PLAINTIFF'S EXHIBIT
GP-1404

ers. By fighting back in the courts, these middle managers feel they have nothing to lose, says Prof. Eugene E. Jennings, a management expert at Michigan State University. "Today, middle managers are becoming terribly cynical because there's no place for them to go," he says.

In essence, these frustrated employes are challenging the ways in which companies have promoted and developed managers for years. One area under attack is the use by many companies of confidential lists of "high potential" employes as a means of keeping watch on the brightest prospects. This so-called "fast track" is used by companies to move highly motivated people through a series of responsible jobs as quickly as possible. Most companies argue that such a device is necessary to achieve the best possible succession to upper executive ranks.

Now, a growing number of middle managers want to know if they are on their companies' fast tracks. V. Paul Donnelly, a Detroit lawyer who specializes in white-collar age-discrimination cases, believes that some companies' lists may be biased because they consist of the names of only "well-educated, white males under 40 years of age."

Managers also are challenging the way most companies evaluate employes, particularly the performance review. Although the mechanics of such reviews vary widely, they usually involve an annual written appraisal by an immediate supervisor, endorsement by the supervisor's boss and some type of discussion with the employe. "Too often," claims Mr. Donnelly, "performance reviews are used to downgrade older employes who have little, if any, process of appeal within the company."

A Capricious Route

A major problem in many American businesses is that the way to the top seems just as vague and capricious as ever. In 1973 the American Management Association surveyed 2,600 executives and found that most felt that advancement is the result of a "largely subjective evaluation or arbitrary decision." Middle managers and technical employes added that "who you know" is nearly as important as "what you know."

In a survey held last year, Ford found that more than half of its salaried employes felt there is little consistency from supervisor to supervisor in stndards used to rate performance at the company. More than half also believed that improved job performance would not help their chance for promotion.

Many companies are clearly worried about this growing disenchantment among middle management, and they are trying to do something about it. In an effort to reduce subjectivity in the appraisal of managers, computer networks are being set up within companies so that the qualifications of all eligible employes can be reviewed when a job is open.

The Bendix Approach

One notable example of this new approach to promotions is that of Bendix Corp., which is introducing a system whereby an employe sits down with his superior and arrives at an agreed-on set of goals for the year. The manager's performance is measured against these objectives. In another example, General Motors Corp. is using the performance review to allow an employe to state his career goals and to work out a plan to correct any deficiencies, such as education, that he might have. "We're trying to get the employes more involved in the process," says Eugene L. Harris, GM's assistant corporate counsel.

But in the meantime, more and more

Please Turn to Page 21, Column 1

adjusted $6.91 billion, a record.

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Commodity-law violations involving trading in soybean futures were charged by the government in a complaint against seven members of the Hunt family in Dallas.

(Story on Page 24)

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Ashland Oil is the company that's considering a $20 million investment in troubled Commonwealth Oil. Ashland could end up with a significant equity interest.

(Story on Page 6)

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Warner Communications is to acquire Knickerbocker Toy under an agreement involving $60.8 million in cash and debentures.

(Story on Page 9)

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Polluting factories could be built in areas with dirty air under a House Commerce Committee formula to let states get around federal curbs on such construction.

(Story on Page 6)

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Night-coach air-fare discounts should remain in effect, the CAB decided. It said they benefit both airlines and the public.

(Story on Page 2)

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Margin requirements for writers of combinations of put and call options were relaxed by the Reserve Board.

(Story on Page 20)

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Saudi Arabia's capacity to spend money is said to be rising rapidly, raising the prospect that its outlays may match income in a year or two. That could mean less Saudi money for an IMF facility, but also less need for such a financing facility.

(Story on Page 9)

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UAL's United Airlines will order 18 Boeing 727-200 planes for about $215 million, including spares. UAL's first quarter loss narrowed to $22.9 million from $43.8 million.

(Story on Page 11)

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Sperry Rand's net rose 16% to a record $47.8 million in its March 31 fourth quarter.

(Story on Page 11)

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Markets—

Stocks: Volume 18,370,000 shares. Dow Jones industrials 927.32, up 3.54; transportation 233.35, up 0.10; utilities 108.36, up 0.48.

Bonds: Dow Jones 20 bonds 91.27, up 0.04.

Commodities: Dow Jones futures index 407.10, up 4.96; spot index 425.15, up 1.40.

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Strategic arms talks between Secretary of State Cyrus Vance and Soviet Foreign Minister Andrei Gromyko will resume in Geneva on May 18, the State Department said. On the agenda for discussion are the U.S. proposals the Soviets rejected in late March and prospects for peace in the Mideast.

* * *

An authoritative military survey found the Soviet Union is steadily building and modernizing its military power while the West is lagging both in quantity and quality of equipment. The Institute for Strategic Studies, an international research center, in its annual report attacked Carter's disarmament policies as "obsolete" and said his human-rights statements had destroyed East-West trust.

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Health, Education and Welfare Secretary Joseph Califano signed regulations to enforce a 1973 law barring discrimination against handicapped persons in subsidized programs. Protracted demonstrations have been going on all month at HEW offices to demand the rules.

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The use of asbestos in spackling and other wall-patching compounds was banned by the Consumer Product Safety Commission. The agency also voted to ban the substance, which it called a proven carcinogen, in certain imitation logs and ordered a study of its use in other products.

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Fast identification of toxic substances to which workers are exposed was promised by the Labor Department. An official promised in House testimony to work on rules requiring employers to furnish generic names of chemicals in trade-name products used by workers.

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Children's garment makers won a victory as a U.S. district judge told the Consumer Product Safety Commission it couldn't require them to bear the sole cost of refunds to be paid for Tris-treated clothes. He gave the agency 10 days to come up with a new order spreading the burden of refunds for clothing treated with the cancer-linked flame retardant throughout the industry.

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Plans to ban the drug phenformin, widely used to treat diabetes, because of evidence it produces potentially fatal side effects will be announced by the Food and Drug Administration. The agency will seek comment as to whether the drug should be removed immediately or gradually.

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The House Agriculture Committee approved wheat and corn price supports higher than the administration has said would be acceptable but lower than those approved by a subcommittee as well as those expected to clear a Senate committee. The House committee's action could be a compromise vehicle between the White House position and the even higher support levels sought by farm Congressmen.

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The House Assassinations Committee won full House approval of a $2.5 million budget to continue its investigation into the killings of John F. Kennedy and Martin Luther King Jr. The clearance for the panel to continue its work through this year, however, came only after heavy criticism of it.

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Oilfield troubleshooter Red Adair again failed in three attempts to stem the petroleum rushing from a runaway North Sea well for six days. Adding to difficulties was an improperly fitted controlling device. Norway responded to the failures by halting all produc-

Hacking Up a

Stretching a sounds like: A tion is added a back together. new, smaller mobile is sudde lac, Buick or cars really mea size as the 197 spent all that m

That may be hard way, but a think it's worth a car any other chio, a Chicag bought his secon

The regular S Mr. Marcocchio room is "very li sion gives him legs. It also give in the back seat city in my car ride," Mr. Marco

Not every stre cal. Some just w Howard, a Durha surance executiv stretched Seville novelty factor." ever riding in the one else ride ther of room," he says

Victor Potamki tamkin Cadillac City, which has so Mr. Moloney, thin something to talk dinner parties."

Low Profile

But a few say One of Mr. Molo chose a stretch Brougham over makes because the keeping with the s maintain. "If I wa says, "I would hav At a casual glance like a regular Cadi

Whatever their stretched cars hav $800 for every extra en-inch addition to lac, Olds or Buick $5,000 to $6,000.

That, of course, i tomer pays for the that could reach $1 plush little Seville. F ney Coachbuilders, or an oiled walnut can push up the pr tomer of Moloney end up paying any $20,000 for his car.

Or even a little ern sheik who dis shop last year ran for, among other thi laca and a dozen Dorados and Marcec

To most people, make sense. There ways to get the sa $20,000 stretched Sev wheelbase nearly ide scaled-down regular sells by the thousan And instead of enlarg to the size they used always buy a full-size Co. or Chrysler Corp ing them.

But fortunately for people shun such ru

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