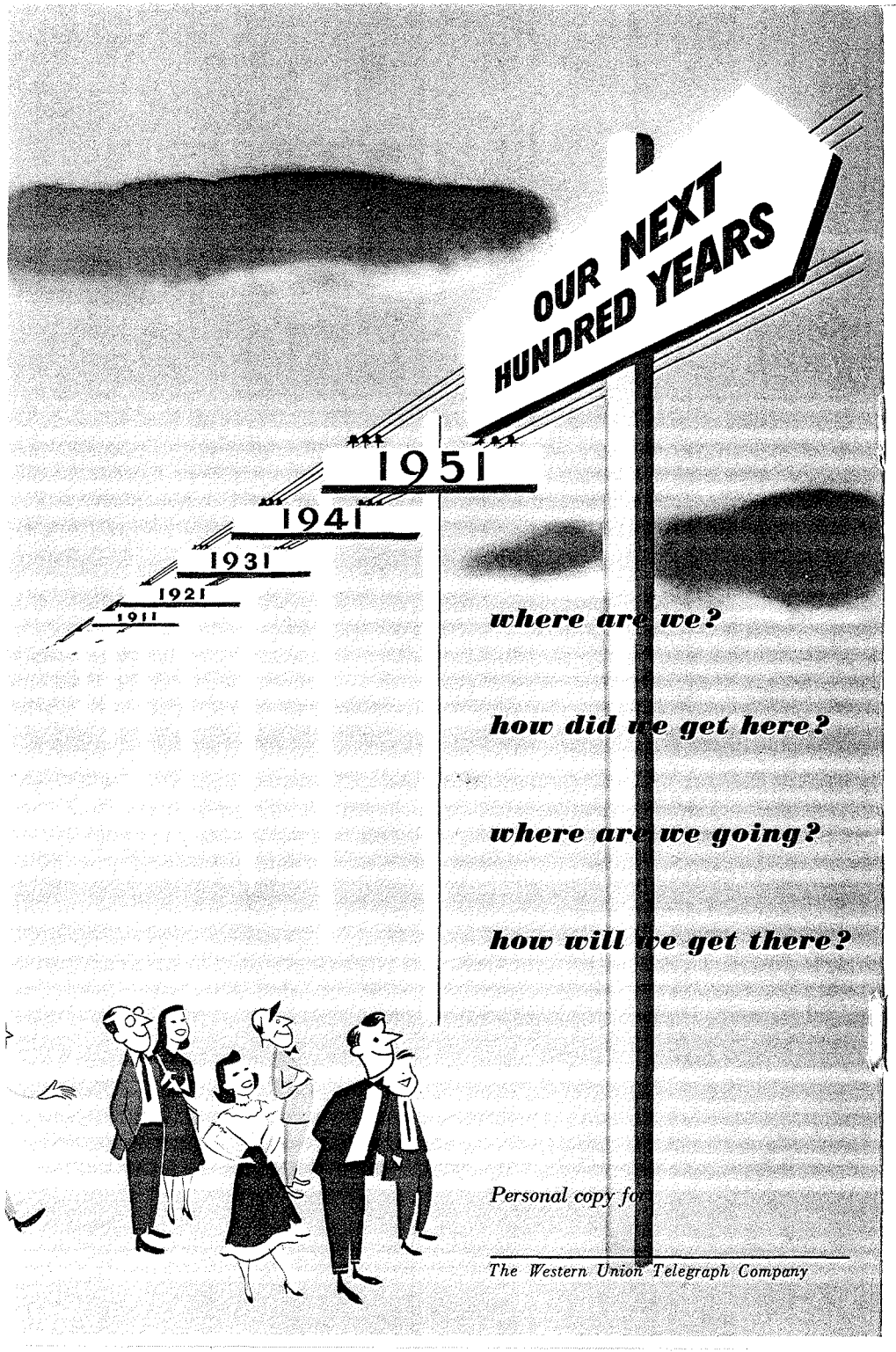
THE WESTERN UNION TELEGRAPH COMPANY
60 Hudson Street
New York 13, N. Y.

And now . . .

our next 100 years



A new century—a new challenge

We "grew up" with the USA

During most of our first century, our biggest job was to keep pace with our country's growth. We did keep pace, and became a nation-wide communications network, vital to national growth and security. Today we face a new challenge—to preserve our country's life-line of telegraphic communications.

Up to 1930 we were ahead of the game

As our nation grew, Western Union's services were needed more and more. The telephone and the mails could not take our place. Western Union made the money and raised the capital necessary to keep our plant modern. We developed the Multiplex system and the teleprinter. Our telegraph service became the best in the world.

Depression, air mail and TWX cut into our volume

In the 1930's, the economic picture changed. The depression slashed our volume and revenues while competition increased. The Telephone Company used TWX to skim the cream of the telegraph business. Government-subsidized air mail cut into our night-letter business.

World War II sent our bills sky-rocketing

During the war our business increased, but our bills—and our payrolls—got bigger and bigger. At the war's end, the costs of materials and payrolls continued to rise, but volume fell off. Our profits disappeared and losses took their place.

Vigorous action was needed to get us back on the right track

To change the threat of failure into prospects for success, steps had to be taken. This is a frank report of what has been done and what is being done to make the company's future—and yours—more secure.

Come on—I'll show you.

Hello, Uncle Wes! What's been going on at Western Union since you put me out of the smoke-signal business?

We've been modernizing our plant

After 90 years we were still doing our work by hand

Our telegraph methods—which had been "modern" in 1931— were old-hat by 1941. In an era of mechanization we were still doing much of our work by hand.

Our old methods were too costly

Manual operations were not only out of date, they were costly. Our old-fashioned methods required the employment of many, many people to get the work done.

In 1946 Western Union was paying 74.9¢ in wages and employee benefits out of every dollar of revenue. The 25.1¢ left was not enough to pay our other bills, much less leave any margin for profit.

There were new ideas we could put to work for us

Fortunately, Western Union had already begun to figure out new methods of operation. Our engineers had been working on ways to mechanize the transmission of messages in large traffic centers. Our research men were hot on the trail of electronic devices to improve the efficiency of terminal handlings. We were experimenting with new and economical types of service.

We had to "get modern" or "get lost"

Western Union needed an up-to-date plant:

—to provide modern service in a fast-paced, modern civilization;

—to make our work methods efficient enough so we could meet our payrolls, pay our other bills, and still have a profit for growth and stability.

Unless we could provide modern service—unless we could operate efficiently—there would be no future for Western Union. We had to "get modern" or "get lost."

squaw good er — I got bor costs.

Landamighty — I can't marry ALL our girls!

First came REPERFORATION to mechanize message transmission

Automatic switching meant better service, greater efficiency

Before reperforation, messages were transmitted from the office of origin to a relay center where they were gummed on telegraph blanks, carried to a routing center, sorted by routing clerks, and conveyed to operators who sent the messages on their way. With reperforation, these time-consuming steps could be eliminated by automatic or semi-automatic methods.

We tested out new techniques

First our engineers had to design the basic automatic switching equipment and then test it in selected relay centers. We also had to plan a system of reperforator switching centers across the nation. Much of this planning was started prior to World War II.

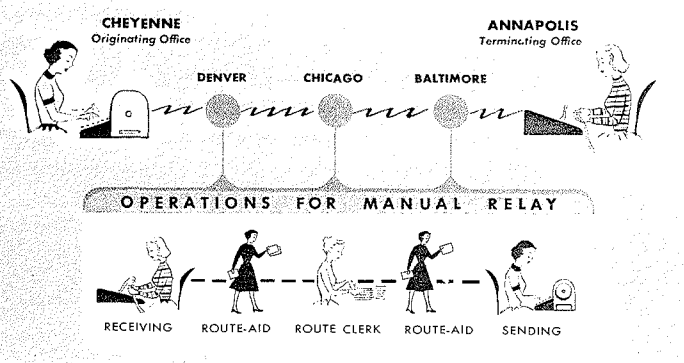
We had the right idea—but needed men, money and materials

During the war it was impossible to obtain the vast quantities of electrical and other equipment needed for our nation-wide mechanization program. Our skilled engineers and operators were busy meeting the wartime demand for telegraph service. And we had to accumulate funds for our big new modernization program.

During the war we saved our money and planned what to do when the shortages eased up

During the high-volume war years, we were able to make money and build up our cash reserves. We needed this money to mechanize our plant, to pay off a $45 million debt due in 1950 and 1951, and to buy TWX from the Telephone Company. So we saved and planned.

Under our old manual relay system messages were handled by four or five employees at each relay point.



After the war revenues began to fall

During the war Western Union's volume and revenues had increased by leaps and bounds. Costs of operation had also increased, but the extremely high volume of traffic made our war years profitable. In 1946, however, revenues began to fall dangerously. The expected post-war decline was upon us.

We needed more and more money to pay our bills—and especially to meet payrolls every week

The prices of everything we used in our business had sky-rocketed over pre-war prices—and were still going up. Annual wage payments to employees had increased from nearly $79 million in 1942 to over $141 million in 1946.

Losses of millions stared us in the face—and debts were coming due

As costs rose and volume dropped, we ended up with a thumping deficit of $11 million in 1946. We knew that if we kept this up we would not be able to pay off Western Union's indebtedness, $45 million of which was coming due in 1950 and 1951.

Back-pay award drained off a part of our savings

The savings that we had been able to accumulate during the four profitable war years were largely wiped out by a retroactive wage award of $31 million which came at the close of 1945.

We had to postpone our plans to buy TWX

We had to change our plans. We no longer had the money to carry our whole program forward. Our plans to buy TWX had to be suspended. Our main job was to get ourselves out of the red and into the black. It all added up to: mechanize fast, or else. Our program had to be completed in a hurry. Originally planned to take eight years, reperforation had to be done in four.

Rate increases went only part way

Not even fast mechanization could meet our post-war emergency in time to prevent serious losses in the first few years. With one eye on the long-distance telephone rates and the other on our 1946 deficit, Western Union secured rate relief from the FCC. But rate increases could do only part of the job. Reperforation was our big hope.

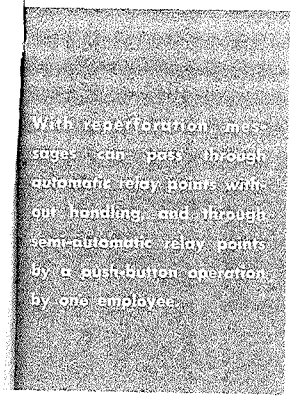
It took $30 million to install reperforation

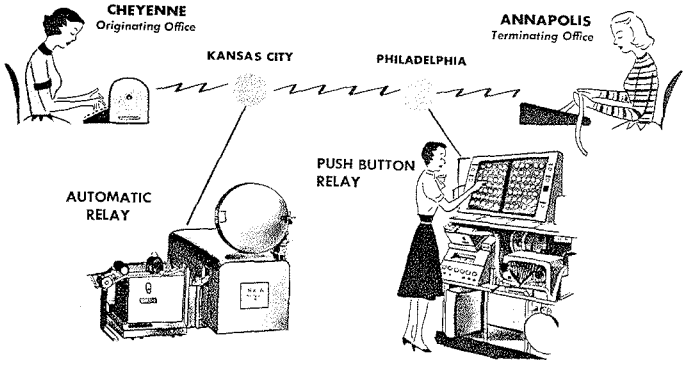
Over a period of four years Western Union invested $30 million in its reperforation system. Part of that money came from re-use or salvage of the obsolete plant and equipment. The remainder came from annual depreciation funds—the expense we have to charge against our yearly revenues to allow for the replacement of old plant and equipment so that Western Union can continue to operate.

The first step in mechanization meant millions saved

In 1949 we lost $4½ million on gross income of $181 million. Our costs of over $185 million were still too high. The economies of reperforation had not yet been fully realized. Yet if we had not mechanized—if our old manual methods had still been in effect—our operating costs in 1949 would have been $223 million instead of $185 million. Our loss *could* have been $42 million instead of $4½ million.

Similarly, in 1950 and 1951, if our plant had been operating on the old manual basis, we would have suffered heavy losses instead of earning modest profits.





CARRIER NETWORKS—

another step towards modernization

20 channels for 1!

For many years Western Union has been trying to provide better service by establishing a greater number of direct telegraph channels between major relay centers. We have also been striving to expand our capacity to be ready for any emergency increase in the message load.

The Multiplex system, introduced in 1915, permitted the transmission of as many as eight messages simultaneously over one wire, four in each direction, at high speed. It was our first big step forward. Our second major step to increase capacity of existing lines has been the development of carrier equipment.

We multiply capacity

Even after Multiplex was introduced, our biggest effort to increase capacity was through building thousands of miles of pole lines and land-line cables and physical wires. This required tremendous investment of capital funds and a heavy annual bill for maintenance.

With carrier circuits since 1946, however, Western Union—without adding to its line or wire plant—has been able to expand its telegraph channel facilities by almost 2 million miles. This was possible because carrier equipment can transform one old circuit into 20 telegraph channels.

By giving us 20 to 1 expansion of existing circuits we not only increase capacity, but are able to provide service with fewer interruptions because the FM carrier equipment (like FM home radio reception) is not disturbed by external electrical influences.

I should've thought of this a long time ago!

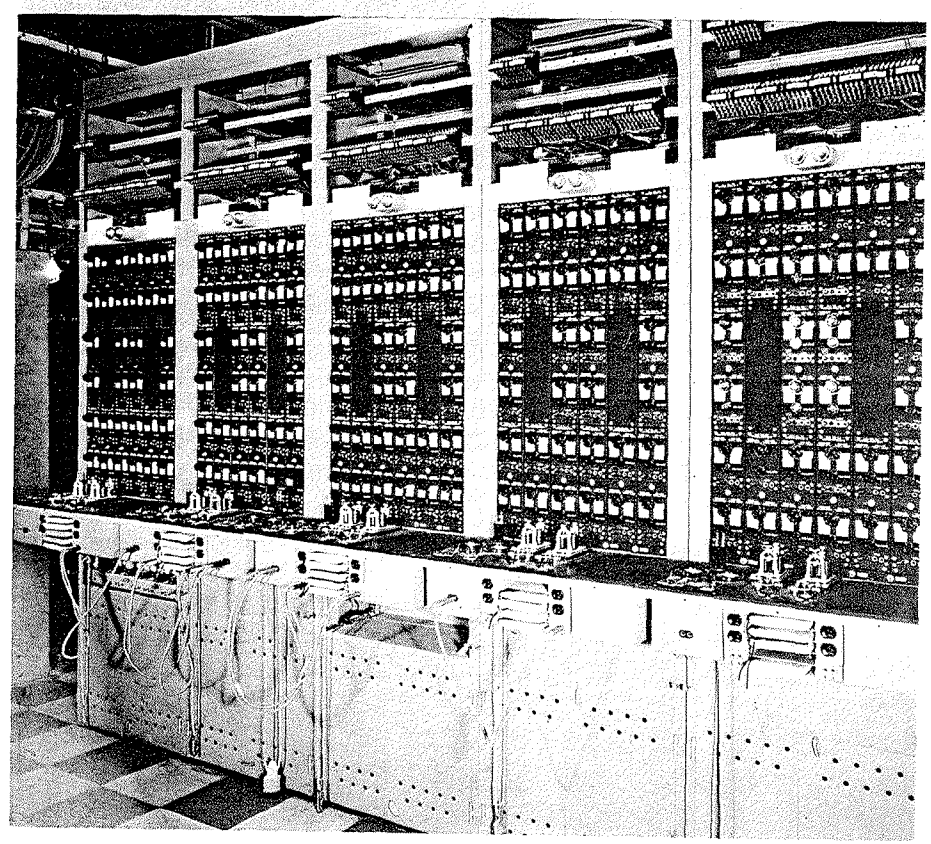
Carrier equipment expands radio beam capacity

FM carrier equipment has also been installed on Western Union's radio beam system. But whereas carrier installations increase line circuits 20 to 1, carrier equipment increases radio beam capacity many times that amount.

$12½ million spent — and more yet to be done

Western Union has invested $12½ million in the expansion of its circuit capacity through installation of carrier equipment. For the future, we contemplate the expansion of our carrier unit systems into a nationwide network of telegraph trunking circuits—a program estimated to cost an additional $8 million for carrier equipment alone.

Carrier equipment is a marvel of modern engineering. This is the centralized control and monitoring equipment for 160 channels.



MICRO WAVE,

the telegraph system of the future

Messages by radio instead of wire

By 1948 Western Union had completed and placed in operation the world's first radio beam transmission system for commercial telegraph use, linking New York, Philadelphia, Washington and Pittsburgh.

Greater capacity—more dependability—lower maintenance costs

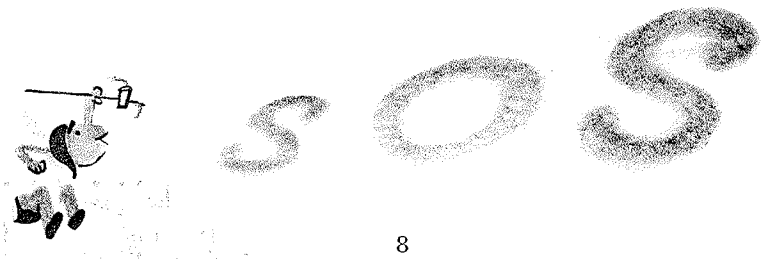
By carrier equipment on a radio beam system, it is possible to obtain a potential capacity of more than 2,000 simultaneous message transmissions, or 2,000 telegrams a minute, in both directions.

The towers in the radio beam system, located 30 to 50 miles apart, replace the old pole lines. As a result we will get tremendous and expanded capacity for less investment in plant.

Further, once our nation-wide beam system has been completed we will no longer have the heavy costs of plant replacement and maintenance required by pole lines. Revenues now absorbed by these activities will in the future be earnings we can devote to company growth, better service and job improvement.

We need a system ready for any emergency

The speed and extent of the expansion of our radio beam system—a key part of our plant modernization program—will depend on the economic conditions of the company and the demand for circuits.



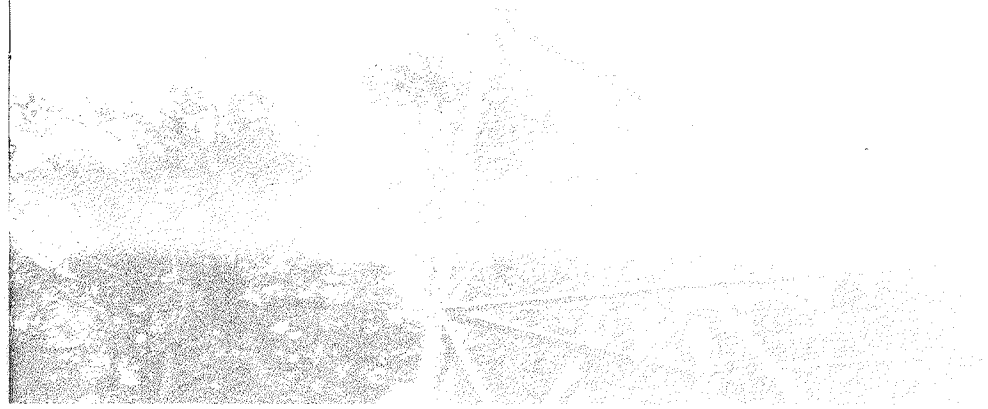
So far the company has surveyed routes and acquired tower sites, as far West and South as Minneapolis, Kansas City, Dallas and Atlanta. In addition, the sites required to extend microwave transmission to the West Coast have been surveyed and the overall network planned.

This expansion of our microwave system is in the national interest. Service interruptions due to ice, high wind and falling trees will be eliminated through radio beam transmission. Adequate capacity will exist to meet all foreseeable demands resulting from national growth or emergency. Also a beam system can be more readily protected from sabotage and maintained more securely in time of war.

Wanted: money to do the job

So far Western Union's venture into microwave radio beam transmission has cost more than $2½ million. Yet only a small segment of our beam system has been completed.

At present each tower costs $40,000 to build—and at that investment per tower, it would take $40 million to complete a nation-wide beam system. However, if we can reduce the cost of each tower to $10,000—as we are now trying to do—we may be able to go ahead with our program sooner than would be possible otherwise, though the steady rise in the cost of the radio equipment itself is another cost barrier to expanding our beam system.



We've been creating NEW SERVICES to attract new customers

Our post-war competition was hotter than ever

Although we acquired Postal Telegraph during the war, three powerful competitors had taken Postal's place.

The U.S. Government had set up its own telegraph network, which operated—and still operates—in direct competition with Western Union, by soliciting business from various government agencies.

Air mail, subsidized by the government, had become "big business" —handling billions of letters a year.

The long-distance telephone had become an even bigger competitor. Improvements in telephone service had made two-way voice communications more convenient than ever. Because of war-time restrictions on telegraph usage, people got into the habit of using the telephone instead of the telegraph. Reduced long-distance telephone rates (in the face of increased local service rates) had narrowed our price advantage.

We were losing our big sources of volume

By 1946 the telephone companies were taking away over $33 million worth of telegraph business a year. Our night-letter business was starting to drop from its wartime levels.

War-time service restrictions had almost destroyed our pre-war revenues of $6 million in greetings messages. The excise tax was also cutting down our social and business revenues by an estimated $10 million a year. Between $7 and $8 million in annual business was being lost through diversion of government business to competitive means of record communications.

We needed new revenues to help cover our costs

Volume was falling and costs were rising. Our ability to ask for rate increases was limited by fear of being priced out of the market by the telephone. To cover our costs we needed additional revenues from

old customers—but we knew that those additional revenues wouldn't be enough. We would also have to build *new* revenues from *new* customers.

Terminal handlings—an old problem with a new look

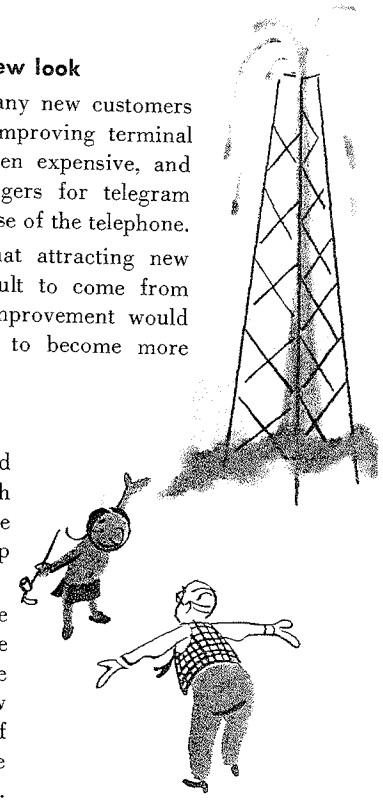
Western Union people have long realized that many new customers might be won if we could find new means of improving terminal handlings. Our messenger service has always been expensive, and the many delays experienced in getting messengers for telegram pickup and delivery have turned customers to the use of the telephone.

At the same time, all of us have realized that attracting new customers would not be the only beneficial result to come from improving terminal handling service. Such an improvement would have the most important result of enabling us to become more efficient.

It's service that sells

If we were to gain the revenues we needed, new and improved services were required — services which were still on the drawing-board at the end of the war because time, materials and money to develop them had not been available.

But after the war was over — even though we did not have anywhere near as much money as we needed to do the full job — we began to turn those blueprints into reality. On the pages which follow we sketch out some of these newest "products" of Western Union — products which are now on the market, ready to serve and attract new customers.



Oil well easier way to make a living.

I could use a couple of oil wells myself!

TELEFAX—magic messenger

The terminal handling system of the future

The sending and delivery of most telegraph messages has involved the use of the telephone or of our messenger service, except in business offices equipped with direct teleprinter tie-lines.

Each telegram has required the personal attention of several Western Union people, so that during busy periods delays were inevitable. Also, costs of handling were high.

With the development of Telefax we began to see a possible break in the log jam of service delay, and we saw in it another way to cut down on wasteful methods of operation.

From customer to central office untouched by human hand

Telefax—which is a method of transmitting facsimile messages by telegraph—enables the customer to send and receive messages without the delays of pickup and delivery.

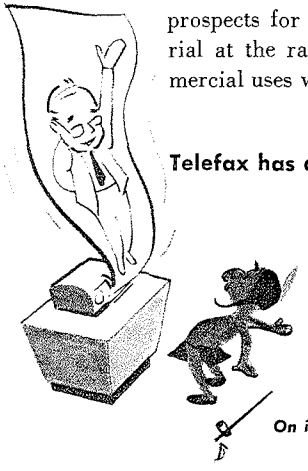
Customers of the future—in their business offices, hotels, apartment houses, stores and railroad stations—will be able to transmit telegrams through various Telefax instruments.

High-Speed Fax—Telefax in 7-league boots

Another form of facsimile message transmission which holds exciting prospects for future use is the high-speed fax which transmits material at the rate of 3000 words per minute. We believe many commercial uses will be developed for this speediest of facsimile methods.

Telefax has already started doing its bit

Although we refer to Telefax as one of our great hopes for the future, this miracle messenger has already been put to work to improve our services and thus to bring in more telegraph business. The next three pages describe how Telefax is now being used and where we hope to go in the years ahead.



On it, you look good!

"FAX" for social and [illegible]

A mechanical agent for "cliff dwellers"

Autofax—a special form of Telefax—is now being used in hotels in two trial cities. Through Autofax the customer is able to send messages directly to the central office. This same machine will receive a message for a patron and seal it to insure privacy.

Autofax attracts patronage because of its speed and convenience. At the same time it enables us to provide this speedier service at a reduced operating cost.

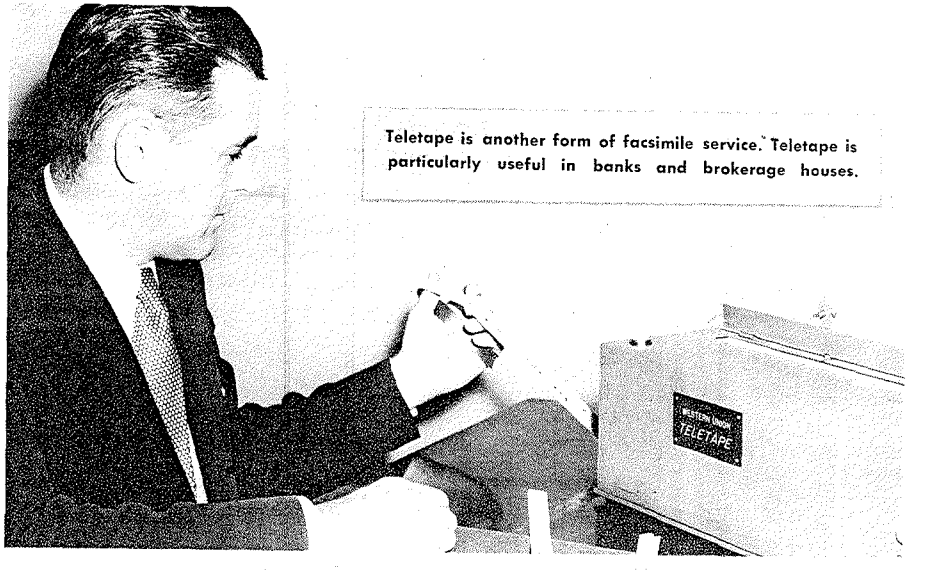
Telefax goes to work in department stores

Our most recent trial installation of Telefax has been in a department store in a large Eastern city in which Telefax is used to send merchandise orders from the store to its warehouse, greatly speeding the store's delivery schedule.

Other special uses of Telefax are now being tried out. We are discovering that facsimile transmission can be tailored to fulfill special needs for many types of businesses.

We've got a job to do to make it do the job

The greater volume of telegraph business stimulated by Telefax makes us keenly aware of the volume we are NOT getting in the thousands of locations where Telefax has NOT yet been installed. So we've got a big job of earning and conserving money — so we will have the funds needed to extend Telefax installations.



Teletape is another form of facsimile service. Teletape is particularly useful in banks and brokerage houses.

DESK-FAX

to build up our business file

A special service to fill a special need

To win more telegraph volume from our smaller business accounts we had to make telegraphing easier and quicker. So we built Desk-Fax.

—as easy to use as the telephone—but cheaper for long-distance messages.

—faster than any messenger service could be.

The machine that acts like a messenger

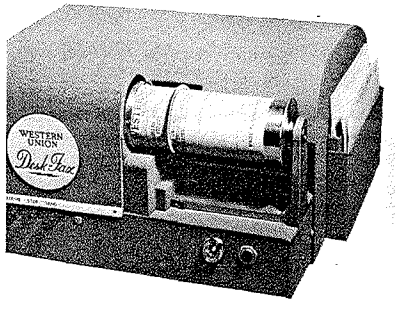
Desk-Fax messages are sent by wire directly from the customer to our central office. From there it is conveyed over regular Western Union facilities. Thus, customers equipped with Desk-Fax are saved valuable time—no waiting for pick-up; no delays in delivery.

It's quicker, cheaper, and brings in business

The customer who uses Desk-Fax uses *more* telegraph than before. He finds it easy to use—quick—inexpensive. He is not so apt to pick up his telephone for long-distance calls when Desk-Fax is at hand. Desk-Fax is bringing us a bigger volume of business because it's a modern service that out-performs our competitors.

With another $10 million to invest, we could put Desk-Fax to work in a big way

Desk-Fax does not answer all our problems—but it does answer the problem of giving fast and inexpensive service to a large segment of our customers. And among these patrons Desk-Fax is a volume-builder. To win most of this potential added volume, Desk-Fax ought to be in all cities of 100,000 population or more. What stands in the way? Just an item of $10 million. We need this much money — maybe even more — to develop all these smaller accounts into bigger users of telegraph.



The Desk-Fax transceiver is a small unit, specifically designed for use right on the desk of the customer.

TELECAR—*the messenger on wheels*

Especially designed for neighborhood service

Message delivery in scattered residential areas has always presented its own special problems. In many such neighborhoods a branch office would serve little purpose since it could not be located near any major concentration of customers.

To improve neighborhood delivery service, we began experimenting five years ago in Baltimore to develop Telecar—a motor vehicle equipped with Telefax to receive facsimile messages, and with a radio telephone for oral contact with the central office.

It's got speed and customer appeal

Our Baltimore trials show that Telecar is potentially the speediest system yet developed for delivery in residential neighborhoods. Furthermore, the customers like the whole idea. As soon as all the bugs have been eliminated from Telecar equipment design, we'll be ready to extend this service to other communities.

Every Telecar costs quite a bit

Since every Telecar messenger must have a motorcar, properly equipped with Telefax and radio-telephone units, it's going to cost $4,200 every time we put a new Telecar into service. However, if Telecar can reduce operating costs as well as improve service, we shall all benefit through expanding this service to the extent possible.

For business communications in volume

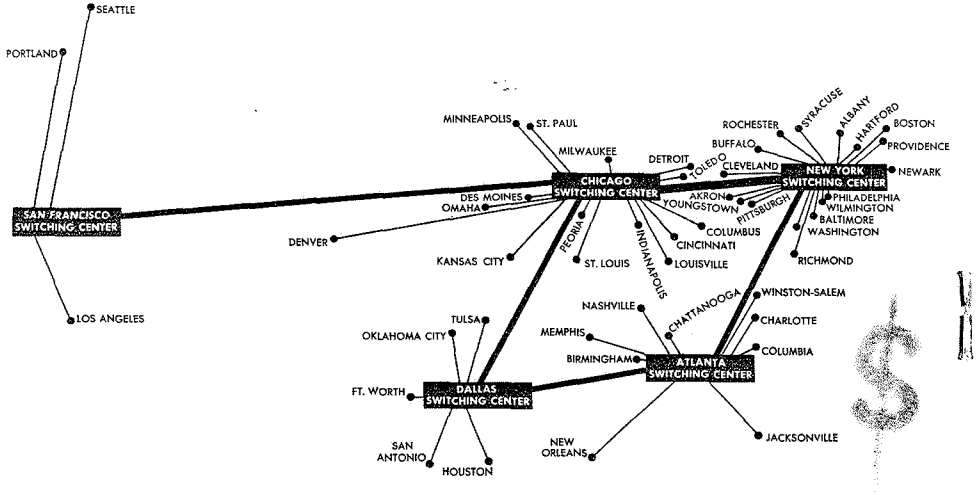
PRIVATE WIRE SYSTEMS

A service to Big Business

To handle big volumes of messages for "big business" patrons we developed our private wire systems.

The special wire services developed for such patrons as General Electric, U. S. Steel, banking organizations, and United Air Lines are really separate telegraph systems within our own system. Yet they enjoy the great advantage of being able to transfer messages to Western Union's nationwide network whenever they wish to escape the limitations of their own private-wire hook-up.

A special private-wire system developed for the U. S. Air Forces has provided this branch of our armed services with a means of rapid record communications essential to our country's defense efforts.



The Western Union Bank-Wire System connects member banks throughout the country.

Message Switching Center, General Electric Private Wire System

President Marshall sends the first message over the Bank Wire System.

Streamlined systems for streamlined service

Our private wire systems for major patrons represent an engineer's dream of streamlined record communications. Nowhere in use today are any systems of record communications as speedy, accurate, and modern as Western Union's private wire systems.

They are bringing in the volume

Our private wire systems are helping build up Western Union overall volume. And volume is as essential to Western Union as blood is to the human body. The next two pages explain why.

We've been working hard to . . . BUILD VOLUME

We have to keep "open for business"

Western Union is a public utility—which means that people everywhere expect to have access to Western Union's nation-wide network of record communications — 24 hours a day, 7 days a week.

For years we have provided service in hundreds of places where our revenues have been too small to cover our costs. Despite our efforts to shift to agency operations to cut some of our losses, we still must operate over one thousand deficit offices.

Unless we can get volume, we can't break even

Because we must always be "ready to serve," a certain number of operators must always be on the job — maintenance must be kept up — the system as a whole "on the alert."

We "break even" only when enough volume comes in to pay the payroll and other costs incurred in keeping open for business.

Every dollar of revenue above break-even point has some pennies of profit

Though costs are high up to the break-even point, we can earn reasonably good profits once our volume of business begins to rise above the break-even point. This is because we can handle a lot of *extra* business above break-even with the same channel facilities and with moderate increases in personnel.

As an example, we lost $11 million in 1946 because our volume had plunged below the break-even point. In 1947, however, due to a six-week telephone strike, our volume zoomed. We grossed $23.7 million more in 1947 than in 1946, while our expenses rose only $1.5 million. Result? Instead of losing $11 million we enjoyed a $9 million profit after paying over $2 million in Federal taxes.

To build volume we studied our customers' needs

In the last few years we have undertaken market research to find out what kinds of service our patrons wanted most. Our new services—Desk-Fax, Telefax, Private Wire Systems—have all been the result of trying to meet customers' requirements.

We pushed retail sales

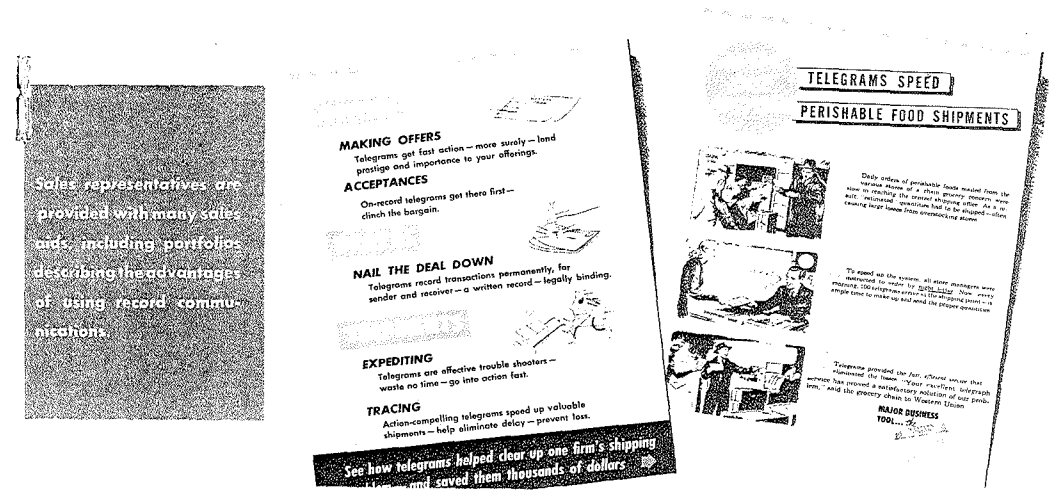
To try to build our volume still more, we have tried to make every Western Union employee aware of the importance of "just one message more." We have shown operators and branch office clerks how much more business we can attract if they encourage customers to make full use of Western Union services.

"Talk isn't cheap"

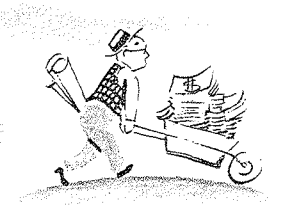
We have carried on a sales program to demonstrate to business organizations that talk isn't cheap. We've underscored the importance of having a *written record* of business transactions to avoid costly mistakes. We've shown that the "3 minutes for only . . ." is a snare and a delusion, since once you get on the phone you'll talk much longer than three minutes.

We've stepped up our advertising program

Our retail sales program and personal contacts with customers have been backed up by an expanded advertising program. We are reminding the public that we have a valuable service at their disposal and that we are ready to serve 24 hours a day.



We've been trying to get cash . . . to build for the future



To "get modern" we needed millions—at a time when our cash had been drained away

Western Union's program to modernize its plant, develop new services and secure more volume came at a time when our cash had been drained away.

It was going to cost millions to modernize — yet it had to be done. The safety of the nation requires a record communications system that will meet every emergency need. In the national interest as well as for our own sake, we could not allow deficit operations to destroy our system.

Our chances of earning the money looked pretty slim

In 1946 volume was falling sharply. Huge losses seemed certain for the years ahead. (We had no way of knowing that the telephone strike in the following year would pump enough volume into the telegraph business to give us a profit for 1947. In 1948 and 1949 — with that volume reverting to our competitor — we suffered the annual deficits we had feared would occur.)

Our lowered credit rating meant we couldn't borrow enough

Western Union's credit rating was plunging as our fortunes waned. During most of our first century, our reputation for financial soundness had been outstanding. Our capital stock was highly regarded as an investment. Our bonds had been rated among the best. But with slim prospects for earnings and a $45 million debt to pay by 1951, few investors seemed to think we had much chance to pull through.

So we looked for cash wherever we could find it

We were in a situation where we had to have cash — and lots of it. Here are some of the things we did to get it . . .

I could use about 196,000,000 more just like that one!

Our buildings were turned into cash

Western Union converted some $27 million worth of capital assets into cash. Most of these were company buildings which we were able to sell for cash and rent back for our continued use. The money raised from the sale of buildings was used to help pay off our 1950 and 1951 bonds — so that other funds could be used for our modernization program.

Railroad contracts were renegotiated

At the close of World War II Western Union had contracts with various railroads covering more than 200,000 miles of pole lines located on their rights of way. Under these contracts, Western Union had to share the expenses of construction, maintenance, operation and replacement of the lines although in many locations their usefulness was a thing of the past. To save these expenses and secure more cash for our program, we began in 1946 to renegotiate these contracts, selling our interest in many of the lines to the railroads and retaining only those parts we still needed.

We paid off some of our old debts to save high interest rates; secured a new loan at lower rates

In 1946 Western Union was paying nearly $4 million a year in interest on its $80 million bonded debt. Our loans, made before 1931, carried interest rates of 4½% and 5%. As rapidly as we got the money from selling our buildings or other assets we put it aside to buy back our 1950 and 1951 bonds (amounting to $45 million). By 1950 we paid off this part of our indebtedness. By paying off the 1951 bonds a year early, we saved $611,440 in interest charges.

By the second half of 1950 Western Union's credit position had begun to improve. In September we secured a loan of $12 million at 3½% for use in our modernization program, approximately $7 million of which has been repaid. We also have outstanding $35 million in bonds due for payment in 1960.

We've been hot on the trail for new ways to improve service

Better service our goal

In Western Union laboratories our scientists and engineers are constantly engaged in a never-ending effort to extend and improve the techniques of record communications.

Western Union engineers are thinking now of the brand of telegraph service that will be needed ten, twenty or more years from now — of ways to give better service to create greater customer satisfaction. They are developing the equipment and methods to provide it.

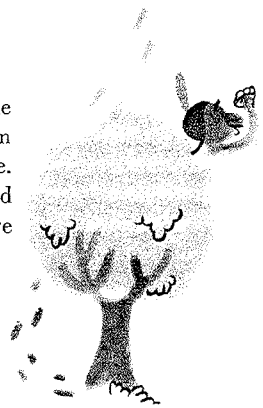
Our program of plant modernization and improvement began with their experiments in the 1930's. It is constantly revised and refreshed by new ideas.

New methods one answer to better service

The development of mechanized operating methods, using the latest electronic discoveries to speed the transmission and handling of messages, is helping develop better service. New methods spell faster, more accurate transmission and delivery — fewer service delays and interruptions.

New services also play a big part

Our trial and experimentation with new services like Telefax and private wire systems have already proven their power to attract new customers and build up volume. They too spell faster, more accurate transmission and delivery, fewer service delays and interruptions, more service for your money.



Low-cost towers for high-service microwave

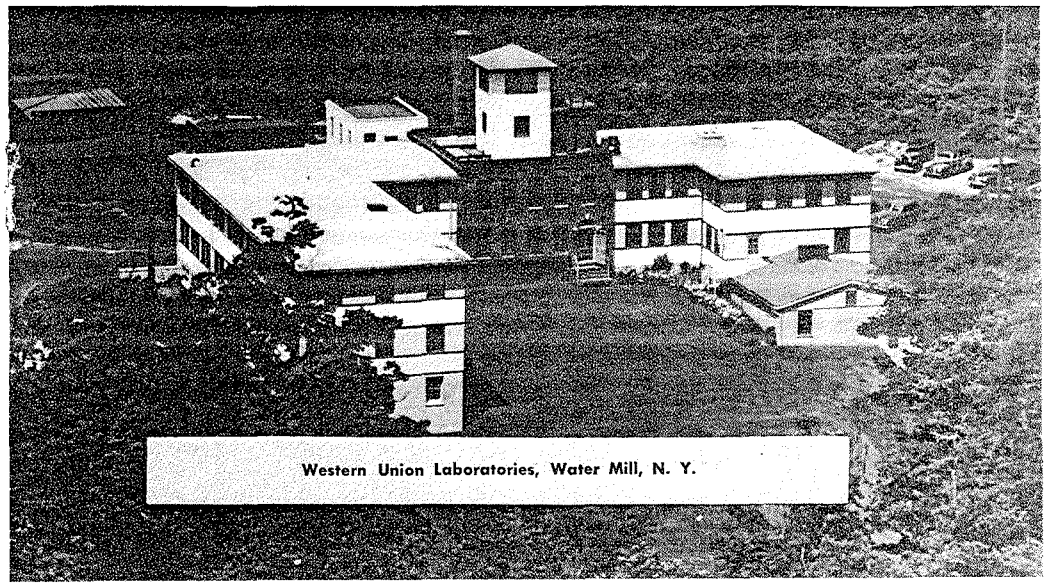
Our engineers are trying to help us hasten the day when we can expand our microwave system — a sure step toward better service. What they are doing is experimenting with a low-cost radio relay tower to determine whether the heavy radio equipment (which in the usual type of tower is located at the top of the tower) can be located in the bottom of the tower instead. This would permit the building of a tower of lighter construction, hence lower cost. And the sooner the cost of expanding the microwave system is reduced, the sooner we can afford to go ahead with the job.

We want to give automatic switching a local slant

We are also attempting to apply reperforator switching principles to the automatic transmission of messages through central offices to local offices and tie-line customers. Here again we have called on our Development and Research group to help us take this next step forward. Automatic switching to local patrons would greatly speed up service in large cities like New York, Chicago and Washington.

When you talk about research — you're talking "heavy sugar"

Our bill for research in the past six years adds up to $12 million. Yet without research we would be as out-dated as the horse and buggy or the moustache cup. And unless we keep our research going strong we can again fall behind the times in an era when today's marvels are tomorrow's cast-offs. It will take $2½ million a year on research to keep us in step, but it's money we've got to spend.



Western Union Laboratories, Water Mill, N. Y.

We've changed the company setup to get greater efficiency

Mechanization called for new ways of working

As traffic became centralized in our 15 major reperforation centers and volume fell off in the old relaying centers they replaced, new methods of organizing and carrying out our work were called for.

The new telegraph system was more technical, more closely tied together, more like an industrial production system than ever before. New relationships between departments, new administrative techniques, new functions and a new setup in the field were needed to operate our new system with the greatest efficiency.

New services meant new responsibilities

Even before we began to offer our customers mechanized service and the convenience of facsimile devices to speed their messages into our reperforation system, the coming of these new services forecast new responsibilities for many Western Union people.

The task of designing, installing and maintaining our equipment demanded different technical know-how. New skills in switching messages and operating equipment were required. The job of management and administration grew more specialized.

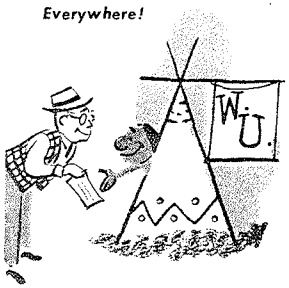
Ideas had to be worked out, tested, and taught to our people. Assignments and responsibilities had to be spelled out.

Our emergency situation demanded a more coordinated management

By 1949 Western Union was in the midst of a tremendous program of plant modernization, revenue development, service improvement and reorganizations under the pressure of continuing deficits, falling revenues and the prospect of further increases in costs.

Changes in outside economic forces and in operating conditions in the field were taking place constantly. The task of planning and coordinating management's actions was a huge one. The need for maximum efficiency required a "team" approach.

That's us — Western Union Everywhere!



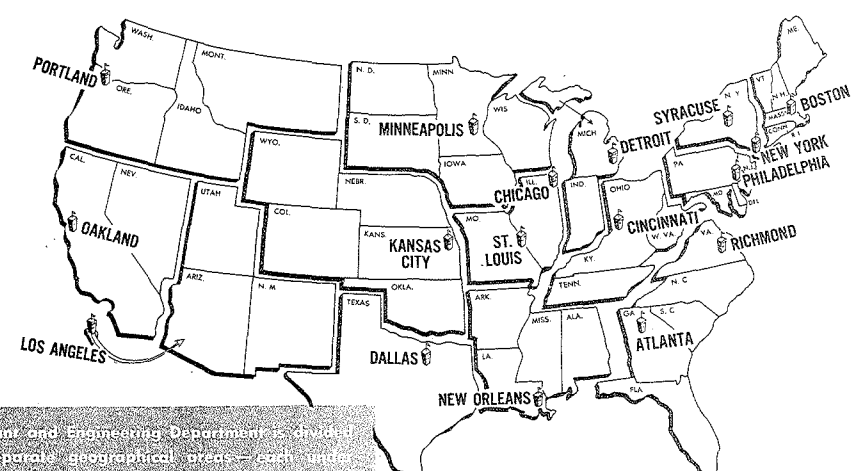
This office is on my old reservation.

A new "Operating Department"

Prior to 1949 two separate departments were engaged in the reception, transmission and delivery of telegrams. Traffic was responsible for transmitting the messages over the wires. Commercial handled incoming messages and delivery of messages, and was also responsible for revenue development. In July 1949 we integrated these two departments into a new Operating Department to develop a better team relationship within the company.

The Plant Department — now Plant and Engineering

A realignment of our technical and engineering groups brought further improvement to our organization. Into the Plant Department — already responsible for the installation of telegraph equipment, construction of telegraph offices, the construction and maintenance of pole lines, and for maintenance of a major part of our telegraph equipment — we transferred the Applied Engineering personnel and the Testing and Regulating personnel. This meant consolidation into a single department, under the direction of one officer of the company, responsibility for engineering, installing and maintaining the physical plant required in the company's operations.



The Plant and Engineering Department is divided into separate geographical areas — each under the supervision of an Area Superintendent.

Training class for Western Union operators.

Research and Development a separate department

The separation of Applied Engineering personnel from the Engineering Department made it possible for the new Development and Research Department to concentrate upon the task of developing equipment, techniques, methods and processes to solve present and future problems without the interference of day-to-day applied engineering problems.

We spent $4 million to give Western Union people more technical know-how

Our new methods and our extensive mechanization required the teaching of new techniques to thousands of Western Union people. Over the past six years in classrooms throughout the country the men and women of Western Union were taught the new techniques they needed to acquire.

Always alert to learn new and better ways of doing things, Western Union people rapidly absorbed this new knowledge — put it to work in the interests of better service. This was $4 million well spent.

We set up a top-level Operating Committee

Teamwork at headquarters was as essential as teamwork in the field. To promote a team operation at headquarters a nine-man Operating Committee was established to coordinate the company's over-all activities.

The Operating Committee represents highest company management reporting directly to President Marshall. The Committee meets once each week to consider questions of major company policy and to seek solutions to the company's operating problems.

The outstanding work performed by our Operating Committee is of greatest importance in our efforts to build Western Union's future on the firm foundation of sound business practice.

WALTER P. MARSHALL
President

THOMAS F. MCMAINS
Vice President and Assistant to President
CHAIRMAN OF OPERATING COMMITTEE

OPERATING COMMITTEE

E. R. SHUTE
Vice President, Operations

J. W. RAHDE
Vice President and Comptroller

J. L. WILCOX
Vice President, Employee Relations

H. P. CORWITH
Vice President, Development and Research

S. M. BARR
Vice President, Plant and Engineering

EVAN R. WHEELER
General Purchasing Agent

K. B. MITCHELL
Director of International Communications

G. S. PAUL
Assistant Vice President, Operations

The government's policy has been a stumbling block

The basic causes of Western Union's difficulties, beginning in the early 1930's, have arisen from the lack of a sound national policy concerning the communications system in general and particularly record communications.

On one hand, the government requires Western Union to maintain a nationwide network to provide telegraph service, even in locations resulting in deficit operations. On the other hand, the government takes away a large volume of telegraph business through the operation of its own telegraph network — subsidizes the air mail — and permits the telephone to take away an even larger volume through the operation of TWX.

Outside Engineers blame forces beyond our control

In 1948 a firm of outside industrial engineering consultants studied our operations. In a report dated July 11, 1949, they stated:

> "Eight external factors, only partially controllable by Western Union, have exerted increasingly adverse pressures on the company's business over the past twenty years.
>
> "The Company, although an alleged monopoly, is required to compete in the domestic field with three of the most powerful groups in the world: the U. S. government itself, air mail subsidized by the U. S. government, and the telephone companies."

Eight problems require government action

The consultants, in their report, listed these eight problems requiring government action:

1. Competition from AT&T long lines on which rates have been reduced while local toll charges have gone up.
2. Competition from AT&T's TWX and leased wires, which skim the cream of the business at uneconomically low rates.
3. Competition from tax-subsidized, low-cost air mail.
4. The 25% excise tax which discourages telegraph use. (We did get this partly reduced.)
5. Government operation of war-born private wire systems.
6. War-time government restrictions on social telegraph use. (Even though these restrictions have now been lifted, we are still suffering the consequences, since many people got in the habit of using the telephone in place of the telegraph.)
7. Insufficient company income to support high wage costs.
8. The problem of maintaining hundreds of deficit offices.

Independence is our goal, but Uncle Sam should help

Western Union intends to keep on being a privately operated independent record communications company. We want to continue to operate a nation-wide network as a public service. We want no part of government ownership or subsidy.

If these aims are to be accomplished, however, national policy must be formed which will help achieve them. The present policy and activities of the government are a stumbling block to our progress which should be removed. Knowing this, we have taken every possible step to make our point of view known.

We've presented our case to the government

On November 17, 1950, at the request of the government, Western Union submitted a report to the President's Communications Policy Board outlining our recommendations for national policy governing domestic record communications services and the reasons behind them. We asked that as a minimum:

1. The activities of a communications carrier should be limited to either the record or the oral field of communications. As a result AT&T would be required to release TWX and its leased wire business to Western Union just as we have already sold to them the telephone system formerly run by Postal.

2. The government should obtain its own record communications from the telegraph company and its voice communications from the telephone companies instead of operating its own systems.

3. Legislation be adopted which would permit a merger of international carriers with Western Union as the nucleus around which such a system would be developed.

4. The telegraph excise tax should be completely eliminated.

We got Congress to reduce the excise tax

Western Union's domestic message volume began to show a steady downward trend following World War II. This was due in part to the natural reduction in volume following cessation of hostilities and in part to the volume-depressing effect of the 25% excise tax. By 1950 the excise tax was costing our customers an extra $37.4 million a year.

Finally, in 1951, we persuaded Congress to lower the tax to 15%. The balance of the tax should also be repealed and we are going to keep on trying.

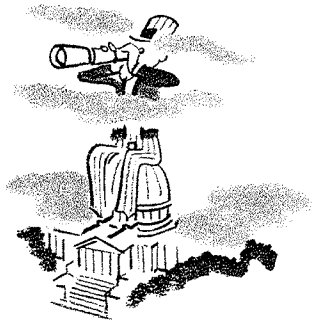
The FCC okayed more agency operations

In the last five years we have secured FCC approval to shift 315 deficit offices to agency operation. As of the close of 1951 we are still operating over one thousand offices where the revenues are not sufficient to cover the costs of keeping the offices open. These losses must be offset by our operations in other offices.

We got rate increases—but they are not the best answer

After securing approval from federal and state commissions, Western Union got two rate increases worth about $36 million in 1946 and another in 1951 worth about $10½ million to help meet rising wage costs.

But rate increases, even under the best of circumstances, create a sales problem, particularly in a highly competitive industry like ours.



Because we've done all these things — we've begun to see happy results

Six years ago we were a lot worse off

In 1946 the future looked pretty bad. We were going to have to pull ourselves up by our own bootstraps. There was no sure way to avoid serious losses.

Mechanization of our plant was going to help cut costs, but no one could tell how much or if it would help in time. New services and more active selling could help build up our revenues, but the question was how much and when.

Our whole program was hope and faith — and hard work.

We had to act *fast* to save our necks — and we *did*

Everything had to be done at once. We had to cut costs, sell more and serve better at the same time, even though one step sometimes interfered with another. We were up against a deadline of time and a shortage of money.

We had to keep our program in the best possible balance and find the best possible compromise when the need for sales or service conflicted with our need for savings. We had to act fast to save our necks, so we really got moving.

In getting out from under, we kept our eyes on the future

Fortunately, most of the steps we had to take to meet the emergency were also going to be helpful in the long-term future. If we could get back in the black by 1950 through our program, we might be able to operate profitably from 1951 until 1960 when our $35 million bond issue will come due.

If nothing interfered in those years we might be able to save enough to bring our plans for automatic switching, radio beam transmission and facsimile to the point we wanted — to a new Western Union — a telegraph system using modern methods able to serve profitably in a modern economy.

By 1960 we might once again be as strong as we were in the 1920's. If we could accomplish that, our next 100 years could be better than ever for everyone concerned.

We saved ourselves a tremendous deficit

From 1946 to 1950 — adding good years and bad — Western Union lost a total of $4 million, despite the fact that reperforation was gradually cutting our costs and rate increases had partly offset the bigger bills we were having to pay each year.

If these two steps — mechanization and rate increase — had not been taken, Western Union would have lost an estimated $200 million in those years — a loss we couldn't possibly have survived.

We got hold of money to invest in our future

During those same years Western Union managed to secure the millions needed for its major modernization efforts. $24 million came from salvage of obsolete equipment. The rest we got from that part of annual revenues set aside for "depreciation" — which is money we must use for replacement of out-worn facilities and equipment. We sold assets to help pay our debts.

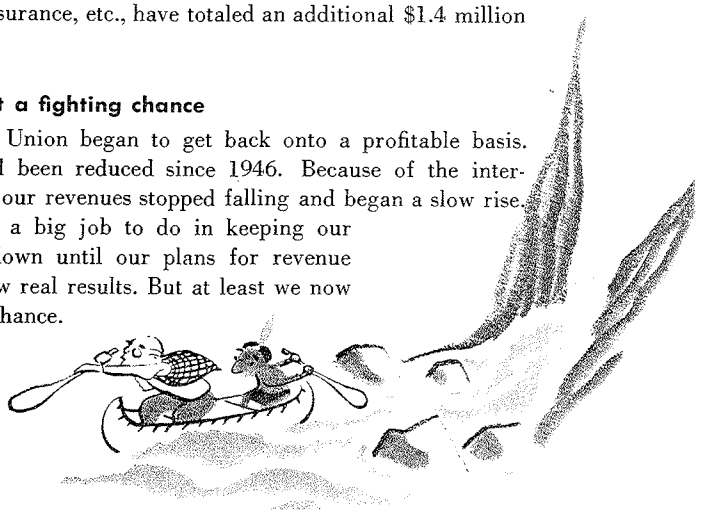
We made progress in making Western Union a better place to work

Since 1945 the average hourly earnings of Western Union people have increased from 83.4¢ to $1.63. In these years more than 17,500 people have been made eligible for our pension plan. During this period improvements in employee benefits, such as vacations, sickness benefits, group insurance, etc., have totaled an additional $1.4 million a year.

Now — we've got a fighting chance

In 1950 Western Union began to get back onto a profitable basis. Our expenses had been reduced since 1946. Because of the international situation our revenues stopped falling and began a slow rise.

We've still got a big job to do in keeping our operating costs down until our plans for revenue improvement show real results. But at least we now have a fighting chance.



We have plenty of problems still

We're a public utility

We still have the problem of supporting many deficit offices and of maintaining large standby facilities and force. Our operating costs cannot be easily reduced when volume falls off. We are still skating on thin ice between our revenues and our costs.

The big sources of volume are still being drained off by others

The excise tax at 15% is still reducing our volume. The government-operated telegraph system is still cutting our volume by millions of dollars a year. TWX and private wire services of AT&T are now drawing off more than $52 million in revenues.

Long-distance telephone and air mail are tough competition

AT&T (while increasing local rates) has continued to reduce its long-haul rates, narrowing our price advantage on messages sent over long distance. Air mail has continued to cut deeper and deeper into our night-letter business.

We're still hard up for the big money we need

Western Union still has no source other than its revenues from which to gain the funds we need to continue our program of plant modernization. Our credit position has improved, but the many millions required to buy TWX, build a microwave system, fully expand the use of Telefax, etc. cannot be borrowed until Western Union's earnings are adequate and stable.

Western Union must still pull itself up by its own bootstraps in the next ten years.

But we've got a lot of [illegible]

We've got a service our nation needs and wants

The demand for record communications is high and continues to grow. The nation needs an independent, privately-owned record-communication system.

If we can get a proper national policy by which all record communications business is allocated to Western Union, we will be in a better position to earn the money we need to improve both our service and our jobs.

We've got the know-how to provide it

Western Union people have learned quickly the in's and out's of our newly mechanized system. With nearly 7500 of our people having 30 years or more service, and another 8300 having telegraph experience of between 20-30 years, Western Union has a tremendous reservoir of know-how to meet whatever demands for service the future may bring.

We've organized ourselves to do the job

Western Union has already made great strides toward making ours the most efficient communications company in the world. We have developed new ways of working together to meet our new responsibilities. With time and experience to test these changes and improve our teamwork we can become ready to meet any responsibility economic conditions or national security may impose.

We're going to make Western Union greater than ever

We of Western Union aim to continue to provide the best record communications service at the lowest possible cost to fill all types of customer needs.

We're going to put our time and talent and all the money we can scrape together into improving that service as rapidly as our ability to develop new methods and our financial resources will permit.

We want to create a new Western Union that will give each of us the greatest possible satisfaction on the job, an opportunity to live comfortably, and the security in older age that comes from an assured income and knowledge of a job well done.

We've got A PLAN . . . . . and a PLANNING ORGANIZATION to map out every detail

Planning is one of our biggest jobs

Western Union has a big job to do in the next ten years. The course of our next 100 years depends on how well we do that job. Every step we take must be carefully studied and planned in detail to take advantage of every opportunity.

We've set up a planning organization

The job of planning Western Union's future, down to the smallest technical improvement or operating change, has been made a special job in Western Union headquarters.

Selected staff people in every major department have been assigned to this job and relieved of all other responsibilities.

To coordinate the activities of the people assigned to the planning function, a Planning Committee has been set up. Members of the Planning Committee have grown up in the telegraph business and the Committee, as a result of its broad experience, looks on our problems with company-wide perspective.

PRESIDENT

OPERATING COMMITTEE

PLANNING COMMITTEE

C. M. Brown
Plant and Engineering

I. S. Coggeshall
International Communications

G. G. Creal
Operating

G. A. Randall
Development and Research

J. W. Wood
Accounting

We've formed a planning program

The purpose of the planning function is to find ways for improving our operations — in service to our patrons, in rewards to our people, in earnings to the company.

The program itself has five parts:

- — Plans for general organization changes and improvement of employee relations.
- — Plans for capital expenditures for plant improvement.
- — Plans for revenue development through new services, sales and advertising programs.
- — Plans for expense control through new operating methods, better equipment, more efficient administrative methods.
- — Plans for service improvement through new devices, better industrial engineering and quality control.

We've assigned responsibility for every detail

Each of these five areas has been broken down into specific projects and assigned to the planning section of one specific department. Progress reports are made regularly to the Planning Committee which supervises the whole program.

Final recommendations are made by the Planning Committee to the Operating Committee where action is decided upon and responsibility for carrying it out is assigned.

The Planning Committee is hard at work

The list of projects now being worked on fills a small book. Every phase of our operations is being studied, and plans made for the future.

Given time to work them out and money to put them into effect, Western Union's people will have the ideas to make our next 100 years greater than ever.

Our PLAN is in the right direction

The general outlines have been set

We know the general outlines of the steps we should take to solve the problems we are going to meet.

Part of the planning job ahead is to foresee what may happen in the future. That includes keeping up-to-date in our planning of security measures in the light of the national emergency.

We have to be ready in case our volume should suddenly fall because of economic conditions. We have to take into account what the rising cost of living may do to our operating costs.

This is the toughest part of our planning job. But — with all these things in mind — we have mapped out a general plan of procedure that will see us through almost any situation, providing we can get the money to carry our program forward.

We're going to keep working on Uncle Sam

— to adopt sound national policies which will permit our company to grow in financial strength and stability.

— to foster a policy which would assign to Western Union *all* record communications business.

We're going to find new ways to improve service

Western Union folks often say, "All we have to sell is service — and it's service that sells." They're 100% right on that, and a major part of our planning program is to improve service all along the line.

Our plan includes not only improvement of existing services, but further development of *new* services to keep pace with customer needs.

We're going to keep on modernizing our plant

Our plans include extending automatic switching, developing new devices to improve terminal handlings, and expansion of our microwave system. Every dollar we spend for plant improvement will earn many dollars for Western Union — and for employees of Western Union — in the years ahead.

We're going to develop better and better methods

We are planning new and better ways of doing our work — simplified work methods — better organization and coordination between departments — more scientific management — better industrial engineering. Good work methods enable employees to work more efficiently, with less physical strain, and with the satisfaction that comes from real accomplishment.

We're going to keep selling RECORD communications

Every message we sell adds to our volume, increases our revenues. And from every dollar above the break-even point we get the pennies of profit we need to modernize our plant, improve service and make jobs more satisfactory for employees. Our plans include a continuing sales program in which every Western Union employee can do his bit to sell *record* communications.

We're going to keep conserving our cash

Since our revenues are our only source of cash, we are planning how to use this income wisely and in the best interest of company and employee alike.

We're going to make Western Union jobs better than ever

The fruit of these plans will be better jobs for Western Union employees. As the company becomes more prosperous, we will gain greater job security, better working conditions, better opportunities for training and advancement.

Since these better things for Western Union people can come only as the company's financial strength is restored, we've all got a big stake in pushing forward the projects which will make Western Union strong and healthy.

Since world war II

$97,620,000 SPENT— $196,000,000 NEEDED

in the next ten years

	Progress to Date	How far we've still got to go
REPERFORATION	($30 million)	($17 million)
CARRIER NETWORK	($12½ million)	($8 million)
MICROWAVE	($2½ million)	($40 million)
DESK-FAX TIE LINES	($2½ million)	($10 million)
PRIVATE WIRE SYSTEMS (Teleprinters)	($13 million)	($12 million)
PRIVATE WIRE SYSTEMS (Telefax)	($30,000)	($6 million)
TELECAR	($90,000)	($3 million)
RESEARCH	($12 million)	($25 million)
REPLACEMENTS (Pole lines, Teleprinters and other equipment)	($25 million)	($75 million)

This is the big job ahead— to build your company . . . to build your job security

IN ADDITION — Your company since world war II has spent millions more to IMPROVE EMPLOYEES WAGES than it has spent on its entire post-war modernization program.

In 1945 earnings averaged 83.4¢ per hour

Today earnings average $1.63 per hour

We've got the right people to build Western Union's future

Meet the men on our Operating Committee

THOMAS F. MCMAINS

E. R. SHUTE

THOMAS F. MCMAINS, Vice President and a Director of the company, and Assistant to the President, is Chairman of the Operating Committee.

A native of Oklahoma City, Mr. McMains received the Bachelor of Science degree from the University of Illinois and entered Western Union service in 1927 as an Engineering Apprentice.

Mr. McMains became Traffic Superintendent of the Metropolitan Division in 1941, Assistant Vice President of the Traffic Department in January 1947, Vice President in Charge of Employee Relations on November 1, 1947, and Assistant to the President on January 1, 1948.

* * *

E. R. SHUTE, Vice President, Operations, began his 40-year career with Western Union as an Engineering Assistant in the Traffic Department in New York, following graduation from Purdue University in 1912, where he worked his way through school as a telegraph operator. Mr. Shute had learned telegraphy at the age of 6 from his father, railroad station agent at Coal City, Indiana.

Mr. Shute became General Supervisor of Traffic in 1919, General Superintendent of Traffic in 1929, Vice President in Charge of Traffic in 1938, and Vice President, Operations, in 1949.

The present application of the varioplex has been credited to Mr. Shute, and he made significant contributions to the company's success in handling the enormous wartime demand for telegraph service in the face of critical shortages of materials and manpower.

Mr. Shute is a Lieutenant Colonel, U. S. Army Signal Reserve. He is also a member of several engineering societies.

* * *

J. W. RAHDE, Vice President and Comptroller of Western Union, is a native of Pittsburgh, Pennsylvania, and began his Western Union career in 1911 as a Traveling Auditor of the Eastern Division. Mr. Rahde had been associated with the Bell System prior to his transfer to Western Union.

In 1921 Mr. Rahde was promoted to Company Statistician, and in 1936 became Assistant Comptroller. His appointment to the Comptrollership came on September 23, 1941, and he became Vice President in 1946.

* * *

H. P. CORWITH, Vice President, Development and Research, started at Western Union as an Engineering Assistant in 1916, on graduation from Cornell University.

In 1925, Mr. Corwith established Western Union's engineering laboratories at Water Mill, New York, and became head of the Electronics Division. Mr. Corwith became Assistant Chief Engineer in 1943, Director of Research in 1946, and Vice President in Charge of Development and Research in 1949.

J. W. RAHDE

H. P. CORWITH

S. M. Barr

J. L. Wilcox

K. B. Mitchell

S. M. Barr is Vice President, Plant and Engineering. A native of New York City, Mr. Barr graduated from Cornell University with a degree in Mechanical Engineering and entered Western Union as an Engineer in 1917.

Mr. Barr became Equipment Supervisor in the Plant Department in 1921, General Supervisor of Installation in 1944, Executive Representative, office of the President in 1945, Assistant Vice President in 1946, and Vice President in 1950.

Mr. Barr played a prominent part in the conversion of company operations from Morse to teleprinter and subsequently in the engineering and construction of the company's mechanization program.

* * *

J. L. Wilcox, Vice President, Employee Relations, entered Western Union service in 1928 at Philadelphia as an Engineering apprentice. A trained radio operator at 17, his earnings enabled Mr. Wilcox to attend Case Institute of Technology at Cleveland, where he got his degree in electrical engineering.

Mr. Wilcox served in supervisory positions in the Traffic Department in the Eastern Division. He became Division Traffic Engineer in 1941 and handled labor relations matters in the eastern states.

Mr. Wilcox became Vice President, Employee Relations, in August, 1949.

* * *

K. B. Mitchell began his 31-year career at Western Union as Night Telephone Operator in our Lincoln, Nebraska, office, while he worked his way through the University of Nebraska.

As Sales Manager at Washington, Mr. Mitchell was assigned to the White House and took many trips with Presidents Hoover and Roosevelt.

Mr. Mitchell supervised telegraph coverage of three Democratic and Republican conventions, also the Lindbergh kidnapping trial and the Morro Castle and Von Hindenberg disasters.

He served in the Navy as a liaison officer on communications and later became Western Union's

European Representative, serving the company in every European capital outside the Iron Curtain. Mr. Mitchell was appointed Director of International Communications in 1947.

* * *

Evan R. Wheeler was born in Oakland, Maine, received his B.S. in Electrical Engineering at Massachusetts Institute of Technology and was employed by Western Union in 1917 as an Engineer in the Division of Automatics.

From 1917 to 1940 Mr. Wheeler helped develop better ocean cable equipment, ticker systems and equipment and land-line automatic telegraph equipment. Some 20 to 30 patents are credited to Mr. Wheeler.

In 1940 Mr. Wheeler was appointed as Assistant to the General Purchasing Agent and became General Purchasing Agent in September 1946.

* * *

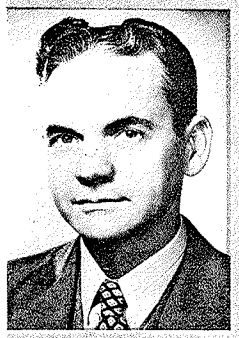
G. Stewart Paul is Assistant Vice President, Operations.

A native of Johnson, Minnesota, Mr. Paul learned telegraph operation from his father at the age of 10 and received his electrical engineering degree from the University of Wisconsin.

Mr. Paul entered Western Union service in 1928 at Milwaukee and has made important contributions to the efficiency of stock ticker transmission, facsimile telegraph operation, and private-wire systems for large companies.

Mr. Paul became Traffic Superintendent for the Pacific states in 1941, Assistant General Manager of the Pacific Division in 1949, and Assistant Vice President, Operations, in 1951.

Evan R. Wheeler



G. Stewart Paul

And now — the man at the top

WALTER P. MARSHALL

Mr. Marshall's career in the telegraph business began in 1921 when he became an accountant with The Central and South American Telegraph Company and the Mexican Telegraph Company. A native of Brooklyn, New York, Mr. Marshall had studied at the City College of New York and at Columbia University, majoring in accounting and business administration.

At the time of Western Union's merger with Postal Telegraph in 1943, Mr. Marshall had become Executive Vice President of Postal Telegraph. Following the merger, Mr. Marshall became Assistant to the President of Western Union, and Treasurer and Vice President in charge of the Contract Department.

Mr. Marshall was elected President of Western Union on December 21, 1948. Both as Assistant to the President and as President Mr. Marshall assumed leadership in developing the dynamic policies that have been instrumental in improving the company's financial position.

Mr. Marshall's leadership has had significant results not only in terms of plant and organizational improvements, but in terms of government policymaking as well. In Mr. Marshall we have a President who is determined to win for Western Union a national policy which will be favorable to our future growth and stability.

Mr. Marshall looks forward with confidence and says . . .

I've been in the telegraph business now some 30 years —and a Western Union man for almost 10. As the President of your company, I've been working with you and for you these past four years. I've seen the company's ups and downs and have been planning for its future. As things are now shaping up, it looks as though Western Union's future can be a great one.

This has not always been so

Now and then over the past ten years I've been really worried about the future of Western Union. There have been times when it didn't seem possible that we could get out of the financial hole we were in.

One of these was the time all our post-war plans were placed in jeopardy when all our war-time savings were drained away. Another was the day in 1948 when I could see a whopping deficit ahead because volume was falling fast and costs were still going up.

A lot of people didn't weigh the facts — or the costs

Each time this has happened I've been personally upset because it didn't seem to me that a lot of Western Union people really appreciated the magnitude of our problems. It seemed to me at times many people appeared to be hell-bent to cut off their noses to spite their faces by demanding things the company shouldn't do for its own good and theirs.

And I've said so. I've pointed out what I felt was the true picture and the best course of action. I've reported our financial losses, our high cost of operation, our difficult competitive position, our falling volume, and the dangers of adding to our costs.

In the future our timing must be right

Western Union is in better shape now than it has been in years. Not in good shape — but better. So now is a good time for all of us to

take a look at the future and see what's in store.

In my opinion, our future will depend not only on what we do, but on *when* we do it. Why is timing so important? Well, it's because things that in themselves may be desirable sometimes can come at the wrong time. The question we are going to face over and over again in the next few years is: Do we demand what we want now, regardless of consequences, or do we wait until the timing is better?

If you — like thousands of the rest of us — have chosen the telegraph business as a life-time career, then your stake in Western Union's future is a big one. *Your future hinges on all of us making the right decisions at the right time.*

Together we can work out the kind of future we want

Personally, I look forward with a good deal of confidence in the future — if we of Western Union will all pull together toward the goal of building that future. The next ten years can make a tremendous difference. If we keep on doing the things that have helped us over the last six years — if each of us is willing to postpone some of our immediate desires so that we can get even bigger rewards in the future — I am sure we can build a company strong enough financially to provide all of us with the things we want and need.

I expect to be around for some years yet, and most of you will be here, too. We will both want to do our best for the system and for our own future in it. And if we have differences of opinion now and then as to what *is* best for Western Union's future, let's settle those differences openly and in the friendly spirit of people working toward a common goal.

Most sincerely,

THE material for this booklet was taken from an official report made by W. P. Marshall on November 17, 1950 to the U. S. Government, entitled: "The Western Union Telegraph Company Statement to the President's Communication Policy Board Concerning Domestic Record Communication Policies."

Information concerning events of the past year have been added so that this report reflects an up-to-date picture of Western Union's current situation.