

Good Telephone Service and Good Telephone Earnings Go Hand in Hand

There is no way to have one without the other

The function of the Bell System is to serve you and serve you well.

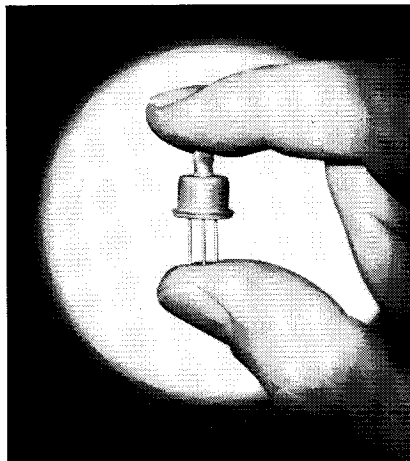
It works two ways.

We must serve well to prosper. And just as surely we must prosper to serve you well.

Progress does not just happen. It has to be encouraged and made worth while. And it costs money; in the telephone business a whole lot of money.

Sheer prudence would bring a hesitancy to go full steam ahead if there are too many restrictions on profits. Or if the rewards of efficiency, good research, good management and downright hard work are sliced away as soon as earned.

In the telephone business there is special need for a sustained level of adequate profits. For the telephone business, more than almost any other, is a long-term business. Al-



NEW AND BETTER SERVICES for telephone users will come from the Bell Telephone Laboratories invention of the Transistor, a major scientific breakthrough. This mighty mite of electronics, which can amplify electric signals up to 100,000 times, will play a big part in push-button telephony, for example. The Transistor has been made possible by basic physical research that can only be undertaken by a progressive business with good earnings over the long pull.

ways we must keep building ahead to meet the needs of tomorrow.

These needs are growing every day. Just the gain in population alone gives some idea of their size.

By 1970—just ten years away—there will be 40,000,000 more people

in the United States. More and more communication services will be required by people, industry and defense.

So when we emphasize the need for satisfactory earnings on a continuing basis, it is for a very practical and useful purpose. It helps us, of course. But in a very real sense it helps you.

Only with adequate profits can we run the business most efficiently and take advantage of long-range economies.

Only with adequate profits can we finance and put in operation the latest advances in telephone science.

All this not only improves the service but helps to hold down the cost of providing it.

The result over the long run is bound to be better service for you at a lower price than you would otherwise have to pay.

BELL TELEPHONE SYSTEM

