepare ourselves for. We were happy to see the other side of the picture so convincingly presented in Du Pont's "Supervisory News Letter." We believe you will appreciate the information in this article, and we express our thanks to Du Pont for reprinting it herewith.)

INTERNATIONAL competition—the kind that goes on today between the U.S. and Russia—has been part of human existence as far back as history can be traced. It was a fact of life for ancient Greece and Rome, as it is for modern America. What is new is the pace of competition. Advances in science and communication have made possible changes in hours that once took many generations.

Thus, today's competition carries a sense of urgency, sometimes a sense of panic; and, expedients proposed to meet world competition have sometimes been conceived in panic. What Du Pont President Crawford H. Greenwalt has called "gee-whiz" projects have sometimes caught official or public fancy as the best way to meet Soviet competition.

Spectacular spurts in one field at the expense of economic and productive balance may make headlines, but they do not contribute to national strength. For, as Mr. Greenwalt has pointed out, it takes a balanced approach to progress with strength. "Because men accomplish more under a free system," he stated in a recent interview, "I think we will get ahead and stay ahead in space, or any other scientific area, even though they may occasionally make a breakthrough."

Meeting Soviet scientific and industrial competition is a major national issue (it was a principal campaign issue and is expected to become one in

the new Congress). An examination of the basic facts is essential to an understanding of (1) where we stand; (2) where we are going; and (3) what are our advantages in the competitive race.

THERE is no doubt about it, Russia is a formidable opponent. She has tremendous resources in raw materials, manpower, land area, and governmental totalitarian organization. She can marshal resources to a particular project quickly and without regard to personal, moral, or social considerations. Crash programs can be launched at a word of command from Moscow. These factors have made possible great strides, but they have not given the Soviets any of the "superpower" standing they claim over us. As a matter of fact, Russian economic growth was faster under the Czars than under Communism. If the pre-Communist growth rate had been maintained, the Russians would be 25 per cent closer to catching up with the U.S.

Russia's total output now is less than half that of the U.S. Khrushchev says Russian will catch up with the U.S. by 1970. Published Soviet plans have an implied growth rate of 4.5 per cent per year, compared to the U.S. rate of 3.6 per cent from 1947 to 1960. If Russia is able to keep up its claimed rate for 100 years (and the U.S. maintains the 3.6 per cent rate,) it would be just about able to catch up. If the U.S. growth rate goes up to 4 per cent, it will take Russia 200 years.

To understand the relative position of the two countries and to evaluate their relative growth rate realistically requires a look at several factors.

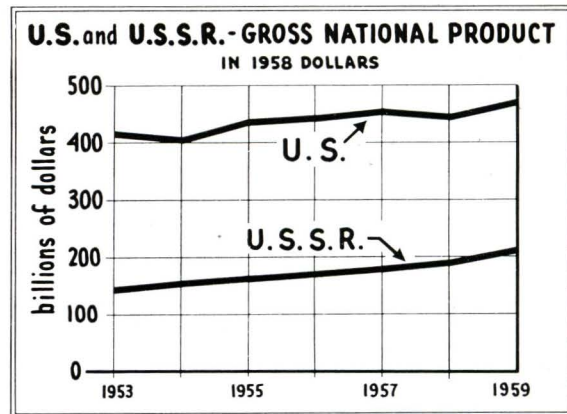
First, as a leading Soviet economist recently admitted, part of Russia's claim is based on a biased system of accounting. They figure total output by adding up the full value of raw materials, parts, and finished products at each stage of processing. For example: in making automobiles, they figure the cost of raw materials, plus the full cost of parts, plus the full cost of the finished car. In the U.S. we use the "value added" system. For a car, we would add successively the cost of raw materials, the cost of making parts,

and the cost of assembling the finished car. The original cost of raw materials or parts is not added to the value of the finished car. Under their system, the total for a \$3,000 automobile might run \$6,000.

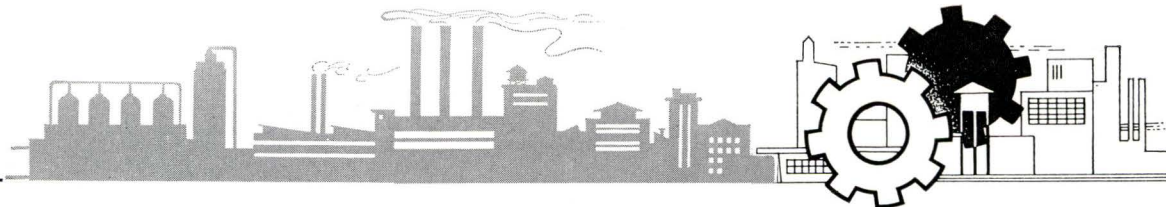
In the second place, even though their growth rate has been good, it is not unusually high for an immature economy and is considerably lower than that of free economies in other lands. For example, between 1950 and 1957, at least four non-Communist countries showed a much higher gain in the industrial production rate than Russia's 8.9 per cent: Japan—17.2 per cent; Free China—15.1; Free Germany—10.6; and Greece—9.3. Four countries grew faster in agricultural production, and five countries grew faster in gross national product.

Third, a lot of Soviet growth has come from a forced-draft investment in plants and other productive facilities which we already have. When the need existed for these same facilities here, we were able to make much greater progress than even the Soviet claims. It took us only six years (1880 to 1886) to achieve the same expansion in freight car production that took Russia 42 years (1913 to 1955). Their 42-year increases are more than matched by most of our other major industries: Railroad passenger cars in 10 years (1892-1902), boots and shoes in 21 years (1890-1911), petroleum in 22 years (1899-1921), cement in 29 years (1894-1923), and steel in 34 years (1892-1926).

Furthermore, by having a tremen-



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dous civilian capacity in addition to a large capacity for military and defense needs, the United States has the ability to shift resources. This was evidenced in World War II, when our capacity for automobiles was shifted to tank production. But, there are other factors that must be weighed when productive capacity and growth are being evaluated. These are social and personal gains that do not show up in the statistics for growth or for gross national product. For example:

1. LABOR FORCE AND LEISURE. In the Soviet Union 70 per cent of all people over 14 years of age are working at full-time jobs. (Tom Anderson, editor of *Farm and Ranch*, noted after a recent trip to Soviet Russia: "Much of the hard labor in Russia is done by old women—or maybe they just look old.") In the U.S., where educational facilities, retirement benefits, and pay scales are greater, the ratio is only 49 per cent. The Soviets do not have a 40-hour week, as do workers in the U.S. Expressed statistically, this means the people of Russia must work 40 million man-years more to produce a total output of goods and services equal to only 40 per cent of ours. Stated another way: The average hour worked in the U.S. produces almost four times the volume of goods and services of an average hour worked in Russia.

2. LIVING STANDARDS. Our defense spending is equal to or greater than the Soviet's. But, in addition, we produce about three times as much in civilian goods and services. This is reflected in living standards. A Soviet worker has to work nearly twice as many hours to supply his family with bread as does a worker in the U.S.—21 times as long to buy a radio, 14 times as long to buy a pair of nylons, eight times as long for butter, and four times as long for beef. As a result, the average level of consumption in Russia is about one-third of that in the U.S. A good measure of the difference in living standards is the new minimum wage in Russia, which has the buying power equivalent to \$25 for 200 hours of work. It will buy just one pair of men's shoes and one pair of socks.

A MAJOR U.S. advantage in competing with Russia is that our growth advances on a broad front, providing a balanced whole capable of tremendous output, rapid adjustment, and fast expansion as conditions require. Typical of the unbalanced state of the Soviet economy is the low position of its chemical industry. The Russians have been trying for years to buy U.S., German, British, Italian, and other chemical technology and have sent several missions to make deals with U.S. companies.

One Soviet delegation came to Du Pont, seeking to purchase plant facilities and know-how. Company officials agreed to negotiate, provided the Russians had something to offer in return. As President Greenwalt told the story: "In God's time, we got a list; it was almost childish. One item was an insecticide that takes care of one pest of the sugar beet. Far better insecticides are a dime a dozen here."

Khrushchev has plans to spend some \$25 billion to expand the Soviet chemical industry in the 10 years ending 1968. They call for increasing synthetic fiber capacity 4.6 times, plastics and synthetic resins 8.0 times, and synthetic rubber 3.4 times. In all of these fields, U.S. capacity is already more than adequate to meet present needs, and much of the money spent by the U.S. chemical industry is going for development and manufacture of entirely new products.

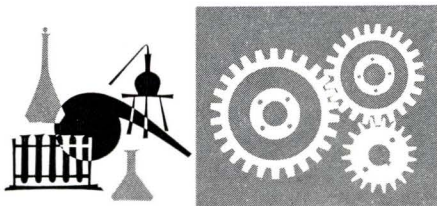
More significant, however, is the fact that Russia's ambitious plans are seldom fulfilled. For example, Soviet production of chemical equipment during the first half of 1959 reached only 28 per cent of plans for the year, according to a United Nations report. In July, 1959, V. S. Fyodorov, boss of the Russian chemical industry, admitted that "a number of very important

projects for synthetic rubber, chemical fibers, and ammonia . . . are having serious difficulties because they are badly supplied with metal." Another Soviet official cried out against "systematic lateness" in making decisions on new equipment.

TOTAL U.S. output of goods and services (gross national product) is about 2.5 times the GNP of the Soviet Union. Much of the difference stems from the fact that the productivity of the U.S. labor force is four times that of Russia. At present growth rates, the Soviet Union cannot, despite its claims, catch up with total U.S. production within the foreseeable future.

U.S. production is achieved with considerably less expenditure of workers' time. The 40-hour week, retirement benefits, more education for the young—all of which cannot be accounted for in the growth rate—represent advances which the Soviets do not have and have little hope of achieving. All these gains have been achieved in the U.S. without dictatorship, without slave labor, without bleeding the economies of satellite countries (in fact, we have contributed some \$50 billion in postwar aid programs).

THAT the U.S. has achieved spectacular growth and strength does not justify complacency. The Russians have made some important strides, especially in military fields, and have the will to carry on the race indefinitely. And, their well-organized propaganda machine exploits every step, however small it may be. As the Soviets grow, competition will become harder to meet. There is no assurance that growth rates of both the U.S.S.R. and the U.S. will stay at present levels, or that one or the other will not be able to spurt ahead. The U.S. can falter, and conditions can change so as to make our competitive strength less than it should be. Of most immediate concern is the possibility that panic may lead to unwise action; and, fear may lead to imitating the Soviet method, rather than to strengthening our own free economy and society.



The Foundry Roundup

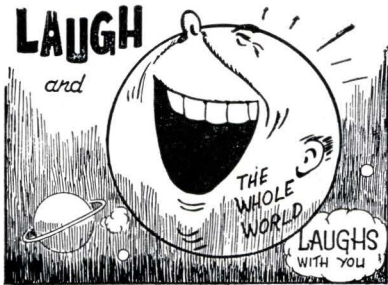
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Someone has suggested that what we really need is a new child labor law to keep kids from working their parents to death.

Boy: "Daddy, what is opera?"

Dad: "That's where some guy gets stabbed in the back and instead of bleeding, he sings."

Operating a business is like a fat woman trying to get into a girdle—you push here and push there to keep expenses down and they just pop up somewhere else.

Little Danny: "Mother, may I have a nickel for the old man who is outside crying?"

Mother: "Yes, dear; but what is the old man crying about?"

Danny: "He's crying: 'Peanuts, 5 cents a bag!'"

The patter of little feet was heard on the stairs. The party hostess motioned for silence. "Listen," she cooed. "The children are going to deliver their good night message."

There was a moment of hushed expectancy. Then: "Mom, Willie found another bed bug."

An old mountaineer and his son were sitting in front of the fire smoking their pipes. After a long silence, the father said: "Son, step outside and see if it's raining."

Without looking up, the son answered, "Aw, Paw, why don't we jest call in the dog and see if he's wet."

"I need a job, Senator," said the man from his home state.

The Senator thought a moment. "Well, I'll tell you. There aren't any, but here's what I'll do. I'll get up a commission to investigate why there are no jobs and you can be the head of it. O.K.?"

The night watchman at the observatory was new. He paused to watch a scientist peering through a large telescope. Just at that point a star fell.

"Man alive!" he exclaimed, amazed. "You sure are a good shot!"

Two moonshiners on their first train trip had never heard of soda pop, so when the vendor came through the car they each bought a bottle.

The first mountaineer wiped the lip of the bottle and took a long drink—just as the train entered a tunnel.

"How'd you like it, Jed?" asked his companion in the darkness.

"Don't tech that stuff, Lem. I been struck blind!"

Cowboy: "Why do you ride while your squaw walks?"

Indian: "She no gottum pony."

When Joe learned the birth of his first grandchild, a friend asked how it felt to be a grandfather. "It's good news, of course," Joe replied, "but I'll have to get used to the idea of being married to a grandmother."

Civilization is a system under which a man pays a quarter to park his car so he won't be fined a dollar while spending a dime to buy a nickel cup of coffee.

"What do you plan to do, little girl, when you're as big as your mother?" "Diet."

An Englishman, Irishman and an American were flying over the Sahara desert. "A beastly place," the Englishman said.

"The devil's home," said the Irishman.

"What a parking lot!" exclaimed the American.

Governor, looking at a newly-constructed dam: "Good heavens! the water, it's supposed to be on the other side!"

Bridegroom: "I thee endow with all my worldly goods."

His father: "Humph! There goes his bicycle."

An officer had dictated a letter to the young secretary in which the words "intelligence officer" were used twice. The secretary, not used to army titles, typed "intelligent officer."

The officer who had dictated the letter roared at the little secretary: "Look at this! Whoever heard of an intelligent officer!"

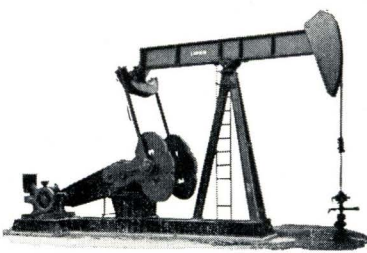
It was a tense scene in the film. The audience sat enthralled. Suddenly the hero slapped the heroine in the face.


In the silence that followed, a little voice piped up: "Mommy," it said, "why doesn't she slap him back like you do?"

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