

## "Debtors In Trouble Not Scarce" -- Conference Verdict

By GARY HUBBARD  
San Jose Post-Record

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**EDITOR'S NOTE:** This is the second of two articles on Institute '68, the first annual consumer credit conference sponsored by the University of San Francisco.

Carl, 26, was earning a steady \$625 per month in 1966. It was enough to buy a modest \$16,000 home on the Peninsula.

He bought the home that year but didn't stop there. He carpeted the house on contract, bought a living room set, a freezer, and two cars. Find-

ing the load a little heavy, he took a second job.

House payments began to slip. Then he became ill, possibly from overwork. Suddenly Carl disappeared from the scene altogether leaving his wife and two small children behind.

A year after he had purchased his home it was repossessed.

This true tragedy was told to bankers, personnel managers, educators and the press at Institute '68, University of San Francisco's first annual consumer credit conference.

Spinner of the sad tale was Robert H. Plotkowski, credit manager of

American Savings and Loan Association of Northern California.

He revealed the startling impact of overextended credit on the housing market.

### Foreclosures

"Savings and Loan Associations in Northern California foreclose on approximately 200 homes each month," he noted solemnly. "Each one of these foreclosures denotes a family tragedy. Many could have been avoided if those families had just saved a small financial cushion."

Plotkowski spoke as a member of a panel which explored consequences, causes and cures of debt through overextended credit.

Continued deficit spending on public, business, and private life is "feeding" inflationary fires, the panel agreed.

Total public, business, and private debt outstanding is now close to one trillion dollars in the U.S.

Collection costs on bad debts and welfare support of the debtors burden the public with added expense.

Debtors in trouble are not scarce. One survey by the American Association of Collectors shows one person out of five on credit is referred to a collection agency. (Continued Pg. 3)

## S. F. Hilton Site Of Christmas Dance

The Christmas dance is traditionally the most exciting MAG event of each year and 1968 will be no exception.

It will be at the San Francisco Hilton, Saturday, December 21, and free bus transportation will be available to all those who sign up by December 6.

Beginning November 25, you can obtain tickets to the dance and sign up for the bus ride by showing your membership card at the new MAG box office.

"If you plan to stay in San Francisco after the dance, make your reservations early," warns MAG President Don Caselas. "You must make your own arrangements with the hotel or motel of your choice, though we have arranged for special rates at the Hilton (\$20 for a double)."

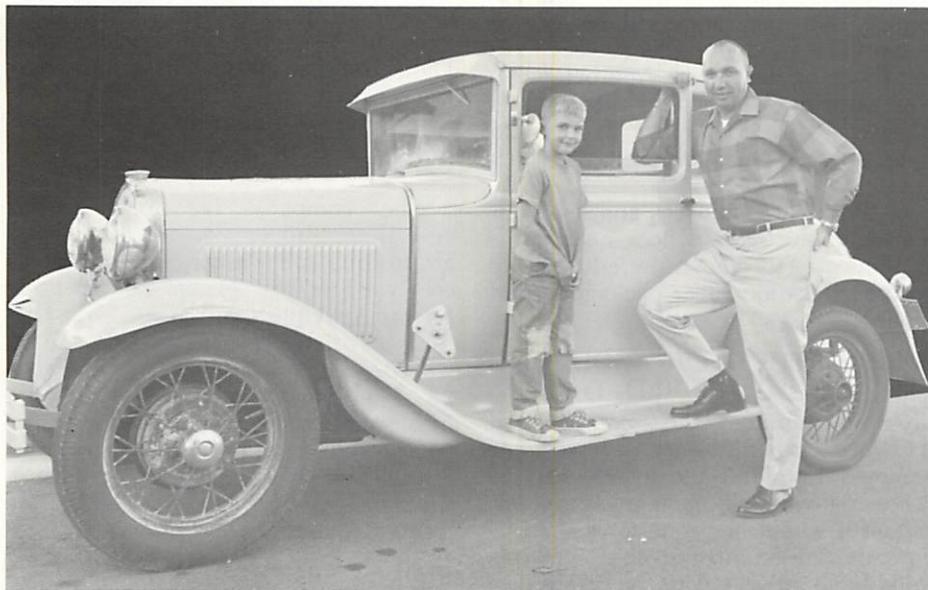
This is a dance you won't want to miss. Look for more details in the next Intercom and on the bulletin boards.

# INTERCOM

NEWSLETTER FOR MEMOREX EMPLOYEES

VOLUME 5, NUMBER 10

OCTOBER, 1968



AN UNLUCKY WIFE made it possible for Norman Dion, Disc Pack Recording Performance Engineer, to win a drawing at Hacienda Gardens Shopping Center in San Jose. Norm stands by the prize, a 1931 Model A, with his son Ronald. Mrs. Dion put Norm's name on the ticket she entered, because she felt she was unlucky and would never win.

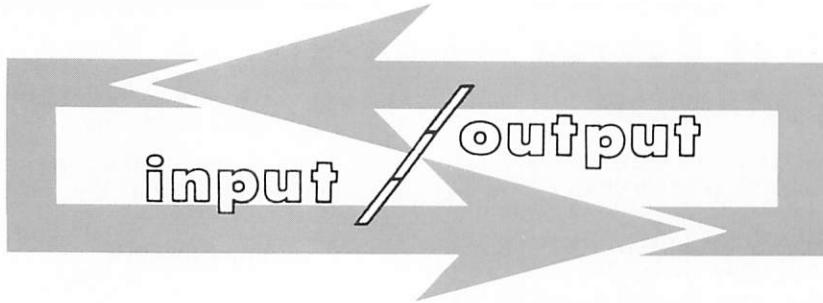
## MAG BOX OFFICE TO OPEN SOON

MAG members will soon be able to obtain information and tickets for MAG-sponsored events from a centrally located box office, reports board member Mel McPherson.

Mel says the box office should be in operation by early November, so it

can be used as a distribution point for tickets to the Christmas Dance.

All details about the box office's operation were not finalized by press time, but it will probably be manned about three hours a day, five days a week, by volunteers.



## WHY MUST THE EAST GATE, BY THE BLUE ZONE, BE LOCKED?

As you already are aware by now, this side gate next to the blue zone parking area has been reopened. It was locked initially in an attempt to improve security around our plant. However, it became immediately apparent to Memorex management that this decision to lock the gate created an extreme inconvenience to swing and graveyard employees.

We wish to thank those of you who responded very quickly through the INPUT/OUTPUT Program to bring this to our attention. As a result, we were able to correct this situation in less than 48 hours; even though this formal reply did not reach you that quickly.

## SINCE AUGUST 26, 1968, THE REST ROOMS ON THE FIRST FLOOR BY THE CLEAN ROOM EXIT HAVE BEEN DESIGNATED FOR WOMEN – WHY WERE THEY GIVEN BOTH REST ROOMS?

The inconvenience to the male employees is a temporary situation to reduce pressure on the only women's rest room on the ground floor. The decision to convert the men's room was based not only on the number of clean room personnel, but also on the number of women working on the ground floor.

Again, this is a temporary condition which will be corrected by the addition of new change rooms and an employee lounge. The new area will be located on two floors in what is now the salvage room. The funds for this project have been approved and detail drawings are currently being developed. Approximately two months will be required to complete the drawings and award the contract for construction. We are hopeful that the project will be complete by the end of the year. The converted rest room will be returned to a men's room when the new change room is complete.

We are fully aware of the inconvenience to the male employees and ask your indulgence. There are men's rest rooms located on the ground floor near packaging, outside the supervisors' change room, and directly above the entrance to the clean room on the second floor, and two other locations near packaging, and near the company library.

## COULD WE PLEASE HAVE AN EASIER METHOD OF ACQUIRING SCRAP MATERIAL WITHOUT THE ANNOYING RED TAPE?

We have tried to set up procedures which would minimize the amount of red tape involved in acquiring scrap material. However, it is necessary to have some official authorization for removal of scrap material so that the guards can be assured of the fact that someone is not removing valuable company property. Certainly, we do not feel that Memorex employees would be prone toward stealing company property, but certain minimum rules are required so that everyone will know that each one of us has been treated fairly in regard to the disposition of the scrap material.



**"PLEASE REFRAIN** from touching the wet paint Miss Cruff," whispers company painter Al Sniatowski, as Pat decides never again to test the paint when she sees a "wet paint" sign. The photo is posed, but it has a real moral: When you see a "Wet Paint" sign, believe it and don't touch.



**KEEP THOSE CARDS COMING**, says John Morrison, chairman of the Santa Clara plant United Fund Drive. Here he tallies some of the hundreds of pledge cards that have already been turned in by his campaign assistants. Helping John are (from left) Joanne Butterworth, Betty Binford and Sue McCandless. Other United Fund assistants not pictured are Vic Mayer, Pat Cruff, Les West and Gerry Colligan.

## NEWS FROM PSC

Peripheral Systems was only a year old when its first disc drives hit the market in the summer of 1967. Since that summer the Sunnyvale based company has grown from 30 employees to its present total of 140.

Two major reasons for this rapid growth are sales contracts from Management Assistance, Inc. and Scientific Data Systems, Inc. These two contracts alone are expected to provide Peripheral with more than \$23 million in sales over the next three years.

\* \* \*

The company is already large enough to support its own employees group and one was organized just recently. The new group, named Peripheral Activities Club (PAC), has announced that its first formal activity will be a holiday dance on December 28. The dance will be at Alpine Lodge in San Jose and music will be provided by the Johnny Vaughn orchestra. Jim Stubblefield is in charge of organizing the dance and he will issue further information in the near future.

\* \* \*

Bob Fox, manager of Field Service Engineering at PSC, won first place in Class D, at the October 13 Laguna Seca races in Monterey. Bob, who drives a Le Grand, received sideline assistance from his chief mechanic, Warren Fricke, and Ken Fannin, who is PSC's manager of Engineering.

The MAG sponsored Children's Christmas Party will be Saturday, December 7, at the Fox Downtown Theater. Santa Claus will be present to greet the kids and the featured movie is Mr. Magoo, in "1001 Arabian Nights."



A PLEA FOR BLOOD went out to Santa Clara plant employees and 171 showed up to support the Memorex blood bank on October 7 and 8. Among those giving were MAG board member and Blood Drive chairman Mike Hopkins (top left); Marketing Vice President Ed Seaman (below); Fred Siau and Palma Dorsey (lower left); and Michele Pray and Larry Montanez (above).



## SANTA CLARANS GIVE 140 PINTS OF BLOOD

"I'm pleased to see so many young men and women giving blood for the first time," commented a nurse as 171 Santa Clara plant employees participated in the Red Cross Blood Drive October 7 and 8.

The Red Cross and those who helped with the drive have good reason to be pleased. Employees of all ages and from all types of jobs filed into the cafeteria and gave 140 pints of blood in only about five hours.

Thirty-one employees tried to give, but were turned down for various reasons. Their efforts still earned them the right to free blood should they need it during the next 12 months.

Many of those giving for the first time were apprehensive, but they were glad they took time to give. Because of the fine turnout, the immediate family of every Memorex employee in Santa Clara is covered by our blood bank. This means even those who couldn't or didn't donate can receive free blood if they need it.

## Credit Buying Leads To Abundance Of Troubled Debtors

(Continued from Page 1)

Industry pays "hundreds of dollars" in work-time loss and administrative expenses for each employee fired because of too many garnishments on his paycheck. The added overhead cost is, of course, passed on to the consumer.

Most of the burden, however, is borne by the individual. His personal deterioration leads to social problems such as divorce and crime.

Money problems are the most frequent ones in divorce cases according to Supervising Probation Officer Warren T. Jenkins of San Francisco. In addition, San Mateo Probation Director Frank Druhan added that debt accumulation was frequently the beginning of personal deterioration leading to criminal behavior.

### Greed

If any single cause for overextended credit was agreed on by institute panelists, it was man's greed. The American man, they charged, is beset by an insatiable desire to consume. He be-

lieves he is due the rewards of his work before he has completed that work.

Financial counsellor and University of Wisconsin instructor Sherman Lubotsky leveled specific charges.

"The credit industry is the greatest cause of consumer trouble. Too many of these firms are too willing to extend so-called easy credit without enough regard for the debtor's ability to pay.

"Auto loans are the biggest area of creditor activity, though personal loans are now growing rapidly," he proclaimed.

Firing a verbal round at the education sector, Lubotsky chided, "The university teaches a man how to earn a half million dollars in his lifetime but fails to show him how to manage it."

A credit union manager for a Bay Area firm defended his position complaining, "We are not given any information on our applicants' credit card debts. If we do find him to be overextended and advise him against borrowing, he usually just goes to a

credit merchant who will extend him the credit. People don't want to hear 'no' and refuse to accept it."

### Off the Wagon

"Credit is like alcoholism," countered David Bayles of the installment loan division of Bank of America. "Somebody will always be falling off the wagon, regardless of how many people try to help him. The credit industry is not to blame for all ills."

"In a free capitalistic society one cannot condemn the credit industry for competing for the dollars of a person who is willing to spend them," he rapped.

"The credit industry is no more guilty for debt than the candy industry is guilty for obesity."

"Debtors simply must learn to save systematically, budget for expenses, maintain liquid assets, and avoid indiscriminate consolidation of existing debts," he stated flatly.

More people must be told stay behind the Joneses.

# Dream Comes True; Sue Smith Accepted To Skate In Follies

By ROGER WILSON COOK

Most of us have secret ambitions, but few of us ever see our dreams come true. With Sue Smith, records clerk in the Marketing Division, her dream was no secret—she wanted to be a skater in the Ice Follies. Last month her dream came true when she passed her trials and was accepted as a member of that world famous group.

Sue, 21, spent her early years in Portland, Oregon. She was a baton-twirling majorette in grade school and she became interested in drama and poetry before graduating from Marshall High School. But ice skating soon became the dominant interest in her life.

She began skating for fun at the age of 13. Even then she sometimes dreamed about becoming a member of the Ice Follies, though it wasn't until two years ago that she began to concentrate on making her dream a reality.

When her family moved to California in 1967 she continued her skating and even signed up for two private lessons a week at the Ice Palace in Sunnyvale.

In December of 1967 she joined Memorex, continuing her lessons and still dreaming of the day when she would be a professional skater.

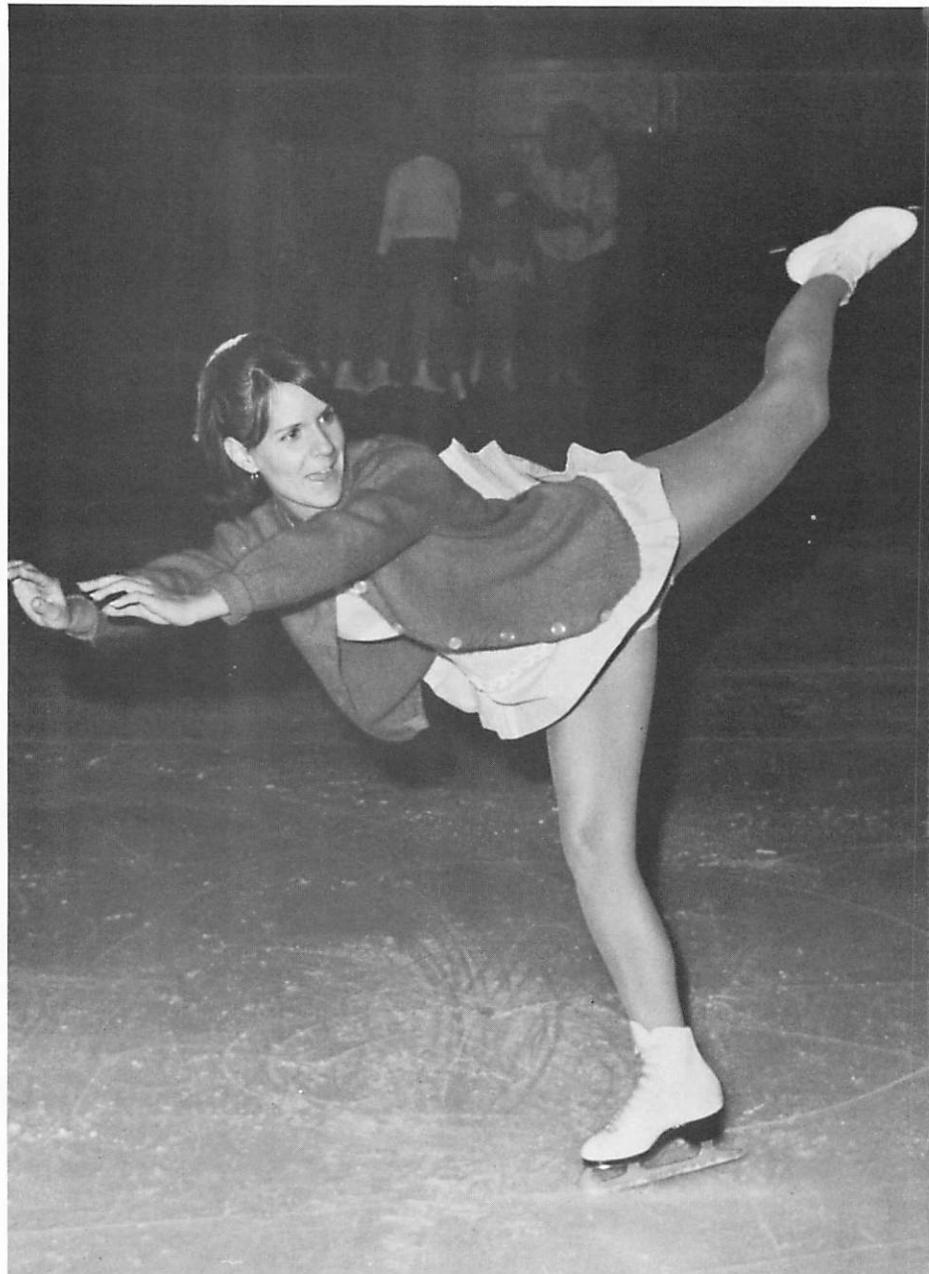
Last May she went to Oakland and tried out for the Follies, but she was turned down. Although terribly disappointed, she didn't give up. She learned from her experience and worked even harder at polishing her skating.

She tried out again in August and her perseverance paid off—she was accepted. Now she is on stand by, waiting to be called.

Skating in the line will be a big job, but it will have its compensations. One is that the Ice Follies goes on tour of the United States and Canada each year, from September to May.

Sue still has to keep in practice while she is waiting to be called, so she practices several times a week, including every Thursday when she gets up at 4 a.m. and skates before coming to work.

You will receive faster service on insurance claims if you file all claims with the Employee Benefits Desk as soon as possible.



PRETTY SUE SMITH shows off the ice skating form that helped her win a spot in the world famous Ice Follies. Sue has been accepted by the Follies and will be skating in the line just as soon as a position becomes available. She is shown at the Ice Palace in Sunnyvale, where she practices several times a week.

## Leagues Forming For Young Bowlers

Children of MAG members can now bowl at reduced rates by joining one of the two new leagues that will begin November 1, with MAG sponsorship.

One is a Bantam League for bowlers between the ages of 8 and 12. The other is a Junior League for ages 13 through 17.

Both groups will meet at Moonlite Lanes on Saturday mornings, begin-

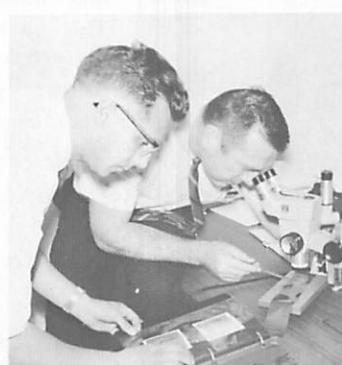
ning at 9. The Bantams will pay \$1 for two games and the Juniors will pay \$1.40 for three games. There will be no charge for shoes.

When the league ends, all bowlers and their parents will be treated to an awards banquet and trophies will be given to top teams and top individual bowlers.

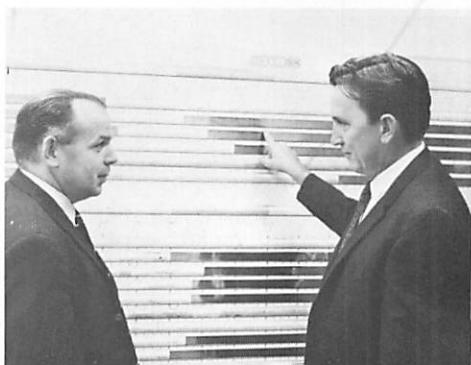
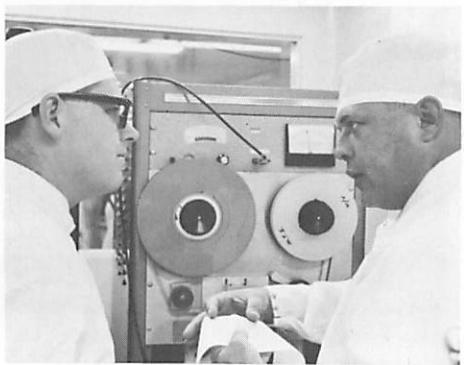
Sign-up sheets are on bulletin boards around the plant. For further information, you can call Mel McPherson, or Kit Weaver.



ABOVE—Jules Naome (second from right), Societe d'Industrialisation Director in Belgium, talks about our new Belgian tape plant on a visit to Santa Clara. With Mr. Naome are (from left) International Marketing Supervisor Doug Owen; Jose Marquet, Andre Porignon and Rene Halleux, Belgian plant supervisors in Santa Clara for training; Mr. Naome; and Belgian Plant Manager Dick Vasey. ABOVE CENTER—Mrs. Andre Porignon, Jean-Marie Dirix and Rene Halleux are guests at a luncheon welcoming the Belgian supervisors to Memorex. FAR RIGHT—Quality Control Director Carl Moyer (left) is host to Firmin Biver, while Firmin is in Santa Clara. RIGHT—Other Belgian supervisors at the welcoming luncheon included Carlos Meyers (left) and Henri Vanhal.



ABOVE LEFT—International Sales Planning Supervisor Bob Wolfram (left) and Market Research Manager B. J. Cassin (right) confer with Alex Hansmeier, who will be at the new plant in Liege. ABOVE—Romona Goodwin works on her certifier as Instrumentation Manager Keith Gerry explains its intricacies to Joseph Renard. FAR LEFT—Belgian supervisor Andre Franquin learns about part of the computer tape production process from Ethel Anderson. LEFT—Video Production Supervisor Al Uhrich (right) is host to Christian Muylle. Here they use a microscope to examine a piece of video tape. LOWER LEFT—Quality Control Manager Don Horn (right) is helping Laszlo Kvasz learn the Q. C. operation. Laszlo will supervise at the Belgian plant. BELOW CENTER—A hallway conference finds (from left) Production Supervisor Bob Wallin, Production Manager Bill Christie, and Jose Marquet, Belgian supervisor, discussing a production schedule. LOWER RIGHT—Materiel Manager Tully Bryant talks about the Slitting, Surface Treating Schedule Board with Henri Vanhal.



MEMOREX INTERCOM  
Memorex Corporation  
Santa Clara, Calif. 95050

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## EPPSTEIN, MENDONCA CONTRIBUTE TO MAGAZINE

A beautiful color photo adorns the September cover of Data Processing Magazine and a six page story explains "the characteristics of currently available disk files," much to the delight of two men in the Memorex Research Division.

Tony Eppstein wrote the story and, as supervisor of Disc Recording Studies, he knows a great deal about his subject. (The magazine uses "disk," we use "disc," both correct.)

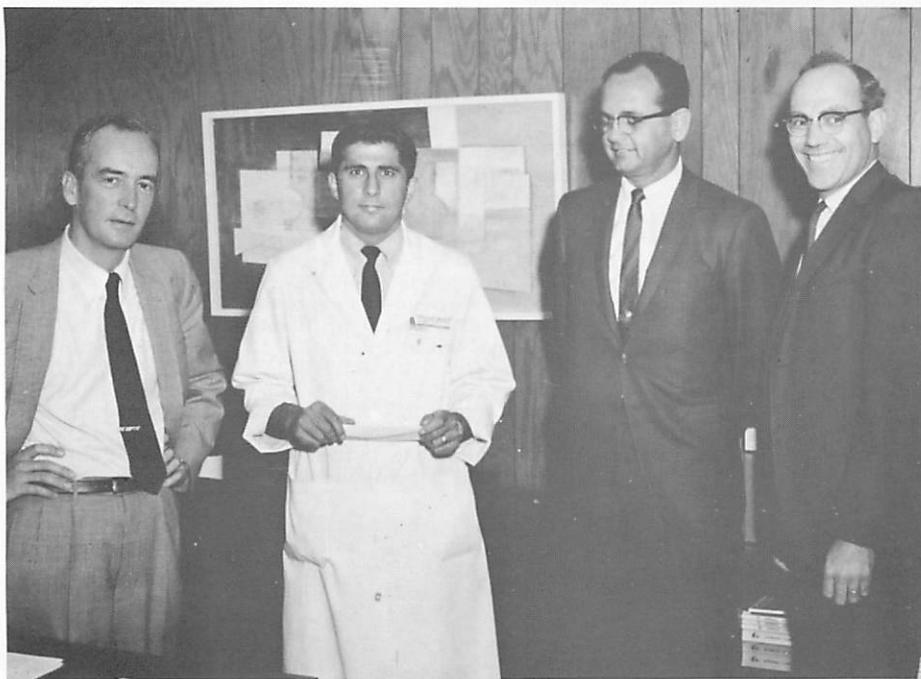
He has been with Memorex since 1967, coming here from Data Recording Instrument Company, Ltd., England. He is quite a scholar, holding an M.Sc. with honors in physics from the University of Canterbury, New Zealand.

Tony put many hours into writing his article and he knew it would be much better with illustrations, so he made his own charts and graphs, but

he went to Bob Mendonca for the pictures.

Bob is photographic technician in the Micrographics Lab. His photographic experience before he came to Memorex includes three and a half years in the Navy. His pictures appeared in a number of Navy publications, a cruise book for the aircraft carrier Coral Sea, and a secret book about Viet Nam. However, Bob had never had a picture published in a nationally circulated magazine (except Intercom) until September.

Several of Bob's pictures were used with Tony's article, but the best was on the cover. The editors at Data Processing agree. They said, "When preparing Tony Eppstein's story 'The Technology of Disk Data Storage,' we were particularly impressed by the picture of an out-of contact disk head."



"OUTSTANDING PHOTOGRAPHIC WORK" earned Bob Mendonca (second from left) an award this month, according to his manager, Don Gaubatz. Attending the presentation were (from left) Director of Research Eric Daniel; Bob; Technical Staff Vice President Stan Meyer; and Don. Bob's full color picture of a Memorex disc and experimental head is on the September cover of Data Processing Magazine. The picture is reproduced in black and white in the right column.

— Group Photo by DON STELLMAN



TONY EPPSTEIN, author of a featured article in the September Data Processing Magazine, examines the disc and head that appeared on the magazine's cover. This photo was also taken by Bob for the article.

