

Plain Talks

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Rose Lee



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Plain Talks

Plain Talks is issued monthly by the Advertising Department of Gulf States Utilities Company for employees, in the interest of broadening the knowledge and understanding of the Company, the area served, the investor-owned electric industry and the American Free Enterprise system.

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OUR COVER

TWELVE years later. Myra Carolyn Strong, daughter of Mr. and Mrs. Garland Strong, he's supervisor of operations and maintenance at Riverside Station, looks at the September, 1951, PLAIN TALKS, when she was the cover girl. Myra will graduate this month from Sulphur High School and will enroll at Louisiana State University in September. She will attend McNeese State College in Lake Charles this summer and plans to major in elementary education.

Myra has been a very active student at Sulphur High. She was head major of the marching unit, a member of student council for two years and the Latin Club for three years, a member of the Literary Rally Team, which took third place in World History, and one of the top 20 beauties at the school. Last summer she was national delegate to Latin Club Convention in Montana.

Using Miss Strong again as our cover girl, we also salute and wish the best of everything to all of our GSU graduates.

Congressman Outlines Seven Deviations Of REA Co-ops

"REA today is violating virtually every precept of its founders. The need, therefore, has become pressing for Congress to step in and take control."

These are the words of a member of Congress, and they indicate a gradual change in congressional thinking with regard to the Rural Electrification Administration.

In an article in **Public Utilities Fortnightly**, "Congress Must Control REA," Representative Robert H. Michel of Illinois made the following points with regard to REA:

1. REA is basically a Federal power agency using the public's money to help other Federal power agencies bypass Congress in their efforts to build a nationwide "public power system."

2. REA co-ops now have total assets of \$3.5 billion and an equity of nearly \$700 million in their system.

3. REA loans for generation and transmission which amounted to three per cent of total loans from 1936-41 reached 59 per cent of all loans in 1962.

4. Increasingly, REA loans are financing generating facilities of super-co-ops "so that they can create an autonomous, non-taxpaying and generally unregulated electric supply system to compete with private power sources."

5. REA loans intended initially to assist farmers to utilize electricity are now being used to subsidize industry.

6. REA conducts its lending activities in "complete secrecy."

7. REA is becoming the largest of all Federal power programs.

To counter these developments, the Congressman proposes that Congressional Appropriations Committees should have the authority to approve use of REA funds—"at least for major G&T projects costing over a certain amount"—since "the major share of REA's money is now being loaned to put REA permanently and completely in the power business . . ."

Representative Michel reported that during the past session of Congress members indicated an increased awareness and concern for REA actions. He noted that a bill which he introduced to limit the amount of funds to be loaned for generation and transmission received bipartisan support although it lost by a vote of 133-94.

"The fact that members would actively oppose REA's present administration of this program and stand up and be



GULF STATES UTILITIES COMPANY

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counted is, to me, a real step toward finding a solution to this problem," the legislator said.

Closer control of REA purse strings would "bring the REA program more closely in line with the intent and purpose of the Rural Electrification Act," Congressman Michel said.

Cattlemen Oppose REA Loan Policy

AT the annual convention of the American Cattlemen's Association in Las Vegas, the membership passed a resolution attacking REA's loan policy. The resolution stated "that we oppose the policy of REA in granting low interest loans to member electric cooperatives for expansion of electric facilities which would duplicate existing services, and that we oppose the policy of REA in granting loans to member electric cooperatives for lending to private business."

Rugged Individualism

RUGGED individualism, which was once a hallmark of this nation, is fast falling by the wayside with an ever-increasing paternalism by the Federal government in Washington. In this day and time, a man who sticks by his guns is to be admired, especially when he is bucking the tide of his own particular group.

One such man is Leo Dumond, manager of Northern Rio Arriba Electric Co-Op, Inc., one of the big REA cooperatives in the far west. We admire Mr. Dumond for his honest and frank appraisal of the REA program, an opinion that took considerable courage to express.

Here is what he had to say. "We believe wholeheartedly in the original concept of the Rural Electrification program. Through it, we have been able to bring good electric service to our people. It could not have been done any other way. We believe just

as wholeheartedly that as soon as possible co-ops should start getting off Uncle Sam's sore back. For 90 per cent of the co-ops, that was five years ago." We agree wholeheartedly, Mr. Dumond.

—Power Lines
Mississippi Power Co.
April, 1963

A New Slogan Needed

THE game of politics is a mysterious pastime. It is based largely on what is expedient for the player, rather than what is best for the country.

Take, as an example, the political promotion of government-owned, tax-exempt power projects vs. investor-owned, taxpaying electric power plants.

At a time when the people are being conditioned to pay higher taxes in the name of defense, they are also being urged to favor the spending of countless millions by the federal government for needless federal power production which pays no taxes, when taxpaying power companies, which are regulated by state agencies, are begging for permission to construct new taxpaying hydro and atomic energy systems to serve the nation.

Politicians who ask the citizens to "sacrifice" to pay higher taxes if necessary for defense, turn right around and urge the spending of billions for unnecessary non-defense projects that increase taxes, the national debt and inflation.

How long can the people be fooled by such double talk that leads straight down the road to the goal of socialism and communism—the totalitarian state?

"Billions for defense—but not one cent for socialism", should be a new all-American slogan.

WHY TOLERATE TAX FAVORITISM?



NEW DIRECTOR ELECTED. B. D. Orgain, right, newly-elected member of our board of directors, poses with his wife, and his father, W. E. Orgain, following the annual shareholders meeting on May 8 in General Offices, Beaumont. Mr. Orgain is a member of the Beaumont law firm, Orgain, Bell and Tucker. "Mr. Will," who had been a director of our Company for 23 years, chose not to stand for re-election.

At annual meeting, May 8 . . .

Our Shareholders Elect A New Director

. . . and return present board

BENJAMIN D. ORGAIN, member of the law firm of Orgain, Bell and Tucker, Beaumont, Texas, was elected a director of our Company at the annual meeting of shareholders, held May 8 in the General Offices, Beaumont.

At the shareholders' meeting, Chairman of the Board and President Morrison voiced optimism for the continued expansion of the area we serve.

Our Company has nearly 1,100 shareholders residing in and around Beaumont and over 250 attended the meeting.

Mr. Morrison pointed to some of the high lights of the Company's 1962 results, noting that it had been a good year for the Company. He called attention to the fact that the summer of 1962 was an abnormally hot one and followed an abnormally cool and wet summer of 1961. He said such a sequence is not likely to be often repeated and ac-

counted largely for some of the Company's record gains.

New highs for the year included the connection of the 300,000th electric customer, the installation of 460,000 kilowatts of new generating capacity at the Company's new Sabine Power Station located at Bridge City, Texas, and the largest increase ever made in any one year in the average annual use of electricity by home customers.

He pointed to the fact that the average revenue our Company received for each kilowatthour of electric energy sold in 1962 for use in the home was 30 per cent below the cost at the end of World War II, even though cost of living had advanced in the meantime by 66 per cent.

Mr. Morrison said that the tremendous investment of over \$430 million in our Company by its shareholders and other investors in the Company's

securities over a period of many, many years, coupled with the Company's continuing aggressive sales program, prepared us to meet the record demand on its system for electricity during last summer's 108 degree temperatures.

Our Company last year added over 800 new all-electric homes to its lines. It added over 800 central residential heat pumps and also added a grand total of 45,000 major electrical appliances for an all-time sales high.

Points Out Fact 1962 Was Record Year

Mr. Morrison called attention to the fact that customers are adding more and more electrical appliances in their homes which resulted in the 1962 all time record gain for one year of 916 kilowatthours, or 22 per cent in the average annual use of electricity by home customers. This earned our Company the distinction of having the second highest gain in the nation for the 113 companies reporting to the Edison Electric Institute, as compared with the national average increase of only 267 kilowatthours.

Further, by the end of 1962, Gulf States had connected over 5,100 residential and commercial heat pumps which placed it fifth in the nation. Mr. Morrison said that as evidence of our continuing confidence in the growth of the area's economy, we plan to spend \$32 million on new construction in 1963, which is a part of an estimated \$142 million four-year construction program ending in 1966.

Mr. Morrison said he believed that with normal temperatures this summer, operations will again reach new highs but will be unlikely to show as large a percentage gain as in 1962.

Our Biggest Competition

He said that although the electric utility industry faces other forms of competition, the biggest competition the industry must meet is from public power groups. He related that in the early 1930's the Federal government advanced into the power business in a big way, largely through the agencies of the Bureau of Reclamation and TVA where flood control, water conservation and navigation were the ostensible objectives, with power a purely incidental by-product. Today, he said, power is almost exclusively the business of TVA, and about 76 per cent of its power is generated — not by hydro—but from steam stations.

He pointed out that the entire state of Nebraska has gone public power,

and public power is firmly entrenched in the Pacific Northwest and is making rapid gains elsewhere in the nation. Now, approximately one-fifth of all power is produced by the Federal government, state agencies or municipalities, and it is growing.

Company's Service Area Restricted

He said that in and about the Company's service area there are 17 Rural Electrification Administration cooperatives which purchase all of their power from the Company or adjacent systems. So far, these cooperatives have not been successful in luring customers from our lines, but their expansion tends to restrict the Company's service area.

The original intent of the REA Act back in the middle of the great depression was good because of the desperate times. In those days, the electric companies simply could not get the money to expand into remote rural areas as rapidly as desired. Today, however, 98 per cent of all rural people have electric power. The job is done. Yet, in spite of this, REA in Washington is loaning more money than it ever did, although four out of five new customers are non-farm, and REA in Washington is urging the cooperatives to enter into competition with the companies for all kinds of business, including large industrial and urban.

For the last year, a group of REA cooperatives in Louisiana has been attempting to borrow \$53 million from the REA with which to build competing plants and transmission lines. This, in spite of the fact that the companies in that state have offered to furnish the REA's requirements at rates even lower than they could produce it for with all their subsidies! So far, this loan has not been made.

Involuntary Socialized Power

Government power, whether it be state, Federal, REA or municipal, is socialized power, subsidized by the taxpayers. An investor-owned company pays about 25 cents out of every dollar of revenue as taxes, and another 25 cents for hire of capital. These government power projects get money at about one-half of what it costs the taxpayers, pay no Federal taxes whatsoever, little or no local taxes, and yet they are expanding and demanding preference rights and the right to compete with the investor-owned companies.

He asked the shareholders to remember one thing certain about the investor-

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REGISTER SHAREHOLDER. R. W. Jackson, right, assistant secretary, answers a question asked by one of our shareholders following her registration by Beth Dodge and Shirley Sparks, stenographers, Corporate and Finance.



SOME OF OUR SHAREHOLDERS. More than 250 Beaumont area shareholders attended the annual shareholders meeting in the 20th floor auditorium of the General Offices. An informative meeting will be held on May 29 in Baton Rouge for shareholders in that area.



WELCOMES SHAREHOLDERS. President and Chairman of the Board Morrison welcomes the shareholders and board of directors to annual meeting.

(Continued from Page 3)

owned power business and it was that out of every dollar collected from its customers one-half or 50 per cent goes for hire of capital and taxes.

Mr. Morrison said that REA's brag about the fact that they are the purest form of private enterprise, yet private enterprise is founded on the theory that the owners of the enterprise risk some of their own money. He said that the only money that these public power groups risk is the taxpayers'; and under no stretch of the imagination could they be classified as private enterprise.

Directors Re-Elected

In other business of the meeting, the shareholders re-elected the following directors to serve for the ensuing year in addition to Mr. Orgain: Messrs. Alan W. Hastings, Mr. Morrison, Roy S. Nelson, Elbert L. Robinson and Lewis M. Welch of Beaumont; Munger T. Ball of Port Arthur; Edward H. Taussig and Fred F. Johnson of Lake Charles; Charles P. Manship, Jr., Harold E. Brown and Eldon A. Werner of Baton Rouge and Edwin W. Hiam of Boston, Massachusetts. The shareholders also approved the firm of Lybrand, Ross Bros. & Montgomery, independent certified public accountants, as auditors of the Company for the year 1963.

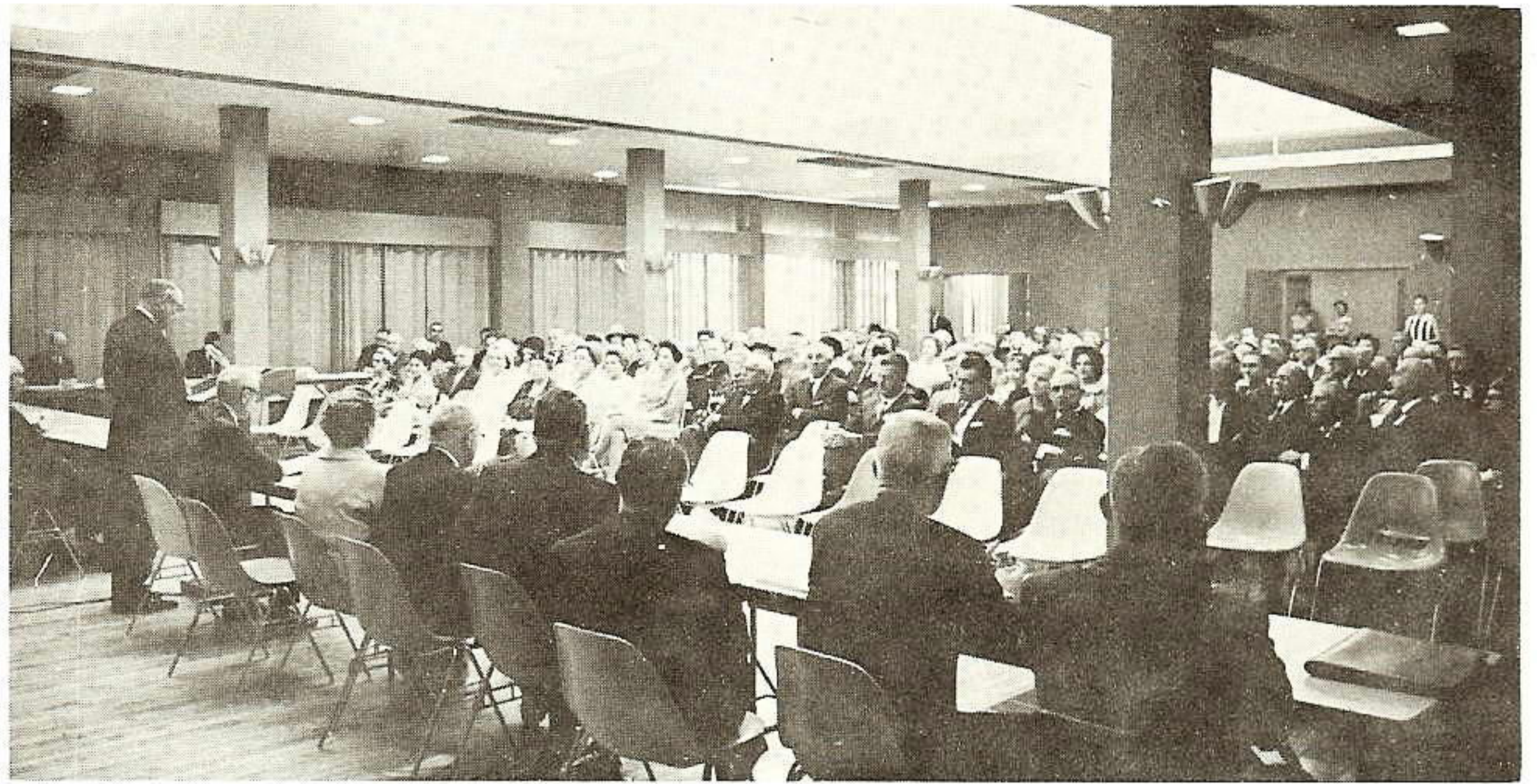
It was announced at the meeting that Will E. Orgain, a member of our board for the past 23 years had chosen not to run for re-election.

New Director Elected

The newly-elected member of our board is a native of Bastrop, Texas. He is a graduate of Beaumont High School and attended South Park College, now Lamar State College of Technology, for one year. He was graduated from the University of Texas in 1933 with a bachelor of arts degree and a bachelor of laws degree. In 1934, he received a master of laws from Harvard University.

Following graduation from Harvard, he began practicing law in Beaumont with the law firm of Orgain, Carroll and Bell. He was made a partner in 1939 and continued to practice in Beaumont until February, 1942, when he was called to duty with Naval Intelligence. He served in Pensacola, Fla., and New Orleans, and with the 7th Fleet in the Philippines and Shanghai until December, 1945, when he returned to his law practice in Beaumont.

Mr. Orgain is married to the former Lucy Dade of Hopkinsville, Ky. They have two children, Lucy Allen, 11, and Ben, Jr., 7.



POLLS VOTING. W. H. Gieseke, vice president for finance and secretary, reports on the results of the voting for members of the board of directors.



REPORTS ON 1962 OPERATIONS. Mr. Morrison points out the highs of 1962 and tells our shareholders of future plans, and why we predict a continued growth of our portion of Gulf Coast.



ANSWER QUESTIONS. Following his report to the shareholders, Mr. Morrison answers some of the questions asked from the floor about our Company's operations.



During Port Arthur's B-E Day . . .

Educators Get a Close Look at Our Operations



TEACHERS TOUR SABINE. Twenty-eight teachers from Port Arthur toured Sabine Power Station last month as guests of our Company during Business-Education Day. Here are some of the scenes from the tour. Above, Roy West, Construction Production, Beaumont, conducts a tour through the control room. At the top left, P. L. Sullivan, from Stone and Webster Engineers, explains the workings of the turbine to a group of interested teachers. In the center left, L. J. Cobb, engineer at Sabine, gives one of the teachers a closer look at the generator. At the left is Becky Jones, home service advisor from Port Arthur, who was one of the tour hostesses. In the lower left, a group of the teachers examines the control board. Other guides on the tour were J. M. Derr, maintenance supervisor, Sabine, and E. H. Garner, control operations foreman, Sabine.

WIDE eyes and keen interest were the rule rather than the exception among an audience of 28 as our Company rolled out the "red carpet" for Port Arthur school teachers April 24-25 during that city's annual observance of Business-Education Day.

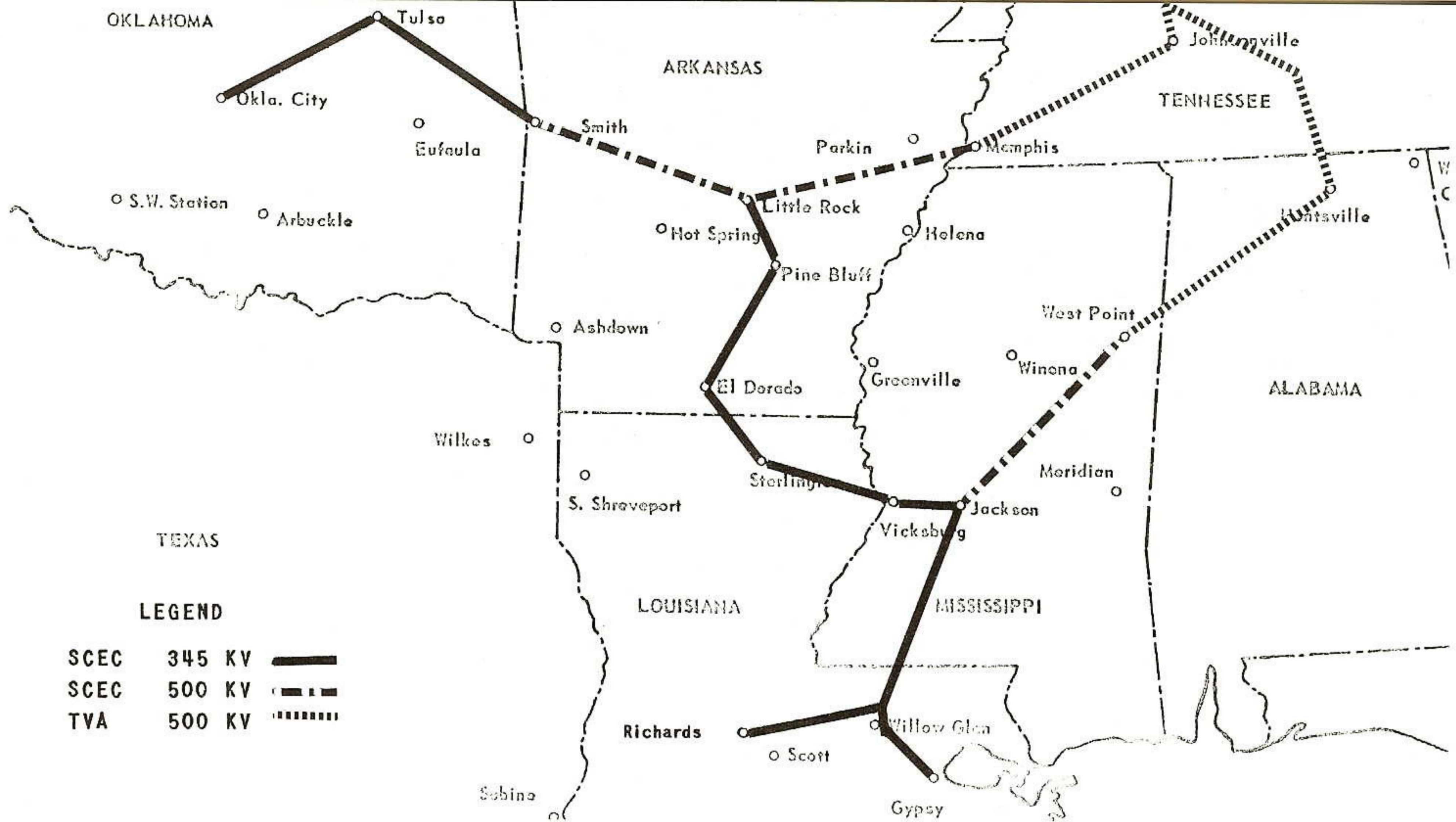
J. Kirby Jones, division superintendent of sales, Port Arthur, conducted both tours that included stops at the Port Arthur Service Center and the Sabine Power Station at nearby Bridge City. Eight Negro teachers made the trip April 24 and the Company hosted 20 white teachers April 25. Activities both days culminated with lunch and speeches by A. W. Hastings, vice president and assistant to the chairman of the board, and Mr. Jones.

The Business-Education Day program is design-

ed to bring business and education leaders closer together in an atmosphere conducive to understanding each other's problems. It is intended to be a means of dispelling many misconceptions about the American business system and at the same time gives business an opportunity to become better acquainted with local educators and to appreciate and understand their professional problems.

The teachers also learn of the opportunities offered to well-trained students by area industries. The Port Arthur Chamber of Commerce sponsors the yearly event.

Dorothy Rea and Becky Jones, home service advisors, Port Arthur, were hostesses for the tours.



PROPOSED TRANSMISSION SYSTEM FOR TVA INTERCHANGE. This is the plan chosen by the Planning Committee of South Central Electric Companies for two interconnections with TVA for the diversity interchange of electric power during TVA's winter peak load and during the summer peak demands of the eleven utilities, including our Company, that make up the South Central Electric Companies. The South Central system will interconnect to the TVA system at Memphis and

east of Winona, Miss. From the metering point at Memphis, a 500 KV line will be constructed to Fort Smith by way of Little Rock. From there, a 345 KV line will extend to Oklahoma City by way of Tulsa. A second 500 KV line will be built from Winona to Jackson, Miss. From there, 345 KV line will run to Baton Rouge and Scott as part of our Company's system. It is presently planned that initial construction will get under way early in 1964 on the first link.

Without the help of a crystal ball, our engineers in department head meetings gave us . . .

A Look at Future Operations

L EADING Company personnel learned of a number of future developments at a program presented by our Company's Engineers at department head meetings in Beaumont on April 29, in Lake Charles on May 2 and in Baton Rouge on May 6.

Robert W. Sherwood, vice president, engineering and production; Ross Iles, right-of-way agent; Ray Clausen, engineering-planning; Harold Mortimer, rates and depreciation; A. M. Melancon, supervisor of project engineering; and Ernest Baumgartner, relay engineer.

interconnections and facilities. This was later expanded to include the Middle South System and negotiations were directed toward increasing the amount of exchange to approximately 400 MW between the Middle South Companies and TVA, with interchange to start in the winter of 1964. Eleven companies of the Southwest Power Pool, including the Middle South Companies—now known as the South Central Electric Companies, pursued negotiations with TVA and thus expanded to the present 1,500 MW.

Discusses TVA Power Negotiations

Mr. Sherwood spoke on the diversity interchange agreements between the eleven South Central Companies—which includes our company—and the Tennessee Valley Authority. The companies system has a peak load during June, July, August and September due to the heavy air conditioning load.

On the other hand, TVA has a peak during the winter months of December, January, February and March due to its heating load.

Thus, the situation lends itself to a diversity interchange agreement. The companies can supply capacity and energy to TVA in the winter months, and TVA can return the capacity and energy the following summer.

Negotiations were initiated by Mississippi Power & Light in July, 1959, for a seasonal diversity exchange between TVA and itself for 100 MW to start in the fall of 1962, utilizing existing

Final arrangements were agreed upon in August, 1962, and revised service schedules among the companies were executed soon thereafter. Inter-company instruments were finalized three months later and the entire package was filed with FPC on November 8. FPC accepted the instruments for filing on February 12 of this year.



Mr. Sherwood

Basically, the agreements provide for the South Central Electric Companies to deliver to TVA in the winter of 1966-67, 500,000 kilowatts of capacity and 650,000,000 kilowatthours of energy. TVA will return a like amount to South Central Electric Companies in the summer of 1967. The annual exchange will increase until a leveling-off period is attained in the winter of 1968-69, during which the companies will deliver 1,500,000 kw of capacity and 1,950,000,000 kwh of energy to TVA. The following summer, 1969, TVA will return a similar amount and the interchange amounts will remain at those figures unless changed by mutual agreement.

Many Plans Studied

The Planning Committee of the companies has studied many plans for interchanging the eventual 1½ million kw of power. "Plan V" was finally chosen by the committee after studying it extensively on the computer and making many load flow and transient stability studies. This plan calls for two interconnection points with TVA: at Memphis and east of Winona, Mississippi. From the metering point at Memphis, the companies will construct a 500 kv line to Fort Smith by way of Little Rock. From there, a 345 kv line will be extended to Oklahoma City by way of Tulsa.

From the second metering point, a 500 kv line will be constructed to Jackson, Mississippi. From there, a 345 kv line will be extended to Baton Rouge and Scott, Louisiana, on our Company's system.

Obtaining Our Right-Of-Ways

Mr. Iles talked on the company's Right-of-Way Section and quoted several humorous examples of the problems that confront this department.



Mr. Iles

In the last five years, the Right-of-Way Section has purchased almost 600 miles of major transmission line right-of-way and 90 special purpose sites consisting of 2,150 tracts which have been owned by 5,313 people. Mr. Iles said that dealing with people makes their section's job most interesting.

One of the section's functions is to secure permission from the landowners for our survey crews to go onto their

land to lay out the routing of our proposed lines. The right-of-way man contacts these landowners and tells them what we propose to do.

After all preliminaries are out of the way, the line surveyed, maps plotted and the easements prepared, then we get down to the serious business of negotiating for the purchase of the right-of-way.

This part of the business is changing fast. We no longer can just negotiate the price of the easement. We now have to negotiate the form, the rights of each party, remaining uses in the right of way and choice of words used in the agreement. Many of these transactions no longer just involve us and the landowner. There are people with leases, options, mortgages, mineral holders and lessees, conflicts of prior easements for electric lines, pipelines and other such uses. The rights of all these parties must be spelled out.

Mr. Sherwood closed by saying that the interchange agreement is strictly an arms-length and soundly economical negotiation. The agreement will be advantageous to both parties, he concluded.

It has been estimated that the annual reduction in costs to the companies involved will be about \$7½ million per year. There are additional benefits: the EHV system will permit the installation of larger and more economical units; the EHV system will permit emergency assistance in excess of such transactions in the past; the transmission system will make possible the interchange of economical energy as available among the companies and with TVA in amounts far in excess of present transactions; and individual companies may add to and extend the proposed EHV system as required for their own use.

Each company will own the facilities which are constructed within their service area. However, the annual charges, including operation and maintenance, will be equalized in proportion to the participation of each company in the contracted amounts of power. To carry out the provisions of the overall contracts, it is expected that a Power Coordinator's office may have to be set up complete with the necessary computer facilities and communications to the various operating centers.

The present status includes additional computer studies, employment of engineering and design engineers so that construction can be initiated early in 1964 on the first link of the EHV system.

Interconnections Of Company Described

Mr. Clausen reviewed our Company's interconnections in the past and looked ahead to the future.



Mr. Clausen

Our oldest interconnection came into being in 1927 with Houston Light and Power Company. Located near Dayton, this still existing interconnection went into service initially at

69 kv. It was converted to 138 kv in 1958. The second major interconnection was with Baton Rouge Electric Company in 1928. This one ceased to exist in 1938 when the business of the Baton Rouge Electric Company was acquired.

Growth of Interconnections Traced

A number of smaller interconnections followed over the next 14 years until the next major one with Louisiana Power and Light at Plaquemine in 1952. It's now known as the Addis Interconnection. The Richards Interconnection with Central Louisiana Electric Company followed in 1953. Our most recent interconnection came onto being in February, again with CLECO and this time to be known as the Ragly Interconnection.

As for the future, Mr. Clausen said that between now and 1968 there will be three new 138 kv in the vicinity of Toledo Bend Dam, Opelousas and New Iberia. A possibility of one up-rated interconnection exists and it would be situated at Sorrento. Also by 1968, there will be two EHV interconnections on the system.

Plan for Future Growth

Mr. Clausen closed by saying that we will have to serve a system peak load of approximately 8,000 megawatts by 1980 more than five and a half times the system peak of 1420 megawatts last year. By good planning and close coordination with neighboring utilities through our interconnections, there is the possibility of all parties achieving considerable saving not only through economical and diversity interchanges but also through a reduction in the amount of generation reserves required.

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Three Companies Contract to Buy Toledo Bend Produced Power

Mr. Baumgartner's talk dwelled on the physical development of Toledo Bend Dam, scheduled to be completed by late 1966 or early 1967. The dam, to be situated near the community of Toledo, will be about 80 miles northeast of Beaumont and almost 15 miles west of Leesville, Louisiana. It's a joint project of Texas and Louisiana, acting through the Sabine River Authorities of each state. No federal money is involved. Water retained will be used to drive two 58,500 horsepower hydroturbines generating approximately 40,000 kv of power each. The 80 megawatts of power will be allocated equally between Texas and Louisiana, with our Company receiving half or 40 megawatts and Central Louisiana Electric and Louisiana Power and Light receiving and splitting the other 40 between them.



Mr. Baumgartner

calls for line conversion. To tie the power output from Toledo Bend Dam into our transmission system, we will convert the present 34.5 kv Line No. 97 to 138 kv from Doucette

Calls for Line Conversion

Since McGee Bend is a federal project, the power generated will be marketed to preferential customers such as municipalities and co-ops by the Southwestern Power Administration. Our Company will buy 100 per cent of the power generated at McGee Bend and by special arrangement will sell it to the preferential customers designated by SPA.

Company to Move McGee Bend Power To SPA Preferential Customers

Mr. Melancon spoke on "McGee Bend Power," saying that when the project goes into operation it will be capable of doing two things: generate an insignificant amount of electric power and store an abundance of water needed for future development of our Beaumont service area.



Mr. Melancon

Since McGee Bend is a federal project, the power generated will be marketed to preferential customers such as municipalities and co-ops by the Southwestern Power Administration. Our Company will buy 100 per cent of the power generated at McGee Bend and by special arrangement will sell it to the preferential customers designated by SPA.

Bulk to Jasper and extend a new 138 kv line from Jasper to Newton with the line looped through to McGee Bend Dam.

Central Louisiana Electric is in a better position from a transmission point of view than our Company, since they now have a 138 kv line within a mile and a half of the Toledo Dam site. Louisiana Power and Light will not build a line to the dam, but instead will pay Central Louisiana Electric for the use of the CLECO transmission system to Many, Louisiana.

Company to Control Power Flow

Our Company has been designated to control the power from Toledo Bend Dam. It is proposed to install equipment to operate the two hydroturbines remotely from the System Operator's Office in Beaumont—some 80 miles from the dam site. Thus, a communication system will be installed from Toledo Bend Dam to the Beaumont office in order to be able to telemeter in the necessary information for tying in this source of power with our present load frequency control equipment, thereby giving the power flow in or out to Central Louisiana Electric—a portion of which in turn will go to Louisiana Power and Light.

area an abundance of water which is so urgently needed for development of the area.

Toledo Dam to Help Meet Areas Water Demand

Mr. Melancon remarked although we need water for our power plants we are relatively small users. It is the municipalities and industries in the area that demand large quantities of water. It is predicted that their demands in 1975 will be twice that of 1958 and the demand by the year 2010 will be double that of 1975.

Mr. Melancon closed by saying that with the abundance of power our Company can supply plus the abundance of water to be made available by McGee Bend, industries will have some real incentives to come into the Southeast Texas service area in future years.

Agreements with Toledo, McGee Projects

Mr. Mortimer talked on the contractual and financial aspects of McGee Bend Dam and Toledo Bend Dam projects, explaining that the former is being built and largely financed by the federal government while the latter is being built and financed by two state authorities.

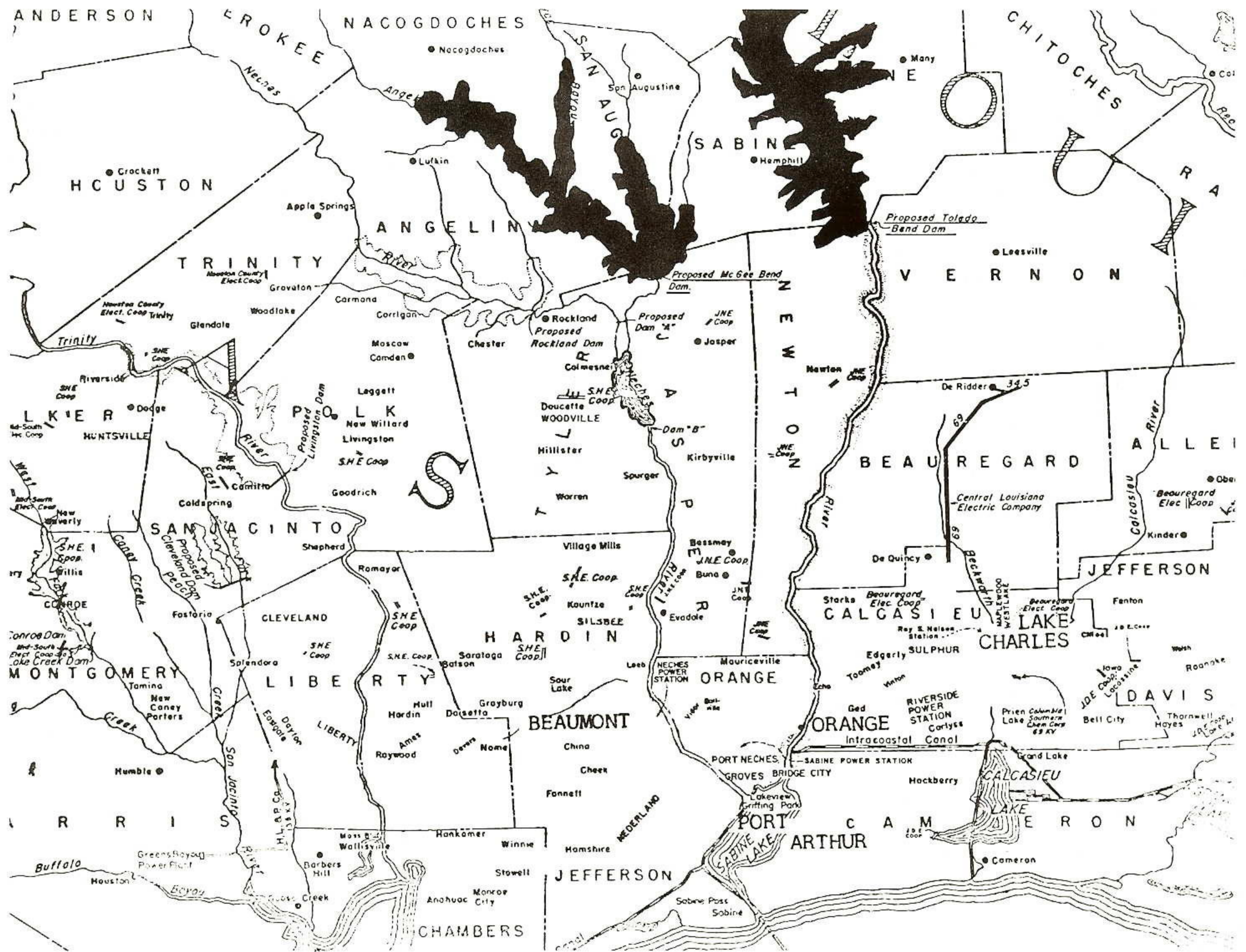


Mr. Mortimer

McGee Bend is entirely in Texas while Toledo Bend is on the Sabine River which bounds Texas and Louisiana—with a little over half of its reservoir lying in Louisiana.

McGee Bend, A Federal Project

McGee Bend project will be largely financed by the Federal Government except for a contribution from Lower Neches Valley Authority. LNVA has also agreed to pay in a substantial amount of money each year for 50 years to the project. LNVA is in the business of selling water for agricultural, municipal, and industrial purposes, and thus has a considerable interest in this project. Southwestern Power Administration



MEETING AREA'S GROWING DEMANDS FOR WATER. This map shows the location of Toledo Bend and McGee Bend Dams in relation to our service area and the highly industrialized areas of Beaumont, Port Arthur, Orange and Lake Charles. The lakes formed by these dams will help meet the water demands of our municipalities and industries. Studies show that by 2010 this demand will be four times

greater than in 1958. Our Company has been designated to move electric power produced at McGee Bend to preferential customers designated by the Southwest Power Administration. Our Company, along with Central Louisiana Electric and Louisiana Power and Light Companies, have signed agreements to purchase the power output from the Toledo Bend Project for 50 years.

tion (SPA) will market the power for the Federal Government for an amount which has been determined to cover the cost of the project allocated to hydroelectric power. It is required to sell the electric power and energy to preference type customers if it is feasible to do so and is negotiating contracts with that in mind. It plans to sell the electric output to Tex-La Electric Cooperative which in turn would sell the power and energy to our Company. The contracts would also provide that our Company would deliver power and energy requirements of several members of Tex-La Electric Cooperative under rates to be specified in the contract and bill Tex-La for such deliveries.

Toledo Bend project, to be built by Sabine River Authority of Texas and

Sabine River Authority of Louisiana will be financed by grants of \$15,000,000 from each state plus the proceeds from \$30,000,000 in 40-year revenue bonds secured by the revenues from the sale of electric power and energy. A memorandum agreement has been signed by the authorities and three utilities, Gulf States Utilities Company, Central Louisiana Electric Company, Inc., and Louisiana Power and Light Company whereby the authorities will sell the output of the project to the three utilities at a stated price. This price would hold for the first 40 years of a 50-year contract; during the last 10 years of such contract the price would be 80 per cent of the price for the first 40 years.

The amounts of energy available from the two projects is very low com-

pared to the maximum kilowatts available. Therefore such power and energy is of economic value only as peaking power; it cannot be used to serve year-round loads because energy is available such a small percentage of the time. It takes large power systems to absorb peaking power, economically, in the amounts available from these dams but we have a system large enough to absorb the output of McGee Bend and half of the Toledo Bend output. The other utilities are each large enough to absorb their one-quarter of the Toledo Bend output economically.

It is planned that we will operate the Toledo Bend plant substantially by remote control; a suitable allowance for such operation will be provided in the contracts.



TAKES TWO TO TANGO. Dorotea Sohm, left, and Sergio Duran, both of Medellin, Colombia, and students at Louisiana State University, perform a courtship dance at the annual two-day electric cooking demonstration show held last month in Baton Rouge.

TOURIST ON TOUR. This is only one night's crowd at "The Electric Way to a Homemaker's Holiday" sponsored by our Company, the State-Times and Morning Advocate in Baton Rouge's Istrouma High School. More than 1,200 persons attended the two performances.



Around-the-world tour draws large crowds . . .

Baton Rouge "Homemaker's Holiday" Produces Many Enthusiasts in Two Days

BATON ROUGE homemakers took an "around the world" tour Friday and Saturday nights, April 26 and 27, but ended up in a homemaker's delight of the most modern appliances the United States has to offer.

More than 1,200 persons filled the auditorium of Istrouma High School. The annual school is sponsored by our Company and the Baton Rouge State-Times and Morning Advocate.

Local merchants and electric appliance dealers assisted in producing the show.

A bit of international flavor was added to the show, the "Electric Way to a Homemaker's Holiday," by an imaginary tour and the appearance of several LSU international students.

Fashion, Food, and Flavor

Chanta Nouth, LSU student from Cambodia, started the show by singing "Around the World in 80 Days" with a special verse on the use of electricity around the world.

Mrs. Wathena Shine, Westinghouse home economist, cooked a Hawaiian meal on stage, using, instead of a range, a number of small electric appliances, including broiler, frypan, griddle, blender, and electric saucepan. She

also showed a coffeemaker and emphasized the place of coffee throughout the world.

Mrs. Shine prepared an exotic meal including lobster curry and island fruit compote.

Mu Mu Kin, LSU student from Rangoon, Burma, modeled a Burmese wedding dress for the homemakers and told them of the importance of rice in Burmese cooking.

Mildred Tribble, GSU home service advisor, demonstrated the wonders of electric cooking, preparing some broiled steaks, a doberge cake and a baked Alaska. The most amazing feature of her demonstration was the preparation of a whole roast pig—roasted English style with an apple in its mouth and flaming plum pudding.

Miss Tribble showed the homemakers the practical features of the two electric ranges she used and of the Coldspot refrigerator-freezer that was given away.

Students Perform

Lending to the show's international flavor was a Colombian courtship dance performed by Dorotea Sohm and Sergio Duran, LSU students from Colombia.

Jyotibala J. Lakhani, an internation-

al student from Bombay, India, did a native dance in her national dress.

A styleshow coordinated by Mrs. Jesse Bridges with Mrs. Clyde Shaw as commentator gave the homemakers a look at the latest spring and summer fashions D. H. Holmes, a Baton Rouge department store, had to offer.

The show emphasized the current casual look with many of the styles correct for playtime and beach wear.

Lily G. Johnson, regional home economist for Philco, gave the homemakers tips on washing today's modern fabrics and demonstrated a multi-cycle electric washer and dryer.

The program was co-ordinated by Joe DeJean, residential sales promotion supervisor, and Leonora O'Neal, home service director, Beaumont, and was under the direction of Marcus Andrews, superintendent, Baton Rouge Residential Sales, Ed Roberts, Residential Sales, Baton Rouge, was master of ceremonies and Hebert Aull, played the part of a newsboy during the program. Assisting with production were Harrett Babin and Marlyn Davis, home service advisor, and all members of the Baton Rouge Residential Sales.



SITE OF MEMORIAL DAY GOLF TOURNAMENT. Mrs. Ed Stuart, Jr., Beaumont, aims a shot straight for the number three hole on the practice green of Beaumont's Pinewood Country Club, the site of the May 30 annual employees' golf tournament. In the background is

the clubhouse of which all facilities, including the swimming pool, have been made available to entrants and their families. Tourney participants will be among the first to play on the recently completed back nine greens.

Gulf Staters await May 30, Memorial Day . . .

Seventh Annual GSU Golf Tournament Set for Pinewood Country Club

"BEAUMONT'S newest and most beautiful golf course will be the site of the seventh annual employees Memorial Day Golf Tournament," announced Sterling Oliver, Civil Drafting, Beaumont, general chairman of this year's tournament.

Beaumont Division employees will host the tournament again this year. The tournament was originally scheduled to be held on Pleasure Island in Port Arthur, but when the Pleasure Island Bridge across the ship channel was knocked out of commission by an Indian freighter the tournament had to be moved to Beaumont.

Site of this year's classic is the Pinewood Country Club located off Texas Highway 105, northwest of Beaumont about 15 miles.

"Each golfer is requested to send in at least three of his last eighteen hole rounds. These scores will be used along with the scores of the last three tournaments to determine handicaps.

Those who have never played in a Company tournament before should turn in five of their last eighteen hole rounds to determine their handicaps," Mr. Oliver said. "There's be approximately five flights and prizes will be awarded in each flight."

Entry blanks have been mailed to all participants of last year's tournament.

Beaumont area golfers will tee off at 7 a.m. Out-of-town golfers will start later in order to allow them ample traveling time.

The swimming pool will be open to all family members at no extra cost and the club house will be available for bridge and games. Mrs. Jack Shirey, Mrs. Floyd Smith and Mrs. Oliver will act as co-hostesses for family activities.

A snack bar will be open serving sandwiches and cold drinks throughout the day.

A buffet dinner will be served in

the club's dining room from 1 to 3 p.m. The meal is included in the \$5.50 entry fee for the golfer and will cost \$1.50 for each adult guest and \$1 for each guest under 12 years of age.

The various committees and members are as follows: handicaps, pairings, starting and scoring, Bill Heaner, Claims, chairman, and Bill Barksdale, Engineering, assistant; entry fees, finances, Joe Fontana, General Accounting, chairman, and George Hayes, Engineering, assistant; prizes, awards, Bill Thomson, Beaumont Division Sales, chairman, and Leroy Bodeman, assistant; rules, grounds, Butch Franklin, Treasury, chairman, and Martin Riggs, Engineering, assistant; publicity, Bunch Eads, Publicity, chairman.

Division representatives are: Jimmy Atkins, Beaumont; Norman Lee, Lake Charles; Earl White, Port Arthur; and Albert Baird, Navasota.



A TIE. Emery Fruge, Lake Charles, and Ralph Shirley, Baton Rouge, tied for the All Events Scratch trophy with a score of 1805. Mr. Shirley was second in All Events Handicap and Singles Event.



TAKE HOME THE TROPHIES. Jim Chandler and Stanley Paxton, Louisiana Station, hold the Doubles Event trophy they won and a couple of the team trophies won by the Twilight Bandits, team from Baton Rouge.

*Second annual employee
bowling tournament held in
Lafayette . . .*

TOURNAMENT CHAIRMAN. Honore Miller, Lafayette, served as general chairman of the second annual employees golf tournament held April 6 and 7 in the Lafayette Bowling Lanes. Mr. Miller displays the trophy he won for bowling a score of 689 to win the Men's High Series Handicap. He and his wife, Thelma, finished second in the Doubles category.



Down The Alleys



"ALTHOUGH we only had 12 teams enter our second annual bowling tournament," said Honore Miller, Lafayette T&D, chairman of the tournament, "we had a very exciting weekend."

The tournament was held April 6 and 7 at the Lafayette Bowling Lanes.

The Twilight Bandits from Baton Rouge walked away with top team event, while the Lafayette District team took the second team place.

Individual trophies were awarded to the following:

DOUBLES

1. Stanley Paxton Baton Rouge
Jim Chandler
2. Thelma Miller Lafayette
Honore Miller

SINGLES

1. Joe Oliver Lafayette
2. Ralph Shirley Baton Rouge
3. Ray Eichelberger (tie) Baton Rouge
4. Rodney Scioneaux
5. Ed Hodges Lake Charles

ALL EVENTS HANDICAP

1. Joe Olivier Lafayette
2. Ralph Shirley Baton Rouge

ALL EVENTS SCRATCH

- Ralph Shirley (tie) Baton Rouge
Emery Fruge Lake Charles

HIGH INDIVIDUAL SERIES SCRATCH

- Emery Fruge (men) Lake Charles
Thelma Miller (women) Lafayette

HIGH SERIES HANDICAP

- Honore Miller (men) Lafayette
Betty Smith (women) Baton Rouge

HIGH GAME SCRATCH

- Jack Waltrip (men) Baton Rouge
Lois Milazzo (women) Baton Rouge

HIGH GAME HANDICAP

- E. S. Krouse (men) Baton Rouge
Jane Fruge (women) Lake Charles

Following the tournament, a ballot was taken among the bowlers to determine where next year's event would be held. Lake Charles received the most votes.

"We plan to have a meeting this fall in Jennings, since it is a central location," Mr. Miller said, "at which time we'll elect a chairman and make plans for the next tournament. Each town will be asked to send a representative to serve on the planning committee. We hope to have more events and a lot more participants at our third annual meet in Lake Charles."

DAD'S ADMIRERS. Joe Olivier, Lafayette, and his daughters, Karen and Deborah, are happy about his taking the Single Events with 683, and the All Events Handicap with 1,922.



ANNIVERSARY BOWLERS. Emery and Jane Fruge, Lake Charles, helped celebrate their wedding anniversary, April 7, by coming away from the tournament with an arm load of trophies. Emery holds his trophies for All Events Scratch and Men's Individual Series Scratch. Jane won the Women's High Game Handicap trophy.

HELPS MOTHER WITH TROPHY. Mona, daughter of Honore and Thelma Miller, helps her mother hold trophy Mrs. Miller won when she rolled 476 to take the Women's High Individual Series Scratch event.



Clifford Meaux Top Rural Light Salesman

CLIFFORD MEAUX, district serviceman in the Winnie-Stowell area of Beaumont Division, is the top salesman in the Rural Nightwatch Lighting Campaign, according to reports turned in by May 7 at which time he was credited with 171 installed lighting systems.

The campaign was started during March and will run through May. During the first two months, 1,106 rural lighting systems were installed. For each nightwatch light installed the employee responsible for the sale receives 1,000 trading stamps.

"We expect this campaign to result in the sale of over 2,000 lights," said Bill Richard, system supervisor of commercial sale promotions. "This means an estimated annual revenue of \$78,000. Since these lights represent off-peak load, they are a particularly desirable business."

Lake Charles is high division in the lighting campaign with 491 systems.



SUPER RURAL LIGHT SALESMAN. Clifford Meaux, center, district serviceman, Winnie-Stowell, was presented a certificate for being the leading salesman in the employee rural lighting sales campaign by A. B. Wilson, superintendent, Beaumont Division, at a recent meeting of Beaumont Division Sales personnel at Neches Station. Mr. Meaux was credited with 171 installed lighting system sales during the first two months of the campaign.



ATTEND TRAINING SESSION. More than 20 members of our Company's Industrial and Area Development Sales Department went to Lake Charles last month for a two-day session of training and learning in order to bring themselves up-to-date on latest selling techniques and current area problems. Lake Charles' Industrial and Area Development Department hosted the meeting. Here Hebert Hamilton, dean of the College of Commerce, University of Southwestern Louisiana, Lafayette, discusses the movement of farm population to urban areas.

Industrial, area development personnel hear how . . .

Many Factors Influence Sales And Plant Site Location

DURING a two-day meeting in Lake Charles, industrial and area development sales supervisors and representatives from across our system received the latest word on factors and situations which influence sales and plant site locations.

The 25 representatives and supervisors heard E. L. Robinson, vice president and general sales manager, talk

THRIFT PLAN

DURING April the Trustee of the Employee Thrift Plan purchased the following stock to cover employee deductions and Company contributions through March:

- 1963 shares of Common stock at a total cost of \$76,146.26 or an average cost of \$38.791 per share.
- 103 shares of \$4.40 Preferred stock at a total cost of \$10,202.15 or an average cost of \$99.05 per share.

These costs included brokerage and commission fees.

The Trustee also deposited \$24,832.00 with the savings department of The First Security National Bank of Beaumont.

on "Sales Techniques," and A. W. Hastings, vice president and assistant to the president, on "REA's Co-ops and Municipals."

Herbert Hamilton, dean of the College of Commerce at University of Southwestern Louisiana, Lafayette, discussed the exodus of the population from the rural areas to the urban areas and perimeters of the nation. Dean Hamilton also pointed out industrial growth that has come from deep water transportation in other areas and which would come to southern Louisiana with the construction of the Louisiana Intercoastal Seaway.

During the meeting a film on Short Circuit Testing and a discussion and demonstration on fuse protection was conducted by Harry G. Duke, representative from the Bussman Manufacturing Company, St. Louis, Missouri.

Also on the program were E. A. Baumgartner, L. N. Brannan, A. D. Sprawls, M. M. Williams, L. J. Bode-man, and W. E. Richard.

The Lake Charles Industrial and Area Development Department, under the direction of E. G. Hodges, superintendent of sales, hosted the April 23-24 meeting. The meeting was opened by L. V. Dugas, superintendent, System Commercial and Industrial Sales, Beaumont.

installed. Beaumont Division employees have sold 303 rural nightwatch lights; Baton Rouge, 200; Port Arthur, 70; and Navasota, 42.

Commercial Load Building Results

Commercial sales during March totaled 4,205 kilowatts which represents an estimated annual revenue of \$147,977. Commercial cooking accounted for 560 kw and an estimated annual revenue of \$11,612. Lighting accounted for 2,101 kw and an estimated annual revenue of 84,343. 250 kw of electric resistance heating were reported sold during the month of March, as well as 56 kw in water heating. Eleven heat pumps totaling 48.7 tons were connected.

Our total sales for the year are 1,412.7 kw for commercial cooking, 4,196.2 kw in lighting, 25 heat pumps totaling 114.2 tons and 875.6 kw in resistance heating. During March, a very successful Lighting Fundamentals Training Course was completed. The benefits of this training course are expected to provide increased lighting installations and revenue for many years to come.

Residential Load Building Results

In the Residential Load Building Contest Port Arthur held on to its first place standing, leading in sales of water heaters, heat pumps, and electric heating, and was second in medallion home sales.

Beaumont placed second in all sales categories except for medallion home sales.

Baton Rouge Division turned in two third places, one in heat pump sales, the other in medallion home sales. It was fourth in water heaters and fifth in electric heating sales.



ORANGE'S RESIDENTIAL KWH CONSUMPTION CITED. E. L. Robinson, right, vice president and general sales manager, presents T. O. Charlton, district superintendent, and Walter House, sales supervisor, Orange, with a 6,000 KWH certificate in the KWH Club at the April department heads meeting in Beaumont. Orange District has passed the mark of 6,000 KWH average consumed annually per home customer. On March 31, Orange residents were using an annual average of 6,052 KWH. Mr. Robinson also presented a plaque to J. Kirby Jones, sales superintendent, Port Arthur, for that division having an annual average usage of over 5,000 KWH, and to Vic Norvell, district superintendent, Silsbee, for an average of 4,500 KWH per residential customer.

The top ten leading towns and districts for March were as follows: Mid-County, 6,300; Orange, 6,052; Beaumont, 5,747; Baton Rouge, 5,619; Liberty, 5,384; Lake Charles, 5,331; Port Arthur, 5,306; Vidor, 5,208; Sulphur, 5,130; and Sour Lake, 4,919.

Last year the national average KWH per home customer was 4,281 KWH per year. Our Company's average for the same period was 5,009 KWH per year. For the first three months of 1963, our average has been 5,051 per home customer.

Navasota filled the fourth position with third place standing in sales of water heaters, fourth place in heat pumps and electric heating sales, and fifth in medallion home sales.

Lake Charles finished in fifth place with third place in electric heating, fourth in medallion home sales, and fifth in water heaters and heat pumps.

For the first three months of this year Residential Sales personnel have assisted the appliance dealers and home builders in our service area sell a total of 688 water heaters, 230 heat pumps, 1,596 Kw of electric heating; 271 Gold Medallion Homes and 337 Bronze Medallion Homes.

Salesmen of the Month

Named commercial sales representatives of the month for March were: Dolph McKowen, Baton Rouge; O. C. Wingard, Orange; R. W. McGowen, Lake Charles; C. J. Boring, Navasota; and Paul Baker, Port Arthur.

Residential sales representatives of the month were: M. J. Courtney, Baton Rouge; Jack Ogden, Woodville; Horace LaCombe, Lafayette; Bill Burke, Calvert; and Sidney J. Hebert, Port Arthur.



TOP DISTRICT IN SALES. This group of "firemen" comprise the Beaumont Division district, Silsbee, that leads in this year's sales campaign. Left to right they are: Frank Robinson, local superintendent, Woodville; Vic Norvell, district superintendent, Silsbee; R. A. McAlpine, sales superintendent, Beaumont Division; Gwen Hansen, home service advisor, Silsbee District; Jack Ogden, residential sales representative, Woodville; and Rex Lee, manager, Beaumont Division. The firemen's helmets carry out Beaumont's 1963 sales campaign, "Operation Flameless".

An Informed Editor Speaks Out in Defense Of Our Company, Industry and Free Enterprise

THE ORANGE LEADER

WEDNESDAY, APRIL 3, 1963

EDITORIAL PAGE

J. CULLEN BROWNING, editor-comptroller of The Orange Leader, has been a life-long resident of Deep East Texas. A native of Hemphill in Panola County, Mr. Browning is known in and around Orange as a "community leader and outstanding citizen."

An untiring laborer for civic betterment, Mr. Browning has pounded out thousands and thousands of words advocating roads and drainage improvements for Orange and Orange County as the well-respected editor of The Orange Leader. He is presently on the board of directors of the Orange Chamber of Commerce and he formerly served as president of the Jaycees, Texas Agricultural Writers Conference and Lions Club.

"I happen to have a keen interest in the REA situation since I saw it come into existence back in deep East Texas," Mr. Browning recalls from his editor's desk today. "I was well aware of the underlying philosophy and its original purpose. The National Rural Electric Cooperative Association has since varied from the original path."



Mr. Browning

In Defense of a Private Electric Utility

ONE of the fine things about Deep East Texas is the fact that its rural electric cooperatives and its investor-owned electric utility companies get along together quite well.

Enlightened management on both sides and due regard for the free enterprise system on the part of the co-op officials have created a climate in which the two distribution systems can render their services without continually feuding with one another.

This is as it should be. The co-ops are here to stay, but they should be kept within the bounds of the philosophy and purposes expressed by Congress in setting up that program years ago. And they should not be allowed to become an instrument for total socialization of the electric power industry.

Unfortunately, the good situation prevailing in our area does not exist nationwide. This was brought forcibly to attention when the National Rural Electric Cooperative Association, in a news release to daily newspapers, made a totally groundless and completely unfair accusation against 38 investor-owned utilities.

That and other activities of this association compel us to examine everything it does in the light of a basic assumption: That the organization exists primarily for the purpose of achieving total socialization of the industry.

The news release accuses the 38 private utility companies of overcharging their customers a total of more than \$1.25 billion in the period 1956-60. Twelve of these companies are located in Texas. They're accused of contributing \$419 million to the "overcharge."

One of the Texas concerns is Gulf States Utilities Co. It is accused of

"overcharging" its customers \$26.3 million during 1956-60. We mention this company because we buy its service ourselves to the tune of around \$500 a month.

As a customer of that magnitude, we're naturally very interested in the company's rate structure. This causes us to examine with more than casual attention the periodic financial statements which Gulf States makes available to us for our own information and for publication if we choose.

Gulf States, thank goodness, is making a profit. This fact attracts quite a lot of investment capital of stockholders buying shares in the company. It also keeps the company's credit good and enables it to borrow the millions of dollars needed for expansion and modernization of its system.

Without this profit and the investment and loan funds it is bringing into the company's treasury, Gulf States could not possibly carry on its remarkable program for keeping power supplies in our area abreast of demand.

And if this should break down, our whole economic development program would go to pot. All of us, therefore, have a direct and abiding interest in its ability to operate at a fair profit.

So the question of whether Gulf States is "overcharging" us hinges on whether the profit shown on its operating statements is fair. We're convinced that it is. If we were not we would be among the first in line for pounding on the desks of the company's officials.

By the same token, we resent having an association obviously dedicated to the destruction of a vital segment of the American system of free enterprise telling us we're being robbed when we know we're not.

Two Resolutions Protest Acts of REA Favoritism

TWO recent resolutions were adopted by two Beaumont groups, one scoring the postal rate favoritism recently granted rural electric cooperative publications and another opposing proposed Texas state legislation granting territorial expansion privileges.

Ad Club Scores Special Postal Rates

The Beaumont Advertising Club, at its April 24 meeting, adopted a resolution protesting the reduction of postal rates of co-op publications to one-fourth the regular charges for second class mail. The resolutions pointed out that all other users of second class mail, including newspapers carrying the advertising of the Club, must pay three, ten per cent increases in postal rate, effective January 1, 1963. The resolution also underscored the fact that subsidy granted co-ops was not even discussed in the postal bill hearings.

The Club members also pointed out that this special additional subsidy is an unfair burden to other publications, especially in view that cooperative



JUDGES CHECK PROGRESS AT COLMESNEIL. Colmesneil put its best foot forward Friday, May 3, for these four judges who inspected the community during its participation in the Texas Community Improvement Program, sponsored jointly by the Extension Department of Texas A&M, our Company and nine other investor-owned electric companies in Texas. Colmesneil won first place in its respective division and is now eligible to compete for state-wide honors. Shown looking over some freshly-cut clover, the judges are, from left to right, Margaret Bracher, district home demonstration agent in Nacogdoches; W. T. LaRue, county agricultural agent, Palestine; Shirley W. Milford, district home demonstration agent, Henderson; and R. J. Hodges, Jr., district agricultural agent, Nacogdoches.

newspapers sell advertising space and are therefore profitable enterprises.

Beaumont Jaycees Object To Proposed Senate Bill 221

The Beaumont Junior Chamber of Commerce adopted a resolution on

May 1, against the legislation now before the Committee on State Affairs of the Texas Legislature which would redefine areas in which rural electric cooperatives could operate. The proposed legislation would grant them authority to serve within areas annexed to municipalities without being subject to the traditional right of villages, towns, and cities to franchise.

The Jaycees resolved that Senate Bill 221 is contrary to the basic concepts and principles under which the Rural Electric Cooperative Act was passed and is inconsistent with the common public welfare.

Sympathy To:

Bernice Eaves, System Billing Record, Beaumont, on the death of her mother, Mrs. Effie Carter of Vidor, on April 10.



COMPANY'S NECHES RIVER FESTIVAL FLOAT. Our Company's entry in Beaumont Neches River Festival took second place in the commercial division of the April 27 parade. The young lady riding at the front right is Dianne Hurt, daughter of William M. Hurt, Customer's Accounting, Beaumont.



Mr. Bunch

In Baton Rouge . . .

George Bunch Retires May 1

GEORGE D. BUNCH, an employee at Louisiana Station, retired May 1, after almost 30 years with our Company.

Mr. Bunch began his employment in August, 1933, as a repairman's helper at Louisiana Station. He has been a storeroom assistant since 1954.

A native of Kentwood, Louisiana, he served in the U. S. Navy for three years. Prior to coming to work for our Company he was employed as a machinist in various industries in the Baton Rouge area.

From Beaumont . . .

Norman Head Completes New York Management Training Course

NORMAN HEAD, Rate and Depreciation, Beaumont, attended a three-weeks study course in management training in New York City. The program began May 4 and ended May 24.

Upwards to 50 employees of utility companies throughout the United States and Canada attended the training program, sponsored by Stone and Webster Service Corporation. The course acquaints utility company men

TAERF Awards Three Fellowships

THREE graduate students of Texas colleges and universities have been named as 1963 winners of summer research fellowships in atomic energy awarded annually by the Texas Atomic Energy Research Foundation and General Dynamics Corporation.

Fellowship winners, selected by a committee composed of representatives of Texas educational institutions, General Atomic and the Foundation, are James D. McElroy, Sherman; George L. Caldwell, Lockhart; and Jean Maxime Jose Jullienne, College Station.

McElroy is a candidate for a master's degree in the Department of Nuclear Engineering at Texas A&M College. Caldwell is a candidate for a Ph.D. degree in electrical engineering at the University of Texas, and Jullienne is a candidate for a Ph.D. degree in mechanical engineering at Texas A&M.

The three will work at General Atomic's laboratories in San Diego, Calif., with General Atomic scientists who are seeking a means of controlling for peaceful purposes the fusion reaction which is responsible for the power of the hydrogen bomb.

Our Company is one of the ten investor-owned electric companies in Texas who make up the membership of the Texas Atomic Energy Research Foundation which with General Atomic is sponsoring the world's first and largest privately-financed program in controlled nuclear fusion research. The program began in 1956.

with problems of top management in reaching financial decisions.

The program deals mainly with financial or treasury matters, financial statements, rates, regulations, taxation, depreciation, insurance, financial planning, securities, marketing, records, sales, personnel and public relations topics.

Mr. Head was graduated from LSU in 1951 and joined our Company in the same year.



Mr. Ricks



Mr. Hodges

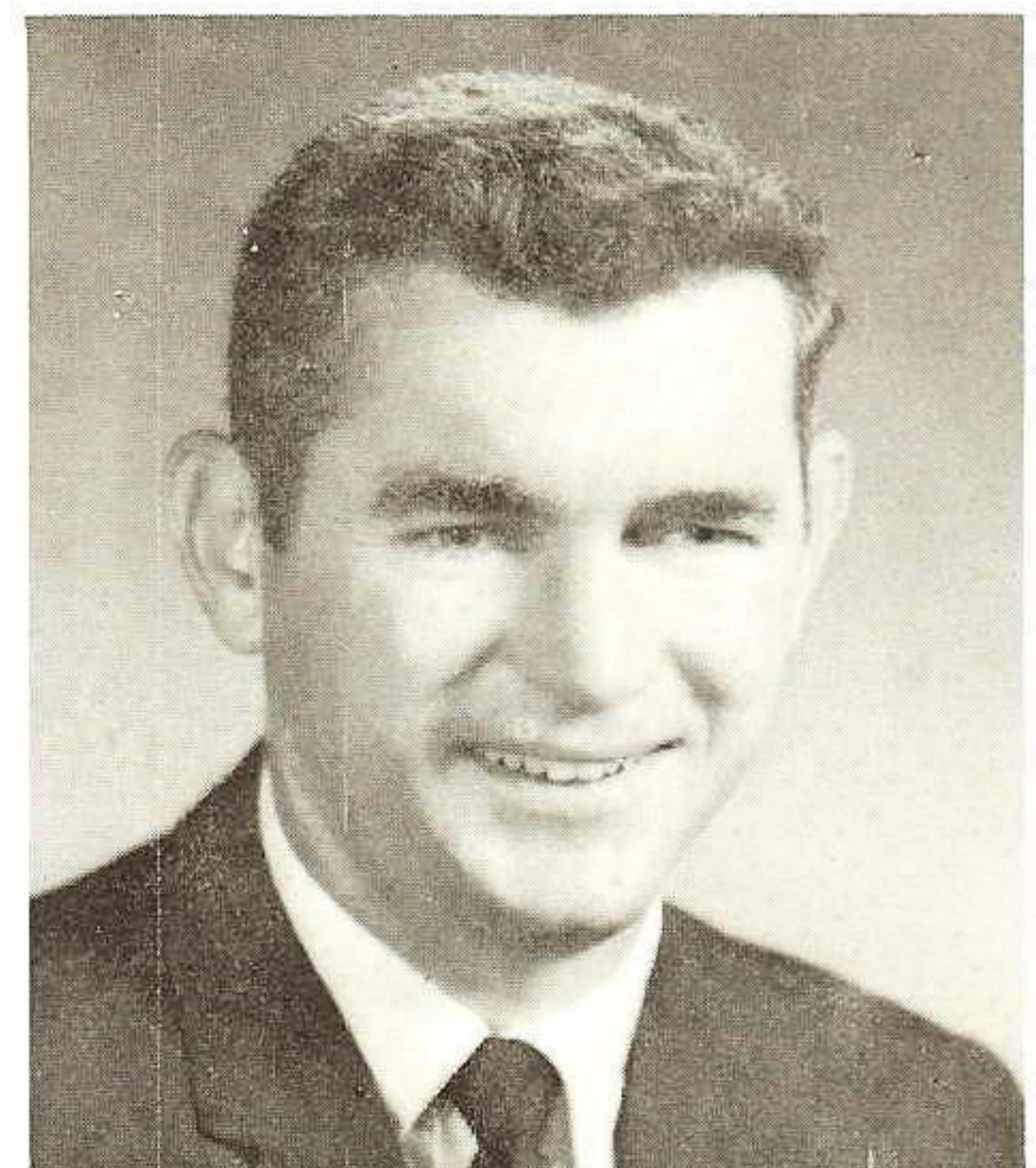
From Beaumont, Lake Charles . . .

Ricks, Hodges To Attend Executive Program

W. T. RICKS, purchasing agent, Beaumont, and Edwards G. Hodges, superintendent of sales, Lake Charles Division, have been accepted for attendance to the Public Utility Executive Program at the University of Michigan in Ann Arbor, Michigan, this summer.

Mr. Ricks will attend from June 16 through July 12 and Mr. Hodges from July 21 through August 16.

The four-weeks course, designed to benefit the nation's utility company executives, deals mainly with problems facing top management in business and economics. Leading educators and guest lecturers from government and industry will conduct the course.



Mr. Head



Mr. Warmack



Mr. Strong

Two Attend Symposium

GULF STATERS John L. Warmack, System Production, Beaumont, and W. G. Strong, operations and maintenance supervisor, Riverside Station, Lake Charles, participated in the fifth annual Symposium on Process Automation at Santa Monica, California, April 1 and 2.

The symposium, sponsored by several instrument and computer companies, featured four major sessions on the electrical utility, petroleum, cement and chemical industries. It was the first year for the electrical portion to appear on the agenda and the two GSUers were among six participants who inaugurated it.

Mr. Warmack served as chairman and Mr. Strong joined four other panelists in the electrical utility segment of the symposium. Two panelists were from TVA and one each was present from Southern California Edison Company and Louisiana Power and Light. Mr. Strong spoke on the "Progress Status Report on Riverside Systemation."

The symposium, held at the Miramar Hotel, drew an attendance of 142 from five countries—Canada, Japan, Italy, France and the United States.



"We get clean electric heat, and then you come along . . ."



WIN FAIR SHARE AWARDS. Sulphur employees recently received their seventh United Appeals Fair Share Award. The award was presented to them by Mrs. Carter of the Lake Charles Chapter of the American Red Cross. Receiving the award, left to right, are Luther Mosier, Maureen Harris, Dale Land, Pearl Darbonne, Mrs. Carter, Verlie Gibson and Phillip LeDoux.

Federal tax money used to promote . . .

Growth of Government-Owned Gas Facilities Alarms AGA

THE American Gas Association has yelled "foul" over the alarming use of federal-tax money to promote government-owned gas facilities. The AGA's newly-formed committee on combatting government ownership of gas held its first meeting recently to see what could be done about the mushrooming situation.

Municipal ownership of local gas systems has rocketed since 1950 when there were only 200. By last July 21, the number had multiplied to a

whopping 665, accounting for 2½ million customers. By the end of the year, the system total soared to 697.

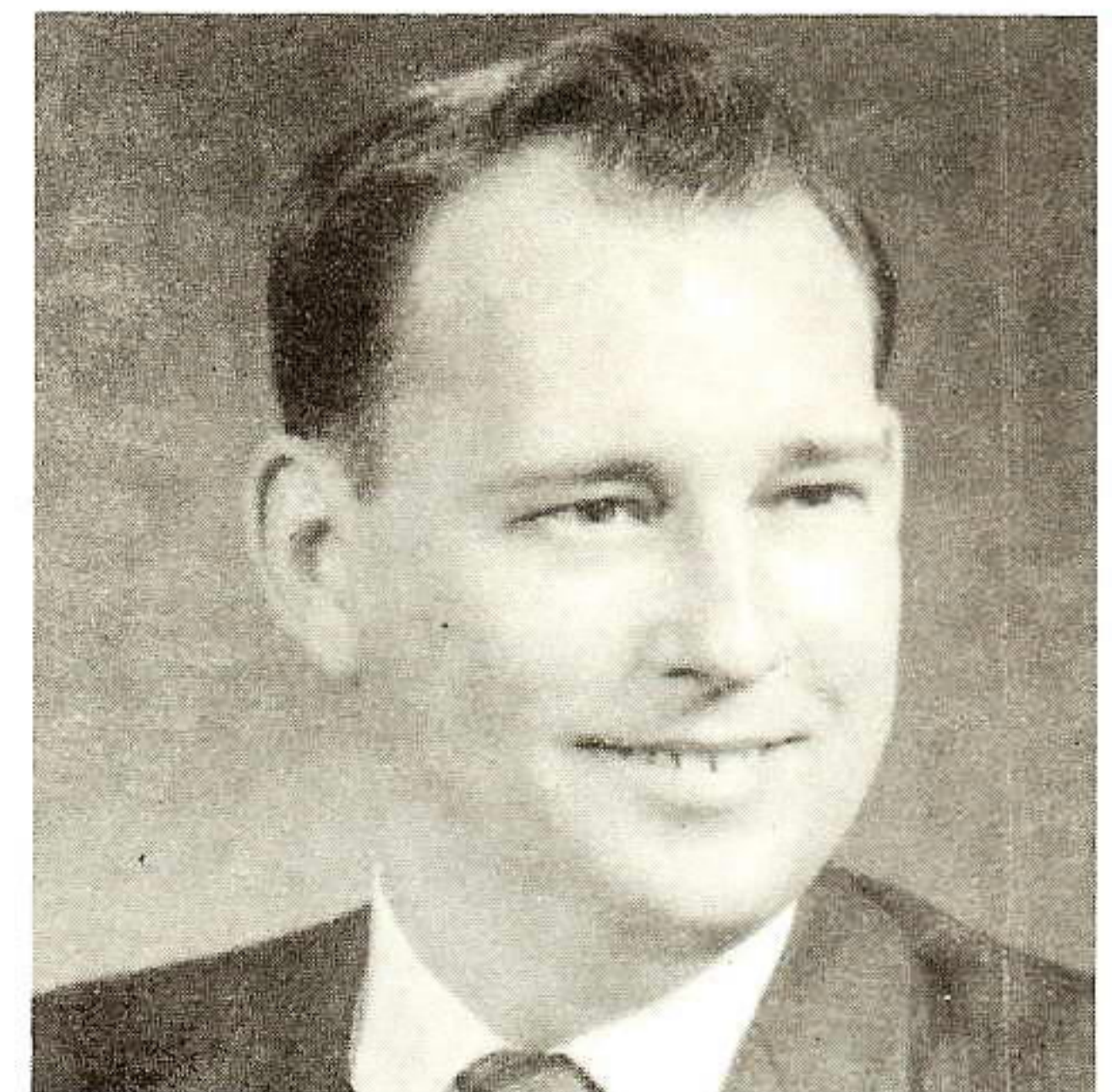
To those who scoff at the threats of what is now a modest program, AGA spokesmen reply that REA also had a humble beginning. Created to supply persons in rural areas, REA now has more than half of its power going to nonfarm customers. Only one in six new REA connections fits the original definition.

Completes RCA Course

ELDRIDGE MATHEWS, System Production, Beaumont, successfully completed an 80-hour training course on the RCA 110 Computer at West Palm Beach, Florida, between March 5 and March 15.

Mr. Mathews was presented a Certificate of Training for the successful completion of the course. Our Company owns one of three RCA 110 Computers in operation today. It is located at Riverside Station in Lake Charles.

"Mr. Mathews was a good student and handled himself well both in and out of class," said Dale Washburn, the instructor, who also commented on Mr. Mathews' attentiveness and will-



Mr. Mathews

ingness to learn. "We were pleased to be able to present the instruction to Mr. Mathews and we know he will put it to good use."

Our 1962 Dollar

INADVERTENTLY some figures were dropped from the chart summarizing "Your Company's 1962 Dollar" on page 3, April PLAIN TALKS. Here is a corrected summary showing what happened to the \$103,293,165 our operations earned last year:

Where it came from . . .		
Electric Sales		
Residential	\$ 33,626,457	
Industrial	30,848,652	
Commercial	22,443,274	
Other	4,845,572	
Other Income	87,411	
Total	\$ 91,851,366	88.9¢
Steam Products Sales		
Power	\$ 5,812,987	
Steam	1,845,130	
Other	87	
Total	\$ 7,658,204	7.4¢
Gas Sales		
Gas	\$ 3,783,595	3.7¢
TOTAL	\$103,293,165	100¢
Where it went . . .		
Taxes	\$ 22,927,981	22.2¢
Operation	34,733,502	33.6¢
Maintenance	6,185,196	6.0¢
Depreciation	12,405,152	12.0¢
Interest and		
Income Deductions	8,090,668	7.8¢
Shareholder's		
Dividends	13,100,874	12.7¢
Reinvested		
In Business	5,849,792	5.7¢
TOTAL	\$103,293,165	100¢

"The things that will destroy America are prosperity - at - any - price, peace-at-any price; safety-first instead of duty-first, the love of soft living and the get-rich-quick theory of life."

Theodore Roosevelt

Service Awards

TEN YEARS



James Fernandez
Sales
Port Arthur

TWENTY YEARS



Maxine H. Jones
Building Services
Beaumont

FORTY YEARS



V. P. Gayle
Sales
Beaumont



ON STAGE. Lorna Moncrief, home service advisor, Orange, performs a little kitchen magic during the "Showcase of Electrical Living" as it was presented to this group of Orange County Home Demonstration Club ladies. Gwen Hansen, home service advisor, Beaumont, presented the home laundry portion of the program.

"Showcase" Draws Orange Crowd

"THE Showcase of Electrical Living," was presented by Lorna Moncrief and Gwen Hansen, home service advisors, at the Orange Community Center, last month to 200 Orange ladies. The program was sponsored by the Orange County Home Demonstration Club ladies.

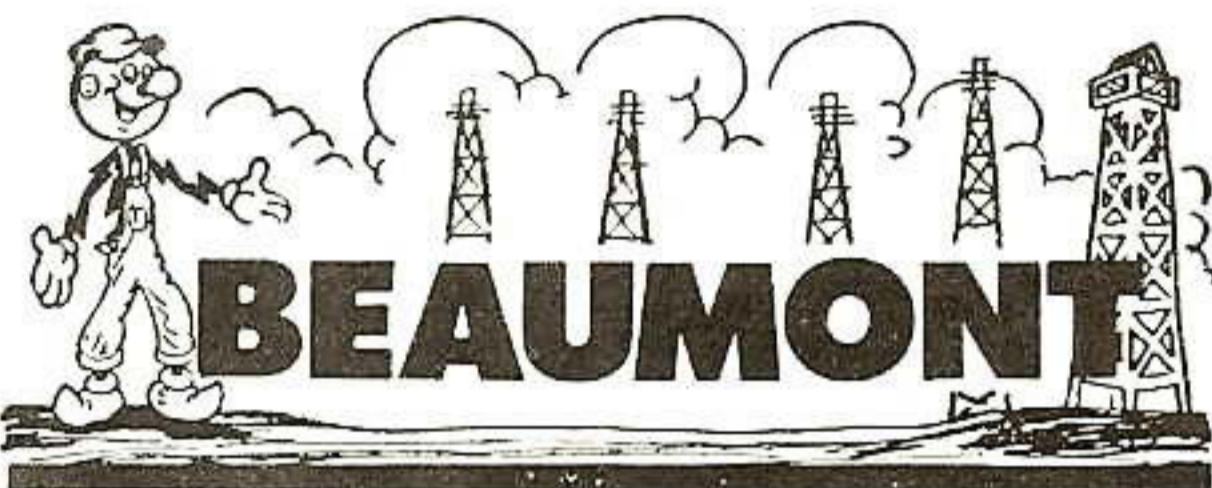
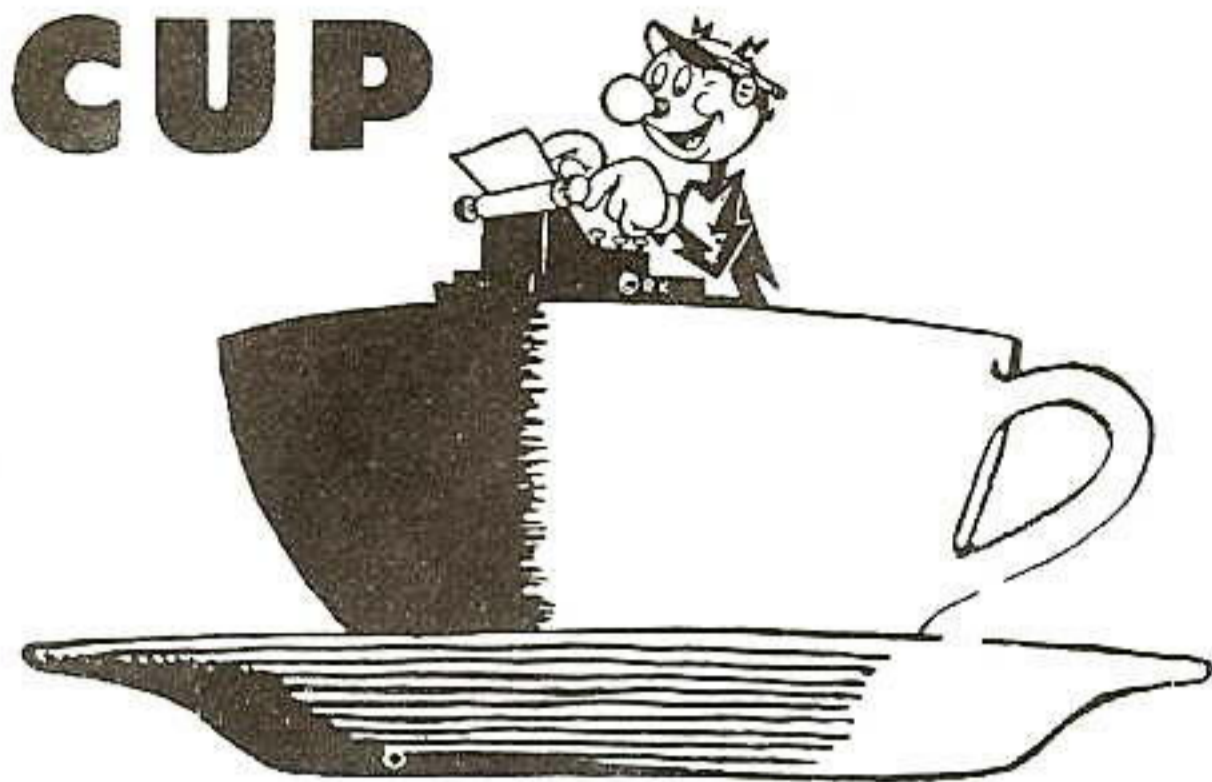
Miss Moncrief presented a demonstration featuring the electric range and the refrigerator-freezer combination. The use of home laundry equipment was presented by Mrs. Hansen. A style show by the Home Demonstration Club ladies was a special feature of the show.

They modeled wash and wear garments which they had made.

All major appliances used during the show were furnished by Orange dealers. The dealers also had set up displays featuring the electric range, refrigerator, washer-dryer, and wash and wear fabrics for the ladies to view before and after the program.

Various small appliances, household goods, gift certificates, clothing material and the food prepared during the program were awarded as door prizes to the ladies.

over the
**COFFEE
CUP**



PEGGY RUTH BELLUE, System Billing Records, Beaumont, became the bride of Steve Michael Jeansonne April 26 in St. Elizabeth's Catholic Church in Port Neches.

The bride is a graduate of Nederland High School. The groom, a former student at Lamar Tech, is employed by Dayburn Chemical Co. in Port Neches.

GO WESTERN. The employees at the Cleveland Office went western during the annual Dairy Day celebrations April 25, 26 and 27. Left to right, they are: Edd Mitchell, residential sales representative, Jane Bazzoon, Betty Corn, Barbara Snell, local office clerks, and Roy Hudspeth, district superintendent. Mr. Mitchell helped prepare the barbecue dinner served during the event.



A LOUISIANA FISH REPORT. J. L. Clement, commercial sales representative, Baton Rouge, second from right back row, joined this group of Baton Rougiens for a fishing trip to Lake Yucatan near Newelton, Louisiana, earlier this month. Others are Louis Harnis, Mike Banker, Newman Fletcher, Mrs. Fletcher and Mrs. Banker. Strung on the line are the 64 black bass caught. Mr. Banker caught the top fish, 5½ pounds while Mrs. Banker caught a 5¼ pounder. Mr. Banker also caught a 3½ pounder and 1½ pounder on the same cast.



DELBERT KEENAN, Production, returned to Beaumont April 6, following a six months special assignment with Daystrom, Inc., a computer manufacturer, in La Jolla, California.

While in California the Keenans visited Yosemite National Park, Disney Land, Marine Land, Knotts Berry Farm, and the Mount Palomar Observatory where a 200 inch telescope, the largest in the world, is located.

Lee Tynes, four year old son of Production's **Lannis**, performed his Sunday piano recital April 28, and is

scheduled for another recital June 5.

The weekend of April 5, Mr. and Mrs. J. H. Peterson, Jr. of Aransas Pass were guests in the home of their daughter and son-in-law, **Mary** and **David Wiltshire**. The following Easter weekend, Mary and David attended the Wiltshire Family Reunion at Dam B. Mary is in the Records Department.

Record's **Dorothy Gaus** and son, **Henry John**, visited her parents in Zwolle, Louisiana, over the Easter holiday.

A FISHING VACATION. E. L. Hegwood, line foreman, Cleveland, and his wife spent a month's vacation at their summer home at Patton Lake in Splendora, Texas. These are just a few of the fish they caught.





WHITE HOUSE AIDE. Charles Hirsch, son of Mrs. L. L. Hirsch of Port Arthur and the late Mr. Hirsch, System Production, Beaumont, is currently serving as a White House aide. Charles, 35, is a major in the Air Force. He is a graduate of Thomas Jefferson High School in Port Arthur. He graduated from the U. S. Naval Academy in 1950 and after varied service elsewhere was chosen for his presidential assignment two years ago. After leaving the Academy, he was commissioned in the Air Force.

Also traveling from Records on Easter weekend were **Nell Williams** and husband, **Bill**. They visited with relatives in Hot Springs, Arkansas, and Shreveport, Louisiana, and went sight-seeing in Oklahoma.

Rebecca Guelfi became the bride of **Al Callenius** at St. Anne's Church



"DADDY, YOU'RE SO FUNNY." Suzanne is the eight-month-old daughter of Mr. and Mrs. John Irwin of Beaumont. Suzanne was born September 2, 1962. Her father is a training representative in System Safety and Training. Saturday, April 20. **Mr. and Mrs. P. G. Guelfi**, Budget Department, are the brides parents.

—By Peggy Stout



H. F. SOCKRIDER, JR., son of H. F. Sockrider, Sr., district accountant, Lake Charles, was among those tapped into Omicron Delta Kappa, na-



AWARD WINNER. H. F. Sockrider, Jr., Lake Charles, has been elected to membership in Omicron Delta Kappa, national leadership society for men, at Louisiana State University.

tional leadership society for men, at LSU. This is considered the highest honor a student can receive at the University.

Qualifications for membership are character, scholarship, service, leadership, fellowship and consecration to democratic ideals. The student must be a junior or senior in his college or school.

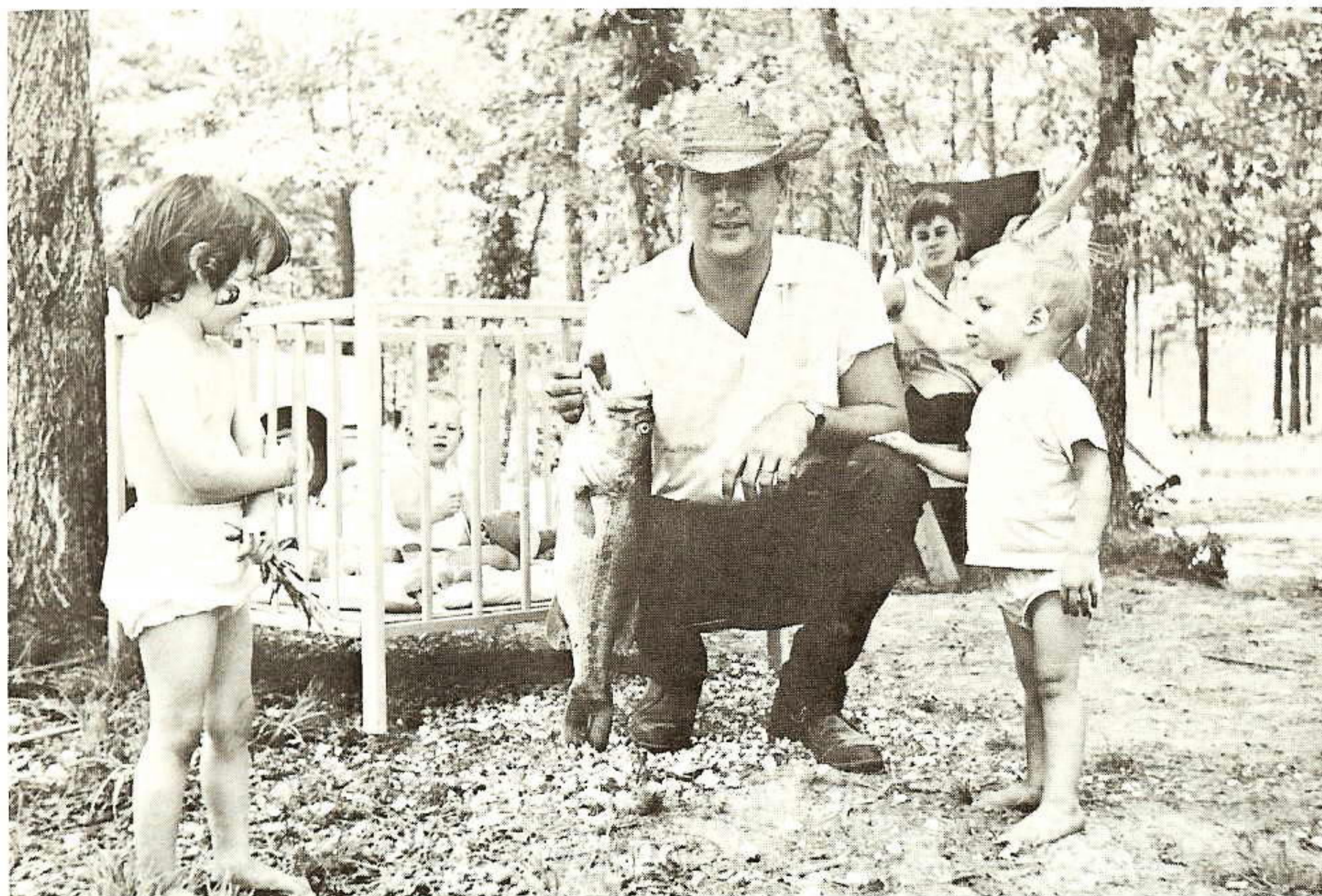
Only 25 students were tapped at an all-campus Leadership Convocation.

Young Sockrider was recognized for his leadership in the fields of scholarship, military, social and publications activities: as the third ranking student in the senior class of law school with an law school average of 2.19; as a member of Phi Eta Sigma, Mu Sigma Rho and Phi Kappa Phi, national honorary scholastic societies; as associate editor of the Law Review; as a member of the Student Senate; as vice president, pledge trainer and house manager of his social fraternity and as commander of the Sabre Air Command.

CAROL FOREMAN and **Marvin Goodman**, appliance repairmen in Lake Charles, attended the Hotpoint Refrigeration School in Jennings on April 18.

Sammie R. Bono, service foreman, attended the recent meeting of the International Association of Electrical Inspector's in Beaumont.

—By Brenda Morgan



A LIVE WIRE FIVE POUNDER. Tom Walker, Neches Station, proudly shows off a five pound, fourteen ounce, bass he caught on a recent weekend trip to the Live Wires' camp at Silsbee. Admiring dad's catch are: Sherry Lynn, 3, Donnie, 1, and Clay, 2. In the background is Tom's wife, Dell. This is the sixth five pound plus bass reported caught in this lake.

FAY DENNEY, Lake Charles Sales, is recovering from a recent operation and we are all looking forward to her return to work.

—By Paula Davis

JIM GRAY, Lake Charles Substation, has returned to work after a long absence. He has been off since February 13 recuperating from an electrical burn. It is nice to see him back on the job, and he reports he is feeling much better.

William Atwell and family spent several days in South Carolina at his home in Dillon visiting his parents and relatives.

George Trahan was among those who attended the employee information program in Beaumont the week of March 25.

Mr. and Mrs. J. F. Simonson spent a couple weeks vacationing in Peel, Arkansas. They visited friends and Mr. Simonson spent some time fishing in Bull Shoals Lake.

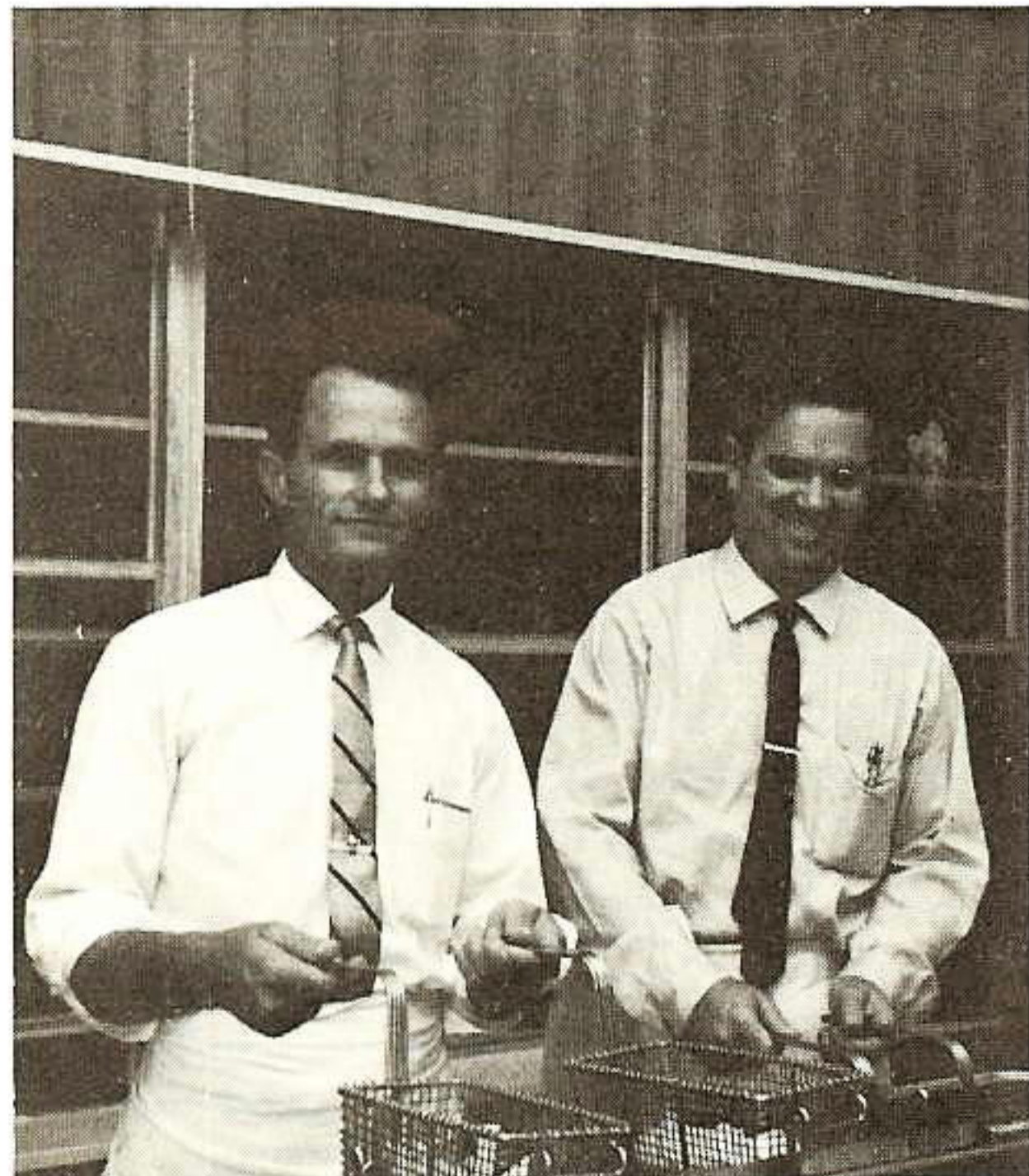
Frank Washington recently attended the 82nd Annual Session of the Grand Lodge—Knights of Pythias—State of Louisiana in Alexandria.

Mr. and Mrs. Philo East visited with friends in Hazlehurst, Mississippi, during his vacation.

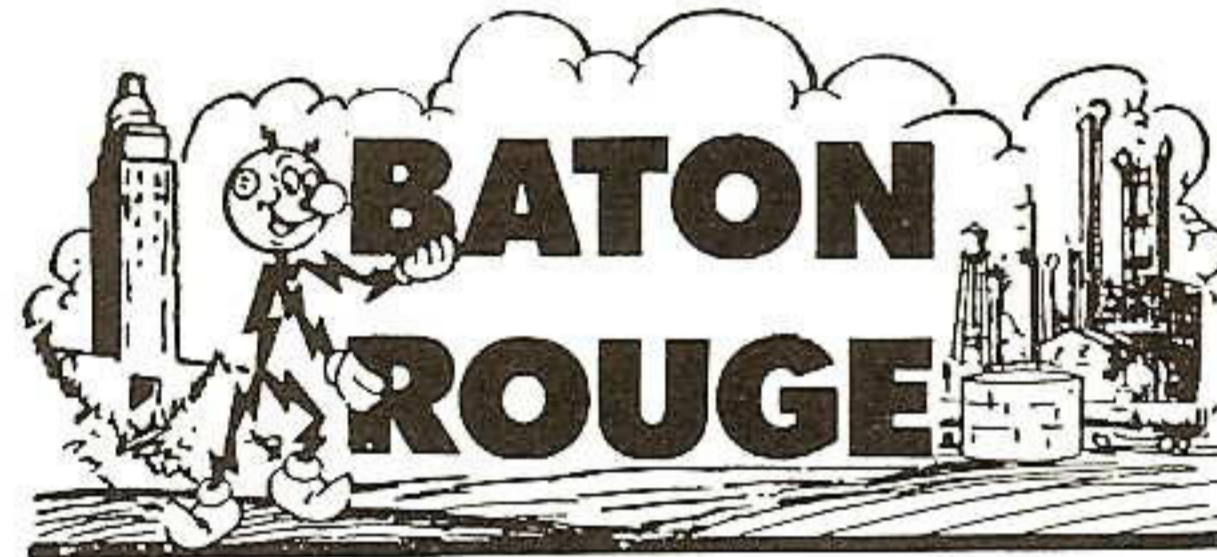
Visiting in the home of **Mr. and Mrs. Charles Reifsnider** for a few days were Charles' mother and father from Orlando, Fla.

—By Jo Ann Burnett

FIREMAN'S FISH FRY. Virgil F. Foster, residential sales representative, Madisonville, and Joe A. Bailey, commercial sales representative, Huntsville, teamed up to fry fish for the Normangee, Texas, Volunteer Firemen at the new high school cafetorium in Normangee. More than 125 people enjoyed the delicious fish—fried the electrical way.



READY FOR RETIREMENT. J. L. Gallup, center, Louisiana Station employee who retired April 1 after 21 years of service, was honored by the employees of the Maintenance Department at Louisiana Station with a retirement party. At the right is a barbecue pit, one of the gifts presented him by his fellow employees.



J. L. GALLUP was honored with a party on his retirement on March 29, 1963. Everyone wishes him the

NEW ARRIVAL. Rachel Denise is the newest arrival at the home of Mr. and Mrs. Donald A. Sigur, Lake Charles. Rachel Denise was born March 7 and she was welcomed by her three sisters. Mr. Sigur is a serviceman in Lake Charles T&D.



best of luck. Among those attending the party were two retired employees, **Nolan T. Graves** and **P. F. Donaldson**.

Among those enjoying spring vacations was **Stanley Davis** who spends a few days each spring at a camp on the beautiful swift flowing waters of the Tickfaw River. Lots of time was spent fly fishing for those big blue gill bream and goggle-eye perch. Also, the catfish in these waters are the "tastiest" for eating. **A. P. Lusk** and **Wayne Herndon** enjoyed spending a week at home. **Robert Furlow** also spent a week at home painting his house.

Mr. and Mrs. Lovett Young spent the Easter Holidays visiting their son, Wesley, and his family, at Springhill, Louisiana.

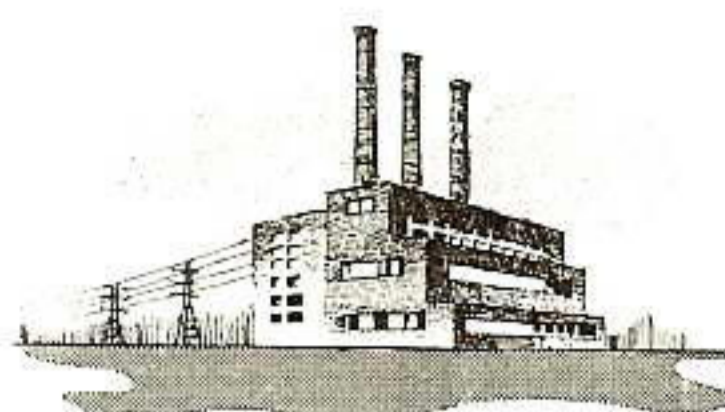
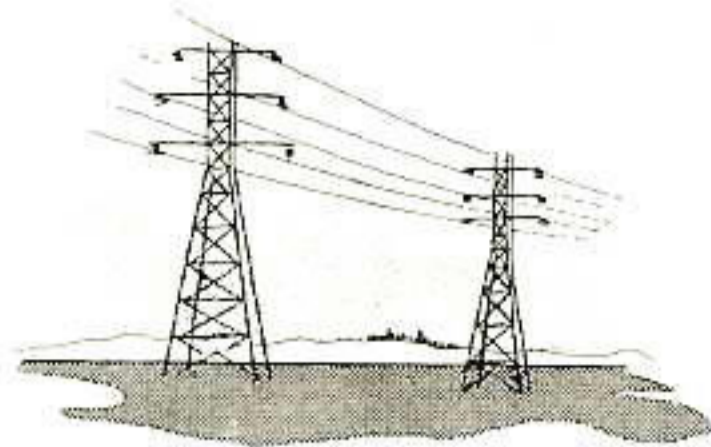
Everyone will miss **Sam Hochfelder**, who has worked for Stone and Webster Engineering Corporation, at Louisiana Station for several years. Recently Sam was transferred to Willow Glen Station.

—By Frances Heffner

MARK COUVILLON, employee of the Gas Meter Shop, just returned from a vacation of leisure. He spent most of his time just fishing and basking in the sun. This is the kind of vacation we all enjoy.

Sharkey Bergeron, a Gas Engineering employee, spent his vacation turkey hunting. He says that he didn't kill too many turkeys, but he surely did have fun hunting them.

—By Freda Hargrove



Injury Frequency Reduction Award

This certificate is awarded to

**Electric Division
Gulf States Utilities Company**

In recognition of the achievement by its employees of a twenty-five per cent, or greater reduction in its injury frequency rate during the year 1962 as compared with the preceding three years.

Stanley H. Young
CHAIRMAN, ACCIDENT PREVENTION COMMITTEE

Morrison
PRESIDENT

EMPLOYEES SAFETY RECORD RECEIVES MORE HONORS. Board Chairman and President Morrison recently received, on behalf of all employees, this Injury Frequency Reduction Award Certificate from the Edison Electric Institute. The Award recognizes our Company's reduction of

accident frequency rate (number of lost-time injuries per million man-hours worked) during 1962 of 25 per cent or more as compared to our average frequency rates of the preceding three years. Last year our employees turned in a frequency rate of zero.

Have a cigar on:

gulf staters in the news

Mr. and Mrs. Richard Peterman on the birth of their daughter, **Suzanne**, on March 9. Mr. Peterman is an industrial engineer in the Lake Charles Sales Department.

Mr. and Mrs. Douglas R. Tyler on the birth of their son, **Michael Ray**, April 23. Mr. Tyler is a lineman in the Lake Charles T&D.

Mr. and Mrs. Joseph E. Bondurant on the birth of their daughter, **Tammy Jo**, April 28. Mr. Bondurant is an engineer in the System Engineering Department, Beaumont.

Mr. and Mrs. Donald A. Sigur on the birth of their daughter, **Rachel Denise**, March 7. The Sigur's have three other daughters. Mr. Sigur is a serviceman in Lake Charles T&D.

Mr. and Mrs. Ben Ferguson on the birth of their son, **Mark Blain**, March 28. Mr. Ferguson is employed in the Sulphur District.

Mr. and Mrs. Bill Blanton on the birth of their son, **Christopher Paul**, April 11, in Beaumont's St. Elizabeth Hospital. Mr. Blanton is a test technician at Neches Station.

Mr. and Mrs. C. E. Calvert, System Production, Beaumont, on the birth of their son, **Robert Crisman**, April 2, at Beaumont's St. Elizabeth's Hospital. Robert is the third son of the Calverts.

John Irwin, training representative, System Training and Safety, Beaumont, recently spoke before the South Park Rotary Club of Beaumont. Mr. Irwin talked on "Need for Economic Understanding."

Becky Jones, home service advisor, Port Arthur, has been elected chairman of the Sabine Area Home Economist Unit.

Philip LeDoux, residential sales representative, Sulphur, has been re-elected president of Vincent Settlement School Parent-Teacher Association.

Joe McClelland, Jr., industrial engineer, Beaumont, served as chairman of the 1963 Scout Exposition and Cub Hobby Show held May 17 and 18 at the South Texas State Fairgrounds.

System Safety Bulletin

TO YOU: IN AN EFFORT TO PREVENT INJURIES
FROM: SYSTEM SAFETY DEPARTMENT

VACATION AND SUMMER DRIVING TRAFFIC SAFETY BULLETIN

Dear Gulf Stater:

We are calling on all Gulf Staters to help us overcome a serious situation.

In 1962, traffic fatalities exceeded forty-thousand for the first time! In fact, the total rose from thirty-eight thousand in 1961, to nearly forty-one thousand in 1962.

Most of the increase in fatalities occurred in the summer months. It could be worse in 1963 unless you and others drive safer during the vacation and summer driving season.

SOME HELPFUL DRIVING TIPS

- 1—Is your family vehicle ready for vacation and summer trips? Have it safety checked.
- 2—Defensive driving is a good method of preventing traffic accidents.
- 3—KEEP YOUR DISTANCE when driving.
- 4—Be prepared to stop before entering intersections.
- 5—Never contest the right-of-way! You always lose.
- 6—Never drive too far or too long in a day. An extra night on the road is better than months in a hospital away from home.

HAVE A SAFE VACATION — DRIVE SAFELY

THE NATIONAL SAFETY COUNCIL &
SYSTEM SAFETY DEPARTMENT

AFTER FIVE DAYS RETURN TO

Plain Talks

P. O. BOX 2951
BEAUMONT TEXAS

RETURN POSTAGE GUARANTEED

Bulk Rate
U. S. POSTAGE PAID
Beaumont, Texas
Permit No. 11



SAFETY PAYOFF. Board Chairman and President Morrison, left, and L. M. Welch, vice president in charge of operations, watch Annie Ruth Finley, stenographer to Frank Jones, safety director, place on display the plaque awarded by the National Safety Council to the Baton Rouge Division employees for working 5,000,000 manhours without a disabling accident. This record extends from May 1, 1960, to March 7, 1963. Also on display in the lobby of the General Offices in Beaumont are two other safety awards presented our employees for out-

standing safety records last year. At left is an award from the National Safety Council commending all employees for their safety performance in 1962. The plaque in the center was presented our Company by the Southeastern Electric Exchange. Our Company finished first in the accident prevention contest conducted among the eight electrical utility companies with 2,501 or more employees which make up Group 1 of the Exchange. During 1962, our 2,692 electric employees worked 444,180 manhours with an accident frequency of zero.