

GE to cut 750 jobs

'Fighting for survival,' says company official

By JON HIRATSUKA
Staff Writer

General Electric Co. said Monday it will eliminate 750 jobs in Lynchburg by Dec. 21, cutting almost 25 percent of the company's employees.

After GE denied rumors of impending cutbacks for weeks, a spokesman said Monday the company must reduce costs because of slow business and strong competition.

"We're trying to save the business," said Robert L. Gosser, manager of employee services and community relations. "We're fighting for survival."

The move will save the company \$10 million to \$11 million annually, he estimated.

GE's mobile communications division is the second largest employer in Lynchburg with 3,150 workers and an annual payroll of \$60 million, Gosser said. Babcock & Wilcox Co. is the largest with about 3,700.

The major business at GE's division here, two-way mobile radios, has been sluggish since 1982, Gosser said. The cellular car telephone business, which GE entered last year, has not grown nearly as fast as expected.

GE, a star among local employers since it decided in 1955 to move here, has been plagued with economic troubles during the past four years. Even though the local economy and most of the nation rebounded strongly after the severe recession of 1981-82, GE failed to climb out of the doldrums. During the past three years, the local company has had three general managers.

The problems have continued despite chairman John F. Welch's ad-

hourly employees, the company said in a press release. Individuals have not been told yet who will be out of a job.

Salaried employees include engineers, technicians and office workers. Hourly employees are primarily production workers.

On Nov. 19, GE will notify the salaried employees whose jobs will be eliminated, Gosser said. Hourly employees will be notified on Dec. 14.

Hourly and non-exempt salaried workers have bumping rights, meaning they are permitted to displace workers with less seniority and reclaim jobs they previously held.

The least senior people will know by Dec. 14 whether they will be out of work, Gosser said.

Some employees will be given the option of going on "lack-of-work status," similar to early retirement, Gosser said. The 750 jobs abolished would include any people who opt for this status.

Gosser expects that any employees fired in 1984 will be released first.

Although Gosser estimated a savings of up to \$11 million annually for GE, the payroll for the number of jobs eliminated would total about \$16 million, GE wouldn't save the full amount, Gosser said, because the company still would be paying benefits to some former employees.

The \$16 million is based on salary averages provided by Gosser. The average hourly worker makes about \$9 an hour, he said. Hourly wages range from \$8.70 to \$12.65. The average salaried worker makes about \$25,000 to \$30,000 annually.

The cutbacks are being made in all fields, including engineering, marketing, manufacturing and fi-

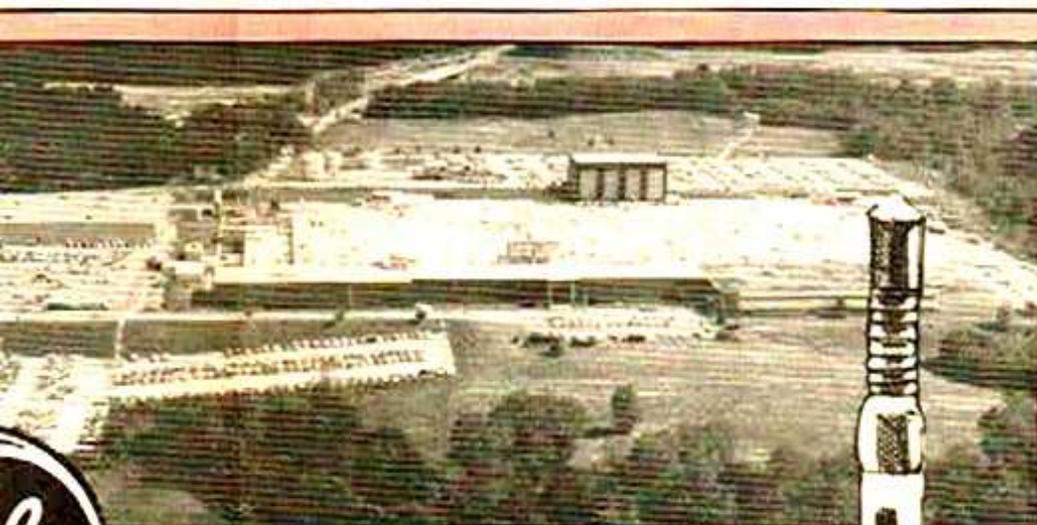


GE's recent situation

- 1981:** GE laid off about 250 people, citing poor sales, rising costs.
- 1982:** GE announced series of layoffs during year, totaling about 900 people.
- 1983:** Company pinned hopes on new cellular mobile telephone market, for which it already had \$10 million in orders.
- 1984:** By spring, GE recalled workers, bringing employment to 2,700. About 350 more were expected to return. On Monday, 750 jobs were cut.

History: Announced in 1955 and completed in 1956, plant originally employed about 800 with payroll of \$3 million. Employment peaked in early 1970 at about 4,000. By 1980, employment had fallen to 3,000. Plant produced rectifiers when established, then turned to two-way

Jobs in Lynchburg



GE's recent situation

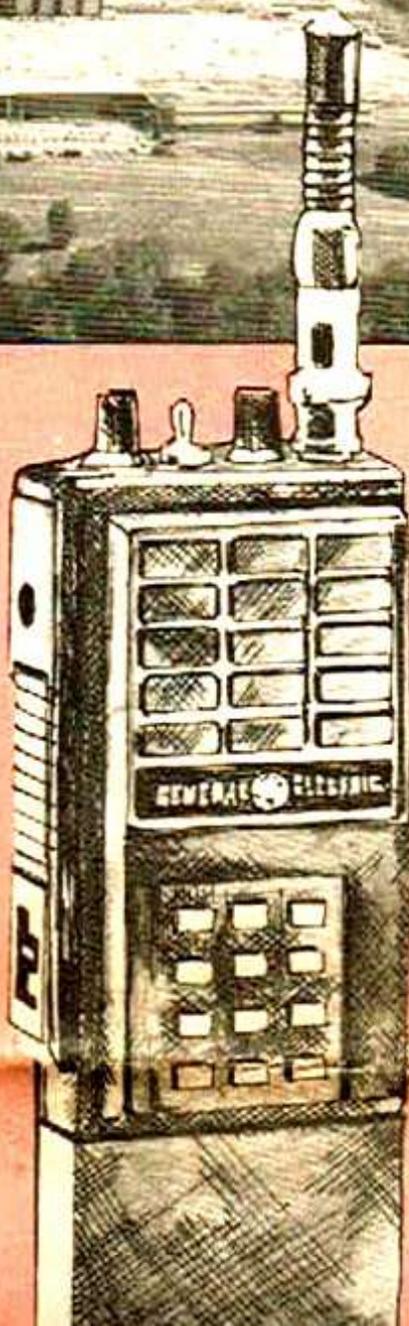
GE laid off about 250 people, citing a drop in sales, rising costs.

GE announced series of layoffs during the coming year, totaling about 900 people.

Company pinned hopes on new cellular mobile telephone market, in which it already had \$10 million in orders.

In the spring, GE recalled workers, bringing employment to 2,700. About 350 more were expected to return. On Monday, 750 jobs were cut.

Announced in 1955 and expanded in 1956, plant originally had about 800 with payroll of \$3 million. Employment peaked in early 1970s at 3,000. By 1980, employment had fallen to 2,000. Plant produced rectifiers,



Lost jobs could cost \$16 million

By CYNTHIA E. PEGRAM
Staff Writer

The loss of 750 jobs at the General Electric plant could cost the local economy up to \$16 million a year in salaries.

According to Robert L. Gosser, a General Electric spokesman, the average GE hourly worker makes \$9 an hour, while the average salaried employee makes \$25,000 to \$30,000 a year. The cutback will come on the brink of Christmas, hitting 400 hourly and 350 salaried employees by Dec 21.

However, the company savings could be closer to \$10 to \$11 million, Gosser said, because some former employees would be getting benefits from GE.

Concern about the cutbacks was expressed across the community.

"We're all really, sincerely concerned about this," said Lynchburg Mayor Jimmie Bryan. "We have been in touch with the people at General Electric. We have several plans and things we want to do." Bryan declined to discuss specifics of the plans.

"We're trying to see what we can do to help these people make adjustments to this situation," he said.

Gosser said GE employees who will lose their jobs live throughout Central Virginia, including Lynchburg and Campbell, Bedford and Appomattox counties.

The cutback will affect home sales in Central Virginia, but its impact is uncertain, said Martha How-

employees. After GE denied rumors of impending cutbacks for weeks, a spokesman said Monday the company must reduce costs because of slow business and strong competition.

"We're trying to save the business," said Robert L. Gosser, manager of employee services and community relations. "We're fighting for survival."

The move will save the company \$10 million to \$11 million annually, he estimated.

GE's mobile communications division is the second largest employer in Lynchburg with 3,150 workers and an annual payroll of \$60 million, Gosser said. Babcock & Wilcox Co. is the largest with about 3,700.

The major business at GE's division here, two-way mobile radios, has been sluggish since 1982, Gosser said. The cellular car telephone business, which GE entered last year, has not grown nearly as fast as expected.

GE, a star among local employers since it decided in 1955 to move here, has been plagued with economic troubles during the past four years. Even though the local economy and most of the nation rebounded strongly after the severe recession of 1981-82, GE failed to climb out of the doldrums. During the past three years, the local company has had three general managers.

The problems have continued despite chairman John F. Welch's admonishment in 1982 to each GE division to be No. 1 or a strong No. 2 in its market or get out of that market. GE has 250 divisions nationwide.

The eliminations announced Monday include 350 salaried and 400

primarily production workers. On Nov. 19, GE will notify the salaried employees whose jobs will be eliminated, Gosser said. Hourly employees will be notified on Dec. 14.

Hourly and non-exempt salaried workers have bumping rights, meaning they are permitted to displace workers with less seniority and reclaim jobs they previously held.

The least senior people will know by Dec. 14 whether they will be out of work, Gosser said.

Some employees will be given the option of going on "lack-of-work status," similar to early retirement, Gosser said. The 750 jobs abolished would include any people who opt for this status.

Gosser expects that any employees hired in 1984 will be released first.

Although Gosser estimated a savings of up to \$11 million annually for GE, the payroll for the number of jobs eliminated would total about \$18 million, GE wouldn't save the full amount, Gosser said, because the company still would be paying benefits to some former employees.

The \$18 million is based on salary averages provided by Gosser. The average hourly worker makes about \$9 an hour, he said. Hourly wages range from \$8.70 to \$12.65. The average salaried worker makes about \$25,000 to \$30,000 annually.

The cutbacks are being made in all fields, including engineering, marketing, manufacturing and finance, Gosser said. GE will retrain and help find jobs for those who are terminated, according to the press release.



GE's recent situation

- 1981:** GE laid off about 250 people, citing poor sales, rising costs.
- 1982:** GE announced series of layoffs during year, totaling about 900 people.
- 1983:** Company pinned hopes on new cellular mobile telephone market for which it already had \$10 million in orders.
- 1984:** By spring, GE recalled workers, bringing employment to 2,700. About 350 more were expected to return. On Monday, 750 jobs were cut.

History: Announced in 1955 and completed in 1956, plant originally employed about 800 with payroll of \$3 million. Employment peaked in early 1970s at about 4,000. By 1980, employment had fallen to 3,000. Plant produced rectifiers when established, then turned to two-way radios. Cellular mobile telephone market entered in 1983.

Staff gra

Please see GE, Page A-5

Employees don't know who'll be out of work

By SUSAN GARBEE BRANDT
Staff Writer

General Electric employees haven't been told who will be let go when 750 workers lose their jobs four days before Christmas.

Some employees were told about the layoffs at special departmental meetings. Others learned about the job eliminations when they picked up a company newsletter.

But no one knows who will be affected.

"All we can do is hope," said one employee who has worked for Lynchburg's second largest employer for 17 years.

Company officials will tell 350 salaried employees Nov. 19 and 400 hourly workers Dec. 14 which jobs are being eliminated. Because of a

company policy, called bumping rights, employees with seniority may be able to take jobs held by those with less seniority. Regardless of who bumps whom out of a job, the company still plans to eliminate 750 positions by Dec. 21.

The hourly employees and some of the salaried have bumping rights.

Many employees coming to work at 4:30 p.m. for an evening shift Monday had heard on the radio the jobs were being eliminated. Others said they hadn't even heard the rumors about the job reductions. They looked bewildered or confused when asked about the news.

But for many people, it was no surprise.

"Well, I guess everybody expected it," said Gordon Campbell, a

supervisor who has worked at the company almost 25 years. "We know things are not as they should be."

GE officials Monday blamed the lost jobs on high costs, competition and slow markets in its two-way radio business.

One middle-aged woman, who didn't think she would lose her job, said, "It's a bad thing because a lot of families will be involved. The younger ones will be the ones affected."

Campbell said, "It's going to be a lot of shock to a lot of people. A shock on the city — the loss of payroll dollars."

But another long-term employee said the announcement was a relief.

"It's been hanging over my head for several years. It doesn't scare me. It scares me more than it scares me."

"Naturally, you hear it filters down from management. But the most people is it's a definite number. We've been upwards from a hundred. So, it's definite."

Christine Floyd, a department employee, heard employees with 20 years will lose jobs. She's been at the company 17 years.

What would she know," she said. "I just cross that bridge if I



GE's recent situation

GE laid off about 250 people, citing poor sales, rising costs.

GE announced series of layoffs during year, totaling about 900 people.

Company pinned hopes on new cellular mobile telephone market, for which it already had \$10 million orders.

By spring, GE recalled workers, bringing employment to 2,700.

About 350 more were expected to return. On Monday, 750 jobs were cut.

Announced in 1955 and closed in 1956, plant originally had about 800 with payroll of \$3 million. Employment peaked in early 1970s at 4,000. By 1980, employment had fallen to 3,000. Plant produced rectifiers for power plants, then turned to two-way cellular mobile telephone market in 1983.

Staff graphic



The loss of 750 jobs at the General Electric plant could cost the local economy up to \$16 million a year in salaries.

According to Robert L. Gosser, a General Electric spokesman, the average GE hourly worker makes \$9 an hour, while the average salaried employee makes \$25,000 to \$30,000 a year. The cutback will come on the brink of Christmas, hitting 400 hourly and 350 salaried employees by Dec 21.

However, the company savings could be closer to \$10 to \$11 million, Gosser said, because some former employees would be getting benefits from GE.

Concern about the cutbacks was expressed across the community.

"We're all really, sincerely concerned about this," said Lynchburg Mayor Jimmie Bryan. "We have been in touch with the people at General Electric. We have several plans and things we want to do." Bryan declined to discuss specifics of the plans.

"We're trying to see what we can do to help these people make adjustments to this situation," he said.

Gosser said GE employees who will lose their jobs live throughout Central Virginia, including Lynchburg and Campbell, Bedford and Appomattox counties.

The cutback will affect home sales in Central Virginia, but its impact is uncertain, said Martha Howell, president of the local Board of Realtors.

"The need and the consumer demand for new and existing homes remains strong in the Lynchburg area," said Ms. Howell. The job cutback "may have a slight effect on it. It depends on the location and the price range of the homes put on the market."

If the homes are in the \$45,000-to-\$55,000 range, she said, it may help the market because the demand is high.

She said home sales have been brisk lately, with the average home on the market for 103 days and selling for \$45,033.

The homebuilding industry may also feel an impact, said Scott Lyng, executive vice president of the Home Builders Association of Central Virginia. "It will have some effect on the building industry here."

"It does add to the competition," he said. With more homes on the market, potential buyers would have the chance to buy an existing home rather than buying a new house or building a house.

"I'm not saying it's going to be a great level of competition," he said.

be out of work

has worked at the plant for 25 years. "We don't know how it will be as they should be laid off."

Monday blamed the rising costs, competition from other plants in its two-way radio market.

aged woman, who would lose her job, said she was nervous about the thing because a lot of people would be involved. The layoffs will be the ones affected.

"It's going to be a lot of people. A lot of people are going to be laid off — the loss of pay."

long-term employee said the announcement was a relief.

"It's been hanging over all our heads for several months, so it doesn't scare me. It concerns me, more than it scares me."

"Naturally, you hear rumors and it filters down from managers to the other workers. But the feelings of most people is it's a relief to hear some definite numbers from management. We've been hearing numbers of upwards from fifty to eleven hundred. So, it's definitely a relief."

Christine Floyd, a crystal department employee, heard that some employees with 20 years experience will lose jobs. She's been working at the company 17 years.

What would she do? "I don't know," she said. "I just will have to cross that bridge if I come to it."



Gordon Campbell 25 years with GE



GE's radio equipment includes paging system, personal radios, one-way pager, low-power repeater, dial access paging terminal and telephone deskset

General Electric in Lynchburg

GE's history in Lynchburg is highlighted by three major periods.

The first extended from its inception in 1955 to an employment of almost 3,000 by 1965. The second decade was marked by growth, with peak employment hitting about 4,000 in the early 1970s. The third decade showed a slight but steady decline in employment in the first half. There were big cutbacks in 1980s, so that the company will be at about half its peak size when the 750 jobs are eliminated.

GE's growth in the first two decades wasn't without pain. Layoffs weren't uncommon. But workers were rehired quickly and more were added.

GE highlights:

- Sept. 23, 1955 — GE announced plans for its plant, to be built in what was then Campbell County. Plant would cost about \$5 million and employ about 800 with payroll of \$3 million.

The plant would manufacture rectifiers, devices that convert alternating current to direct current and have a variety of uses in industrial and electronic applications.

- June 2, 1956, GE announces that employment of its plant will be boosted to 1,000.

- June 18, 1956, GE begins operation at temporary location in city at building on Otey and Greene streets.

- October 1956, GE spokesman says Lynchburg was picked from among 200 other locations for new plant.

- December 1956, work completed on Lynchburg plant.

- September 1958, GE says it will transfer about 200 families to the city. Builders and real estate people told to be ready.

- December 1958, GE announces that its Communication Products Department (radio)

poor sales and rising costs.

- Lynchburg was one of GE's 250 divisions throughout the nation that got a stern message in 1981 from the conglomerate's new chief executive officer, John F. Welch, who visited the Hill City operation that May. Welch said each GE division would have to be No. 1 or a growing No. 2 in its field, or it would be gone. To achieve that goal, the local manager at each division was given more authority to run his operation.

At that time, GE was a poor second in the mobile radio and telephone business to Motorola. Various estimates put Motorola's market share at 60 to 70 percent. GE's share was put at 10 to 20 percent.

- In March 1982, Donald J. Meyers was replaced as general manager in Lynchburg by Walter E. Weyler.

- As bad as 1981 was, 1982 was worse. In course of year, GE announced layoffs affecting more than 900 people.

- Weyler said in an interview in April 1983 that he believed the business could be turned around and he would use every means to accelerate that process.

- In late 1983, GE discussed what it said could be the answer to its prayers in Lynchburg. The company had \$10 million in orders for a new product that was projected as part of a possible billion-dollar market by 1985.

The market was for cellular mobile telephone equipment, an innovative private car phone technology. It uses a network of low-powered transmitters and receivers (or cells) in metropolitan areas to connect car and portable phones through up to 666 reusable radio channels to local telephone lines.

- In winter and spring of 1984 about 300 laid-off workers were recalled, returning total employment to about 2,700. The firm said it ex-

GE and Lynchburg helped

By GARY KEARNS
Staff Writer

Sept. 23, 1955, is remembered by three Lynchburgers as the day that helped shape the city's economic future.

All three attended a luncheon hosted by the Lynchburg Chamber of Commerce that day at the Virginia Hotel, where representatives of General Electric announced plans to build a plant in Campbell County beyond city limits. The plant would employ about 800 people.

Among the 130 business leaders attending the luncheon were Robert D. Morrison, mayor at the time; the Rev. J. H. Tenfield of Fairview Church, then mayor; and S. Brooks, who was attending for The Daily

That was a day of contrast to Monday's announcement by GE that 750 jobs would be eliminated because of economic problems.

Contacted Monday at his homes, Morrison, Sullivan and Mrs. Brooks said they were distressed by the job elimination.

But they also remember the first major announcement by GE in Lynchburg. All said they had heard rumors 28 years ago that the industry was coming to Lynchburg, but nothing was concrete until it was made public at the

"We old-timers were surprised by the announcement. We were wanting to attract more industry here for years," Morrison said.

"Prior to that announcement, there had been rumors, but we had no idea of what was coming. I recall, some out-of-town representatives visited Lynchburg. Of course, they were from General Electric, but we didn't know because they wouldn't tell us who they were," the manager said.

"They went to the home of H. McWane, who was secretary of the Chamber of Commerce. They didn't tell us they were or where they

General Electric in Lynchburg

GE's history in Lynchburg is highlighted by three major periods.

The first extended from its inception in 1955 to an employment of almost 3,000 by 1965. The second decade was marked by growth, with peak employment hitting about 4,000 in the early 1970s. The third decade showed a slight but steady decline in employment in the first half. There were big cutbacks in 1980s, so that the company will be at about half its peak size when the 750 jobs are eliminated.

GE's growth in the first two decades wasn't without pain. Layoffs weren't uncommon. But workers were rehired quickly and more were added.

GE highlights:

- Sept. 23, 1955 — GE announced plans for its plant, to be built in what was then Campbell County. Plant would cost about \$5 million and employ about 800 with payroll of \$3 million.

The plant would manufacture rectifiers, devices that convert alternating current to direct current and have a variety of uses in industrial and electronic applications.

- June 2, 1956, GE announces that employment of its plant will be boosted to 1,000.

- June 18, 1956, GE begins operation at temporary location in city at building on Otey and Greene streets.

- October 1956, GE spokesman says Lynchburg was picked from among 200 other locations for new plant.

- December 1956, work completed on Lynchburg plant.

- September 1958, GE says it will transfer about 200 families to the city. Builders and real estate people told to be ready.

- December 1958, GE announces that its Communication Products Department (radio) would move to Lynchburg and rectifier operation would move to Philadelphia.

- By 1965, GE employed slightly more than 3,000 in Central Virginia, according to the company. The firm was making two-way mobile radios and telephones. It was then the city's largest employer.

- In the early 1970s, the work force reached 4,000. About the middle of the decade, the cutbacks started.

- By 1980, company figures put employment at about 3,000.

- 1981 was a rough year for GE in Lynchburg. About 250 people were laid off because of

poor sales and rising costs.

- Lynchburg was one of GE's 250 divisions throughout the nation that got a stern message in 1981 from the conglomerate's new chief executive officer, John F. Welch, who visited the Hill City operation that May. Welch said each GE division would have to be No. 1 or a growing No. 2 in its field, or it would be gone. To achieve that goal, the local manager at each division was given more authority to run his operation.

At that time, GE was a poor second in the mobile radio and telephone business to Motorola. Various estimates put Motorola's market share at 60 to 70 percent. GE's share was put at 10 to 20 percent.

- In March 1982, Donald J. Meyers was replaced as general manager in Lynchburg by Walter E. Weyler.

- As bad as 1981 was, 1982 was worse. In course of year, GE announced layoffs affecting more than 900 people.

- Weyler said in an interview in April 1983 that he believed the business could be turned around and he would use every means to accelerate that process.

- In late 1983, GE discussed what it said could be the answer to its prayers in Lynchburg. The company had \$10 million in orders for a new product that was projected as part of a possible billion-dollar market by 1985.

The market was for cellular mobile telephone equipment, an innovative private car phone technology. It uses a network of low-powered transmitters and receivers (or cells) in metropolitan areas to connect car and portable phones through up to 866 reusable radio channels to local telephone lines.

- In winter and spring of 1984 about 300 laid-off workers were recalled, returning total employment to about 2,700. The firm said it expected to add another 350.

- In September 1984 Weyler was out as general manager, replaced by John M. Trani, a GE executive from Syracuse, N.Y.

- In late October 1984 it was learned that GE was a distant third in the largest cellular mobile telephone markets, far behind AT&T and Motorola. Company and industry spokesman say the demand for cellular has not met initial expectations, although a bright long-term future is expected.

- Nov. 12, 1984, GE announced it will cut 750 jobs from its mobile radio division.

tenfield of Fairview Church, then mayor; S. Brooks, who was meeting for The Daily

That was a day of contrast to Monday's by GE that 750 jobs were eliminated because of economic

lems.

Contacted Monday homes, Morrison, Mrs. Brooks said distressed by the job elimination.

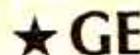
But they also recalled the first major announcement in Lynchburg. All heard rumors 29 years industry was coming nothing was concrete was made public at the

"We old-timers were the announcement. wanting to attract here for years," Morrison

"Prior to that announcement, there had rumors, but we had notion of what was coming call, some out-of-town representatives visited. Of course, they were Electric, but we didn't because they wouldn't who they were," the manager said.

"They went to the H. McWane, who was secretary of the Chamber. They didn't they were or where they either.

"They did tell Larry the people they wanted



Continued from Page A-1

Gosser said he thought employees eventually work in Central Virginia outlook for the sale such as engineers and is bleak.

"There aren't that many opportunities in Lynchburg," Gosser said. "They have to relocate."

GE will bring in the and set up an "opportunity" on Lakeside Drive to employees prepare to find jobs, he said.

The Virginia Employment Commission will help with unemployment searches, he said.

Gosser declined to decision to cut 750 jobs. Cost-reducing measures discussed even before replaced Walter E. Trani, general manager in September

★ Loss

Continued from Page A-1

The homebuilding market has improved during the past 18 to 24 months, he said, when interest rates started to fall.

Dave Somers, president of the Retail Merchants Association of Lynchburg, said he feels the lost jobs are going to hurt.

Any time that number of jobs is eliminated, "you hurt the local economy," he said. And when it happens during "the holiday season where you are expecting economic

growth, it may have a little worse effect."

And, he added, it "can have a bad effect at any time" for the person who loses his job.

Longtime retail merchant Hugh Toler, manager of Leggett department store at River Ridge mall, said the economic impact is hard to predict.

"Right much depends on the reaction to last week's election, and how things are going in economics at large, as to whether people are optimistic about the future."

If optimism is in the air, the cutbacks probably won't affect business much.

"I'm sort of optimistic," he said. "I understand other companies are looking at Lynchburg, something might develop."

But, he noted, "Any (cutback) of this sort is bound to have an effect. But there are so many other factors, it's hard to say. If other salaried people are able to relocate, either here or in other cities in other areas, with moving and relocating, it shouldn't affect their buying ability."

GE announcement helped to change Lynchburg economy

By GARY KEARNS
Staff Writer

Sept. 23, 1955, is still remembered by three Lynchburg residents as the day that helped to alter the city's economic future.

All three attended a luncheon hosted by the Lynchburg Chamber of Commerce that day at the old Virginia Hotel, where representatives of General Electric Co. announced plans to build a \$5 million plant in Campbell County near the city limits. The plant would employ about 800 people.

Among the 130 business and civic leaders attending the luncheon were Robert D. Morrison, city manager at the time; the Rev. John L. Suttentfield of Fairview Christian Church, then mayor; and Dorothy S. Brooks, who was covering the meeting for The Daily Advance.

That was a day of good news, in contrast to Monday's announcement by GE that 750 jobs would be eliminated because of economic problems.

Contacted Monday at their homes, Morrison, Suttentfield and Mrs. Brooks said they were distressed by the job eliminations.

But they also reminisced about the first major announcement by GE in Lynchburg. All said they had heard rumors 29 years ago that an industry was coming to town, but nothing was concrete until the news was made public at the luncheon.

"We old-timers were joyful about the announcement. We had been wanting to attract new industry here for years," Morrison said.

"Prior to that luncheon announcement, there had been some rumors, but we had no real indication of what was coming. As I recall, some out-of-town business representatives visited Lynchburg. Of course, they were from General Electric, but we didn't know that because they wouldn't tell anybody who they were," the longtime city manager said.

"They went to the late Lawrence H. McWane, who was executive secretary of the Chamber of Commerce. They didn't tell him who they were or where they were from

was a prominent local minister. Well, he directed them to Rev. Suttentfield. At first, they didn't know he was the mayor," Morrison said.

The former city manager said the GE representatives probably wanted to talk to a local minister to check the moral attitude of the city.

"They only said there were some contacts they wanted to make here, but they never sought out any local government official. So we were just as curious as to what was going on as everybody else."

Suttentfield, mayor from 1952-58, said he had several conferences with those mysterious business representatives before the big announcement in 1955.

"They didn't tell me who they were either. But they wanted to know how many new schools had been built here during the past 10 years and how many more were going to be built during the next 10 years," Suttentfield recalled.

"They were also interested in social and civic life here and what municipal services the city provided. I was greatly impressed by the caliber of these men," Suttentfield said.

"Of course, we had heard rumors about a new industry coming, but we weren't sure until Sept. 23, 1955. I've been impressed by the progress GE has made in Lynchburg. I only heard a rumor last night that they were going to let some of their employees go," Suttentfield said.

Mrs. Brooks, a reporter, broke the news to Central Virginia on the afternoon of that day in 1955.

Her story was spread across the newspaper's front page.

"I remember the day well. Oh, golly, it was the most exciting announcement for many years for the industrial community and the entire community as well," she said.

"It was good news because Lynchburg at the time was trying to diversify its industries. This was long before Meredith/Burda and some of the others came along," she said.

"Everybody also liked the idea that of the 800 people to be employed by the Lynchburg GE facili-



Rev. John L. Suttentfield



Dorothy S. Brooks



one-way pager,
deskset

GE's 250 divisions
a stern message
e's new chief ex-
who visited the
Welch said each
No. 1 or a growing
gone. To achieve
at each division
on his operation.
or second in the
business to Motoro-
Motorola's market
share was put at

Meyers was re-
in Lynchburg by

82 was worse. In
layoffs affecting

ew In April 1983
could be turned
y means to acce-

sed what it said
ers in Lynchburg.
n in orders for a
d as part of a pos-
1985.

mobile telephone
ivate car phone
k of low-powered
cells) in metropol-
portable phones
radio channels to

1984 about 300
returning total

E's 250 divisions
a stern message
s new chief ex-
who visited the
Welch said each
o. 1 or a growing
gone. To achieve
at each division
in his operation.
or second in the
business to Motor-
Motorola's market
share was put at

Meyers was re-
n Lynchburg by
2 was worse. In
layoffs affecting

w in April 1983
could be turned
means to acce-

ed what it said
ers in Lynchburg.
in orders for a
as part of a pos-
85.

mobile telephone
water car phone
of low-powered
bills) in metropol-
portable phones
dio channels to

1984 about 300
returning total
e firm said it ex-

was out as gen-
M. Trani, a GE

as learned that
gest cellular mo-
hind AT&T and
stry spokesman
s not met initial
long-term future

nced it will cut
division.

is in the air, the cut-
y won't affect busi-

optimistic," he said.
other companies are
ynchburg, something

d. "Any (cutback) of
nd to have an effect.
so many other fac-
to say. If other sala-
re able to relocate,
n other cities in other
oving and relocating,
ect their buying abili-

Robert D. Morrison, city manager
at the time; the Rev. John L. Sut-
tenfield of Fairview Christian
Church, then mayor; and Dorothy
S. Brooks, who was covering the
meeting for The Daily Advance.

That was a day of good news, in
contrast to Monday's announcement
by GE that 750 jobs would be elimi-
nated because of economic prob-
lems.

Contacted Monday at their
homes, Morrison, Sutenfield and
Mrs. Brooks said they were dis-
tressed by the job eliminations.

But they also reminisced about
the first major announcement by
GE in Lynchburg. All said they had
heard rumors 29 years ago that an
industry was coming to town, but
nothing was concrete until the news
was made public at the luncheon.

"We old-timers were joyful about
the announcement. We had been
wanting to attract new industry
here for years," Morrison said.

"Prior to that luncheon an-
nouncement, there had been some
rumors, but we had no real indica-
tion of what was coming. As I re-
call, some out-of-town business
representatives visited Lynchburg.
Of course, they were from General
Electric, but we didn't know that
because they wouldn't tell anybody
who they were," the longtime city
manager said.

"They went to the late Lawrence
H. McWane, who was executive sec-
retary of the Chamber of Com-
merce. They didn't tell him who
they were or where they were from
either.

"They did tell Larry that one of
the people they wanted to interview

announcement in 1953.
"They didn't tell me who they
were either. But they wanted to
know how many new schools had
been built here during the past 10
years and how many more were
going to be built during the next 10
years," Sutenfield recalled.

"They were also interested in so-
cial and civic life here and what
municipal services the city pro-
vided. I was greatly impressed by
the caliber of these men," Suten-
field said.

"Of course, we had heard rum-
ors about a new industry coming,
but we weren't sure until Sept. 23,
1955. I've been impressed by the
progress GE has made in Lynch-
burg. I only heard a rumor last
night that they were going to let
some of their employees go," Sut-
tenfield said.

Mrs. Brooks, a reporter, broke
the news to Central Virginia on the
afternoon of that day in 1955.

Her story was spread across the
newspaper's front page.

"I remember the day well. Oh,
golly, it was the most exciting an-
nouncement for many years for the
industrial community and the entire
community as well," she said.

"It was good news because
Lynchburg at the time was trying to
diversify its industries. This was
long before Meredith/Burda and
some of the others came along," she
said.

"Everybody also liked the idea
that of the 800 people to be em-
ployed by the Lynchburg GE facili-
ty, 600 would be local workers, with
the remaining 200 coming from out
of town," she said.



Dorothy S. Brooks



Robert D. Morrison

★ GE

Continued from Page A-1

Gosser said he thinks most hourly
employees eventually will find
work in Central Virginia. But the
outlook for the salaried workers,
such as engineers and technicians,
is bleak.

"There aren't that many oppor-
tunities in Lynchburg for them,"
Gosser said. "They probably will
have to relocate."

GE will bring in two consultants
and set up an "opportunity center"
on Lakeside Drive to help salaried
employees prepare resumes and
find jobs, he said.

The Virginia Employment Com-
mission will help hourly workers
with unemployment claims and job
searches, he said.

Gosser declined to say when the
decision to cut 750 jobs was made.
Cost-reducing measures were dis-
cussed even before John M. Trani
replaced Walter E. Weyer as gen-
eral manager in September. Gosser

GE

will bring in
two consultants and set up
an 'opportunity center' on
Lakeside Drive to help sala-
ried employees prepare re-
sumes and find jobs.

said.
Rumors of job reductions circu-
lated among the workers after Tra-
ni's arrival. Company spokesmen
repeatedly denied them.

On Monday, Gosser said: "We
came to the conclusion shortly after
we got Trani that we would have to
reduce the number of people. We
didn't know how many."

Trani could not be reached for
comment Monday. In a company
newsletter announcing the cutbacks
Trani said:

"As 1984 progressed, it became
clear our sales for the year would
be below expectations. Competitors
such as Motorola, Midland, OKI and
E.F. Johnson continue to push ag-

gressive pricing." He cited the chal-
lenge of both domestic and foreign
competition.

The most efficient manufactur-
ers have the advantage, and GE is
not the most efficient manufacturer
in the two-way radio industry, Trani
said. "We need to take decisive ac-
tion now — before it is too late."

"We recognize that these actions
will cause economic hardship for
some employees," he said.

GE remains number two in the
mobile communications business,
well behind Motorola. GE is a dis-
tant third in fixed equipment in the
largest cellular markets. Sales of
the cellular telephone units are run-
ning at less than half the expected
rate, spokesmen have said.

Employment at GE in the Lynch-
burg area rose from 800 in 1955 to
3,000 in 1965. It hit a peak of 4,000
in the early 1970s, according to com-
pany figures. GE experienced big cut-
backs in the 1980s, with a total of
900 layoffs announced in 1982.

The News & DAILY

Vol. 6, No. 104

12/22/1984

Lynchburg, Virginia

Saturday, December

More than half of GE workers to change jobs

By JON HIRATSUKA
Staff Writer

When General Electric Co.'s mobile communications plant reopens Jan. 2 after the usual week-long holiday closing, about 1,500 employees will be doing different jobs, a spokesman said Friday.

The shuffle was caused by employees exercising their "bumping rights" in connection with many of the 750 jobs that were eliminated by Friday.

The 750-employee cutback, announced last month, was necessary so the company could cut costs and remain competitive in the mobile radio business, according to company officials.

The job changes caused by bumping will affect about 62 percent of the remaining 2,400 employees, based on employment figures in November minus the reductions.

Bumping rights allow hourly and some salaried workers whose jobs are eliminated to displace people with less seniority. They in turn may replace employees with still less seniority down the line.

"The rule of thumb in the displacement process is that there are roughly three job changes for every reduction," said Robert Butler, manager of employee relations, organization and staffing.

A large number of people have displacement rights, he said. "When they return to work Jan. 2, they in fact will be reporting to different positions. It is a massively complex process."

Asked about the impact on the company, he said: "There will be a fair number of people starting off in new roles. There will be some requirements for orientation and training. I think we can do it without a whole lot of disruption. We will spend some time next year getting used to changes. We expect to have things in hand and normalized in the first quarter of 1985."

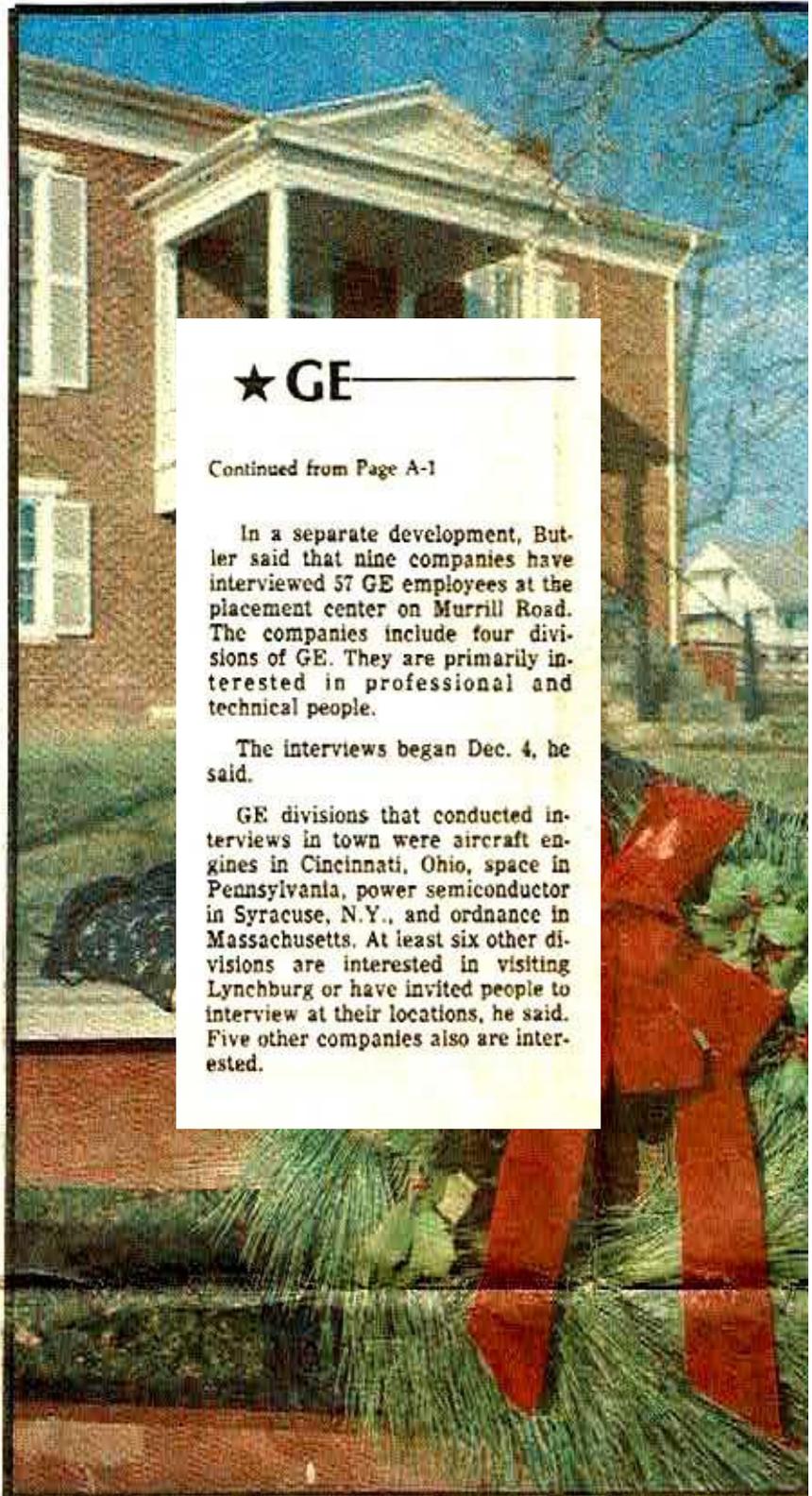
Some people will be bumping to jobs they have held before, he said. "For example, some engineering technicians are being displaced to production technician jobs that they previously held."

General Electric, the Lynchburg area's second largest employer, saw its workforce reduced to about 2,400 from 3,150 in November, when the cuts were announced. A spokesman said they were needed to save the business.

The cutbacks consisted of 400 hourly jobs and 350 salaried jobs.

Virtually all employees who will be affected by bumping know it by now, including those who will be bumped out of a job entirely, Butler said.

Bumping rights apply to hourly workers and to non-exempt salaried workers, such as technical, clerical and secretarial employees. The professional employees,



★ GE

Continued from Page A-1

In a separate development, Butler said that nine companies have interviewed 57 GE employees at the placement center on Murrill Road. The companies include four divisions of GE. They are primarily interested in professional and technical people.

The interviews began Dec. 4, he said.

GE divisions that conducted interviews in town were aircraft engines in Cincinnati, Ohio, space in Pennsylvania, power semiconductor in Syracuse, N.Y., and ordnance in Massachusetts. At least six other divisions are interested in visiting Lynchburg or have invited people to interview at their locations, he said. Five other companies also are interested.

Christmas

Ava Almond, who portrays a 19th-century woman at Appomattox National Historic Park, hangs a wreath outside the court village. Employees and area groups