$130 Million Defense Cost Savings Are Achieved In GE Since 1958

Company Works With Military Services To Achieve Better Values; B-58 Powerplant Record Cited

U.S. defense funds conserved through cost-reductions on General Electric military products since 1958 exceed the $130 million mark, the Company announced today.

As examples of the Company's joint economizing efforts with the military services, Vice President and Group Executive C. W. LaPierre cited:

- A 43 percent slash in the production costs of the B-58 jet bomber powerplant, the Evendale-built J79 turbojet engine with a further 7 percent reduction expected this year. Total reductions will reach almost $20 million.
- An $8.7 million reduction in the production costs of constant speed transmissions and jet engine fuel controls for Navy and USAF aircraft.
- A $3 million slash in the cost of armament and flight control equipment for the USAF F-105 fighter-bomber through use of General Electric-developed techniques of value engineering.
- A $5 million reduction in the cost of transporting ICBM/IRBM reentry vehicles to their missiles.

Mr. LaPierre, who heads up the Electronic and Flight Systems Group, said that these reductions have resulted from improved military-contractor procurement practices, cost-saving ideas of Company personnel, and "learning curve" production trends in cooperation with the Air Force, Navy and Army.

Money saved has been applied by the military to buy "more work, more weapons or more advanced equipment to meet the growing requirements of national defense."

Company reports made to the Air Force and Navy at their request show that nickels and dimes still add up to dollars. Jet engine compressor blades costing $3.77 each, were trimmed to $1.96 each. This reduction in 1,012 such blades in each engine results in a $7,327 reduction in each B-58 business, employee suggestions, and techniques of value analysis.

The economy in transporting ICBM/IRBM reentry vehicles stemmed from development of a single multi-purpose trailer. It does the job faster and more reliably than the two specialized vehicles previously required.

In addition to trimming $3 million from the cost of equipment for the F-105 aircraft, Value Analysis techniques saved $700,000 from the cost of a jack car serving as part of the ground guidance equipment for the Atlas missile. The techniques—originated by General Electric more than 10 years ago—produced a host of other savings through the scientific elimination of cost factors which do not contribute directly to the function.

C. W. LaPierre

Money saved . . . to buy "more work"

In one department of the Company, $2.6 million was trimmed in the first six months of 1960 and almost half of this was made up of cost-saving innovations worth less than $1,000 each. Documented reductions of $17.7 million in another department resulted from some 2,500 employee ideas.

Prime methods of achieving these economies, Mr. LaPierre said, were production contracts reducing unit costs of equipment. Company task forces studying all aspects of defense product costs, increasing use of automation in purchasing, manufacturing and accounting, help to subcontractors and small businesses in making similar cost reductions, increased value engineering, and other scientific ideas.

Savings

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Electronic tubes by almost 200 percent.
- $148,000 trimmed from clear equipment costs through methods of scouring radio "grime."”
- $1.1 million set aside for the Minuteman missile guidance systems and other military electronic controls.
- $2.4 million “Growth Result of extensive use of stainless steel wiring."

- A 20 per cent drop in one year in the cost of the T58 turboshaft engine powering military helicopters, with a bonus of increasing engine performance.

A reduction of $1.3 million in Atlas guidance system costs by increasing the life of electronic tubes.