

HOWARD J. SAMUELS' TALK AT "OLD-TIMERS" DINNER

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I want to talk with you for a few minutes about the old days at Kordite and some of the changes we have all seen together.

When my brother, Dick, and I first started this business, we struggled. You worked hard with us for many years to make this little business a success. There were some weeks when we weren't sure we could meet our payroll. We had a common goal in the early days - survival. We were a small family then, and we enjoyed working together. But, Kordite couldn't afford to pay its people very much. In fact, we had trouble paying more than the Federal Minimum wage when it went up to \$1.00!

We had virtually no fringe benefit programs. Working conditions were almost primitive. There was really little job security. Everybody used to wonder why I counted the orders every morning. I just wanted to know if I had a job to come to the next day. So, if you remember back to the beginning of Kordite, there were many good things, but not everything was rosy.

Through the days of the Textron and the National Distillers acquisition, Kordite became a going concern. We grew rapidly and it was exciting to be part of an expanding, dynamic business. We were in on the ground floor of the plastic film business and could sell just about anything we could make. Our biggest problem was getting enough money to buy equipment and to find the people to run the equipment. We made great strides in sharing our progress during this period. We put in a pension plan, a savings plan and a better insurance program. There were many promotions and improvements in wages which all of this group shared. Up through 1959 and 1960, we really had a ball. Kordite was making money, growing rapidly and our people were making progress along with us.

Around 1960 and 1961, something began to happen. A lot of other companies had gotten into the plastic films business. They began catching up with us. They were making good quality products and cutting prices. Competition started

to hurt us. Kordite began losing money, but National Distillers encouraged us to continue making substantial investments in research and expansion. There were problems in those days, but they were pretty well hidden from view.

When Socony Mobil bought Kordite in 1962, they took over a troubled business. They had great faith in Kordite and its people, but all of us in management realized that Kordite had to get back on its feet or the Company just wouldn't survive. During the past 2½ years, we've done that with your help. But, it hasn't been easy and we've had to do many things we didn't like to do along the way. We've had to reduce the number of people in our employ. We've had to become smarter and more efficient in all our operations. We've had to use all of our ingenuity in reducing costs, improving quality, and increasing productivity so that we could make Kordite a healthy business again. But, let me tell you this in all sincerity. If we hadn't done these things, I doubt if we would all be here in this room tonight enjoying each other's company. Each one of you, along with some 1,600 other Kordite employees have steady, secure jobs because of the actions we took during the past few years to make Kordite a healthy, more profitable business. During this period, we've continued to improve our wages and benefits and we are proud to be the leaders in our local communities. So, we've come a long way in the past few years - but we still have a long way to go.

Yes, my friends, many things have changed here at Kordite. We're no longer the small, struggling business we used to be. We've achieved many of the goals we set for ourselves years ago. There have been many ups and downs along the way. But, I'm pleased that we now have a healthy, going business. Our people are well paid - they have excellent benefits and better working conditions and greater security in their jobs.

Looking into the future, I expect there will be many more changes around Kordite. This is the nature of our business. No company can avoid change. It either keeps pace with the world around it, or it goes backwards. Changes are a constant in all our lives. The cars you drive, the homes you live in, the way you spend your free time - all these things have undergone some change in the last 10 years. My job has changed considerably in the last 2½ years. I am now responsible not only for Kordite, but also for our new Foams operation in Canandaigua, the Container operation in Connecticut, and Mobil Chemicals Ltd. in England.

One of Kordite's strengths has been the willingness of its people to work with us in making these changes. I think we're getting smarter now in planning ahead for change. All the things we want for each other will come about through the changes that are being planned today.

There is one thing that hasn't changed and doesn't need to change, and that is the way we feel about each other. Years ago, I established as a guiding principle for Kordite a sincere belief of respect for the dignity of each individual. The fact that I'm not here as often as I used to be doesn't alter this policy. All the people who are managing Kordite are committed to this policy. They are responsible to me for seeing to it that this is a living, continuing guide to their daily actions in running our business.

I've said it many times before, but it deserves to be repeated. It's not money or machines that make a company great - it's people. You people here, Kordite's pioneers, made this company what it is today. I am proud of you. I am proud to be one of you. I am proud to be here tonight to express our appreciation to you and to recognize you as Kordite "Old Timers".