METRON, July 1961

"the proper use of men and measures...."

Now a year and a half old, METRON is in a position to expand its work from a solid foundation. Its record of earnings during its short existence is negligible. But a good deal of valuable time and some money have been invested in its planning, and in the development of several types of activities to the point where they make commercial sense. METRON today has several assets.

1. A remarkable rapport among thousands of social scientists around the world.

2. A "trade journal" with a proven concept and response.

3. Experience in film production.

4. Experience in numerous fields of research and development in the behavioral sciences.

5. A group of highly trained and successful men ready and eager to work for it, either part-time or full-time.

All three types of activities of METRON--- magazine publishing, film production, and research & development -- require capital of more than "basement-workshop" proportions. Having completed all that may be done in the "basement workshop", METRON now needs the kind of capital that will bring in a volume of business sufficient to turn a large profit. How this may be done is explained in detail in the pages of this presentation, which contains five sections:

1. The loan and capitalization proposal

2. METRON, inc.: organization, structure

3. The AMERICAN BEHAVIORAL SCIENTIST

4. METRON films

5. Research and Development

Proposal for a loan and
supporting information.

GENERAL INFORMATION:

METRON is a New Jersey Corporation, established in 1959, as the successor to a proprietary business established in 1953. It is located at

306 Nassau St., Princeton, N.J.
(postal address: PO Box 294, Princeton, N.J.)
telephone: WAlnut 4-4681

It has two other offices:

In New York City, 136 E. 16th Street
telephone: ORegon 4-8039

In Florence, Italy, 228 Via Masaccio

METRON is organized in three divisions:

I. Publications: THE AMERICAN BAHAVIORAL SCIENTIST, a monthly trade and professional journal for social and behavioral scientists andassociated laymen, founded in 1957 as Political Research: Organization and Design, and using its present title starting with Volume IV. September, 1961 will begin Vol.V of the ABS.

The publications division is also intended to publish supplementary issues, to engage in related book and journal publishing, and to perform other services for a profit.

II. Film productions: With the sponsorship of the ABS, METRON films are beginning to be produced. The first film, on "International Tensions" is completed; twoothers, an art film on the etchings of Nalbandian, and an introduction to American lobbies, are nearing completion. Several others are scheduled. The intended audience is educational, both in public service programs and in classes.

III. The Research and Development Division: Against the background of its work in films and magazines, and with the extensive network of research and scientificpersonnel that it has cultivated, METRON aims to continue and expand research of various kinds, including especially product development in areas of growth such as AUTOMATED TEACHING AND INFORMATION RETRIEVAL.

METRON, The AMERICAN BEHAVIORAL SCIENTIST, and STYLOANIMATION (the unusual form of animation used in METRON films) are the trademarks presently possessed by the company.

The behavioral research industry, the educational-industrial film industry, and the magazine publishing industry are all characterized by a large number of small firms and several large ones, with a high mortality among the small because of personnel problems and because of high costs and instable markets. The products in all three leave a good deal to be desired, and some of the best products in all three are put out by non-profit groups, such as research institutes (Stanford Research Institute, e.g.), Universities, and professional associations. METRON believes, with support from consultants, that the three evils of high costs, inadequate personnel, and marketing can be controlled, while at the same time the effective want for products in all three divisions is increasing at a rate well beyond the average annual growth of the economy as a whole:

METHODS OF MARKETING METRON PRODUCTS:

1. Magazines: a. Direct mail
   b. Subscribers work-of-mouth
   c. Publicity and promotion
   d. Sales of advertising space directly to advertisers.
   e. Tie-in agreements with advertisers and publishers of other items
   f. Reprints

   Books: a. Direct mail
   b. Distribution contracts with publishers on royalty agreements
   c. Pages of the ABS

2. Films: a. Direct mail to film purchasers and renters (personal and sales approaches)
   b. Distribution agreements with established distributors
   c. Sale to distributors or sponsoring government

3. Research and Development corporations, foundations, networks.

agencies, corporations, foundations, networks.

3. Research and Development
   a. By invitation
   b. By competitive bidding
   c. By direct personal selling, through personal acquaintances and through reputations.
   d. By product development with METRON capital, and sale or lease to outside groups.

PROVING THE MARKET

That there exists a growing market for all types of METRON products is well-known, and that this market is extraordinarily profitable, when tapped is also known. What can only be known in stages as the operations move forward, is the market for the <u>specific</u> products of METRON. In general, the long experience of the leadership of METRON in evaluating market and opinion by scientific methods, and the quality of the counsel that is liberally available to METRON through its contacts and advisers gives some assurance that the markets will be carefully and accurately assessed as part of the production process. Moreover, the supporting documentation of this proposal presents additional evidence of the commercial feasibility of the operations.

PROPERTY AND HOLDINGS OF METRON

These are carried on the accompanying statements of assets and liabilities.

Under consideration is the acquisition of the PRINCETON FILM CENTER, inc., a 20-year old production and distribution company, which is now greatly reduced in size and value from its condition prior to 1952. Also under consideration is the purchase of a five-acre piece of real estate with buildings excellently suited to METRONplans, located just outside the borough of Princeton, in Princeton Township. Both steps require together some $25,000 in cash, which is not available now, which is not provided for under the loan being presently sought, and which in any event might not be a logical step until larger financing of the whole METRON long-range plan is imminent.

PREVIOUS FINANCING

Apart from the capital and loans provided the company by Dr. Alfred de Grazia personally, and token contributions of

Dr. Sebastian de Grazia and Mr. John F. McCarthy, the only outside or inside money has been a loan to finance the purchase of a company vehicle, which was made by the First National Bank of Princeton under the usual automobile installment-purchasing contract, with Dr. Alfred de Grazia acting as guarantor.

USE OF PROCEEDS OF PROPOSED LOAN

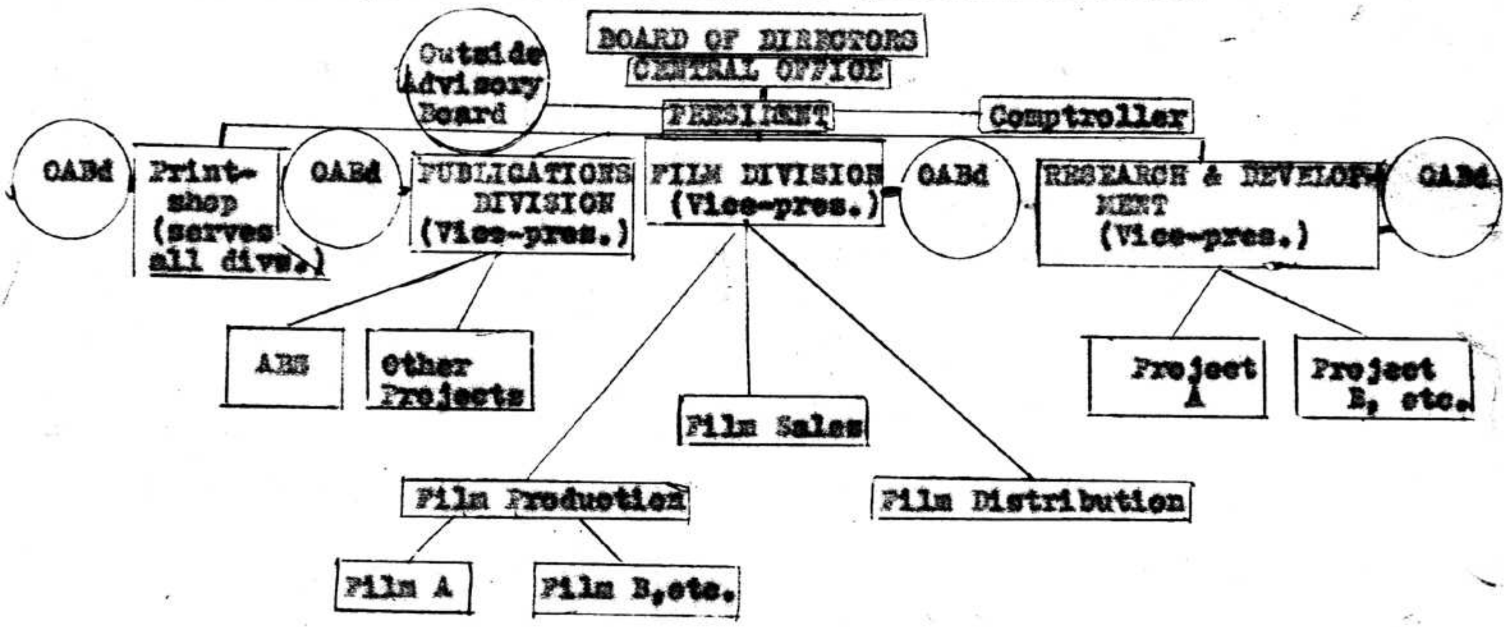
The uses of the $31,000 loan are detailed in supporting documents. Briefly, $10,000 would go into film production, $4,000 into circulation development of the AMERICAN BEHAVIORAL SCIENTIST, $2,000 into administrative costs, $12,000 into testing a new system of Information Retrival, and $3,000 into developing a programmed book for sale.

CAPITALIZATION OF METRON

The present capital structure of METRON is detailed in the supporting documents. Briefly, almost all outstanding stock is the property of Dr. Alfred de Grazia.

ORGANIZATION

METRON is organised into three divisions, which will become sharper and more autonomous as operations increase.



The proposed loan may not permit the early satisfactory establishment of the printshop, which would ultimately do all the mailing pieces and various new forms of publishing. Nor does it provide for a film distribution center, which would have to be formed by additional capital, by slow growth, or by the purchase of the Princeton Film Center.

At present, the magazine and research work of METRON are produced mainly in Princeton. The New York office is devoted largely to film production, conferences, and negotiations. The Florence office has not paid for itself every year since it was opened in 1953, but it is managed inexpensively by Dr. Sebastian de Grazia and provides a focus for numerous potentially profitable contacts throughout Europe, the Near East, and Africa.

PERSONNEL

METRON is presently badly understaffed with paid employees and has a wealth of unpaid expert advisers and workers. Dr. Alfred de Grazia is personally directing every aspect of the work at present. Melvin Van Peebles, Director of Films, is working full-time. Erika Gurr, business manger of the AMERICAN BEHAVIORAL SCIENTIST, works half-time. Julia Martinez, general secretary to Dr. de Grazia, begins full-time work in August. Ted Gurr, Assistant Editor of the ABS, will be able to give only a few hours of his time to each issue of the magazine after August. Dr. Sebastian de Grazia works part-time for METRON in research and consultation. Jerome Gottlieb, CPA, has served as auditor. John F. McCarthy is attorney. Additional help is provided on occasion by many people, including the Advisory Board of the ABS, various Princeton and New York friends, and especially the many contributors to the ABS, who have offered their work freely. The present members of the Board of Directors include Dr. Alfred de Grazia, Mr. John F. McCarthy, and Dr. Sebastian de Grazia. There are two vacancies.

BIOGRAPHIES OF PRESENT PERSONNEL

Dr. Alfred de Grazia, Chairman of the Board of Directors and President. (See supporting document)

Melvin Van Peebles, film director; born Chicago, Illinois; 29 years old; AB Ohio Wesleyan; Lieutenant, Navigator U.S. Air

Force; studied film-making in Holland and Paris; author of pictorial book on San Francisco; director of three short films produced in Holland and Paris; winner of Prix de Qualite of the French government; employed by METRON on a drawing account and stock-sharing basis since November 1960; director of three METRON films to date.

Dr. Sebastian de Grazia, research associate and member of the Board of Directors, holds his AB and PhD from the University of Chicago, where he formerly taught. He also studied business administration at Northwestern University. He is a Project Director for the Twentieth Century Fund and Adjunct Professor at Rutgers University. He is author of The Political Community; Errors of Psychology ; the forthcoming book entitled Time, Work and Leisure; and of many articles. His administrative and research experience was gained with the wartime office of Strategic Sources, The Committee on Communications of the University of Chicago, the Human Resources Research Office of George Washington University, and as consultant to the Olivetti Typewriter and Business-Machines Corporation, The Fiat Motor Company, General Motors Corporation, and General Electric Company.

Mr. John F. McCarthy, member of the Board of Directors and Attorney for METRON, is a graduate of Princeton University and the University of Pennsylvania Law School. He is Borough Attorney of Princeton, and activeiin civic and business affairs in New Jersey.

Ted Gurr holds his AB in Psychology from Reed College and is completing his doctoral work at New York University. He was a Woodrow Wilson Fellow at Princeton, and worked for the Educational Testing Service prior to becoming a Research Associate in the Foundation for Voluntary Welfare and then Assistant to the Editor of the ABS. He is presently Science Research Reporter for New York University. He is co-author of the book American Welfare.

FUTURE ORGANIZATION AND PERSONNEL

The proposed loan would enable METRON to hire a new general secretary, Mrs. Julia Martinez, who has worked for an advertising research concern and the Twentieth Century Fund. It would permit Mr. Jerome Gottlieb, who is controller of RASSCO,inc., in New York, to give more time to METRON. It would allow a broader use of paid consultants on several projects, and the full-time appointment of a research and development person in the Information Retrieval and Automated Teaching areas.

The larger financial underwriting of METRON would bring about a complete and logical staffing of the organization chart presented above. The persons mentioned below are ready and willing to serve and their qualities indicate the excellence of the staffing potential.

Chairman of the Board of Directors and Executive Committee: Dr. Alfred de Grazia

President: possibly Dr. Paul Lyness, former President of Gallup and Robinson and recently member of the Planning Board of McCann-Erickson. (age in early forties)

Vice-President for R & D: Dr. Donald Michael of Brookings Institution, Center for Advanced Study, Wash., DC, who holds a PhD in social psychology and has done much commercial research in human engineering, space and missile programs, and film testing. (age in late thirties)

Vice-President for Films: Mr. Gordon Knox, founder and President of the Princeton Film Center for over twenty years. (age in early fifties) Prior to that time, Mr. Knox worked for Warner Brothers.

Director of Films: Mr. Melvin Van Peebles (age in early thirties)

Vice-President for Publications: Mr. William Shore, formerly publications director of the American Public Administration Association and Editor of the Public Administration Review, now Public Relations Director for the Regional Plan Association of New York City. (age in late thirties)

Assistant to the President: Mr. Anthony Baker, Autometric Corporation, New York, who has had experience of executive quality in film productions (Paramount and Baker Productions), research and development (Convair and Autometric), and newspapers and magazines (Detroit Free Press, Scientific American). (early thirties)

Comptroller: Mr. Jerome Gottlieb of New York

Special Assistant to the Chairman of the Executive Committee: Mr. S. Bing of L.F. Rothschild Co.; a broker and research analyst.

Senior Consultants: It is planned to have Dr. Sebastian de Grazia act as Coordinator of Advisory Boards and Consultants. Five Advisory Boards of distinguished behavioral scientists and engineers are contemplated, including the Advisory Board of the ABS, which is already in existence. The Advisory Board members would be relied upon for general supervision of each Division and for individual consultation on a professional basis on particular projects.

OPTIONS AND EXECUTIVE COMPENSATION

It is expected that all executives, as described, will initially receive less than their ordinary compensation in their initial period with METRON, plus stock options. At present, only Mr. Melvin Peebles receives stock; he receives one share of class "C" common for every ten minutes of film that he directs. Advisory Board members would also receive some form of stock in whole or part payment for their work.

OTHER OBLIGATIONS

There are no obligations of METRON other than those stated above and in the supporting documents, except a contract to pay Dr. Alfred de Grazia a salary, which is and may be deferred, and to compensate him in stock for his contributions to the development of the company. There are no legal suits pending against the company.

ATTEMPTS AT FINANCING

Prior to this date, apart from conversations with acquaintances regarding the possible conditions of their participating in time and money, the sole approach for financing has been that made to several acquaintances connected with L.F. Rothschild Company. There, an agreement for initial financing with possible underwriting in six months or so was discussed but did not materialize because of hesitation on both sides as to the location of control and initial distribution of stock. The door remained open to an underwriting by L.F. Rothschild Company, however, its final decision depending upon a new presentation of program and accomplishments.

REFERENCES

Mr. Alexander Bing, L.F. Rothschild, has familiarized himself with the details and prospects of METRON.

(L.F. Rothschild, Co., 120 Broadway, NYC, RE 2-4600)

Mr. Wilkes, of the First National Bank of Princeton, NJ, is familiar with the local conditions of METRON and its Board of Directors.

FINANCIAL HISTORY OF METRON

The balance sheets and statements of income and expense of METRON for 1960 and the first half of 1961 accompany this report.

[illegible], INC.
[illegible]
[illegible] 31, 1960

CAPITAL STOCK

Class A - Preferred	
$10 Par Value; 10,000 Shares Authorized; 200 shares Issued	2,000.00
Class B - Common	
$10 Par Value; 10,000 Shares Authorized; 100 shares Issued	1,000.00
Class C - Common	
No Par Value; 1,000 Shares Authorized; 2 shares Issued	-
Class D - Common	
No Par Value; 1,000 Shares Authorized; 501 shares Issued	501.00
TOTAL CAPITAL STOCK	

SURPLUS ARISING FROM EXCESS OF ASSIGNED VALUE OF AMERICAN [illegible], [illegible] OVER LIABILITIES

DEFICIT

BALANCE, January 1, 1960	(2,000.00)
NET LOSS FOR THE YEAR ENDED December 31, 1960	(11,532.42)
DEFICIT	

TOTAL CAPITAL

PREPARED FROM THE BOOKS AND RECORDS WITHOUT OUTSIDE VERIFICATION

[illegible]
[illegible]
FOR THE YEAR ENDED [illegible] 31, 19[illegible]

INCOME:

COMMISSIONS, [illegible] AND FEES
SUBSCRIPTIONS
[illegible]
TOTAL INCOME

EXPENSES:

SALARIES	7,[illegible]
TRAVEL	5,799.97
PRINTING	3,[illegible]
POSTAGE	1,[illegible].70
RENT	2,735.[illegible]
[illegible] AND [illegible]	1,863.[illegible]
[illegible]	695.[illegible]
[illegible] AND [illegible]	[illegible].00
PROMOTION	[illegible]37.63
SUPPLIES	[illegible].51
[illegible]	[illegible]
[illegible]	19.76
TAXES	61.50
FILM PRODUCTION EXPENSES	450.00
REPAIRS	158.60
INSURANCE	425.14
[illegible]	498.06
DEPRECIATION	455.71
ORGANIZATION EXPENSE	200.00
TOTAL EXPENSES	

NET [illegible] FOR THE YEAR ENDED [illegible] 31, 19[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

CURRENT ASSETS
Cash in Bank | | | 1,313.[illegible]

FIXED ASSETS
Automobile

	COST	RESERVE FOR DEPRECIATION	
Automobile	3,[illegible].[illegible]	[illegible].[illegible]	2,759.[illegible]

OTHER ASSETS
Goodwill - [illegible] [illegible], [illegible] | 18,[illegible].00
Organization Expenses | [illegible].00
TOTAL OTHER ASSETS | | 18,500.00

TOTAL ASSETS | | 14,809.[illegible]

LIABILITIES AND CAPITAL

CURRENT LIABILITIES
Loans Payable - First National Bank, Princeton, N. J.
(Payable Within the Next 12 month Period) | 3,809.68
Loans Payable - Alfred De Grazia | 3,098.19
Accrued Expenses | 13,095.00
Unfilled Subscriptions | 1,600.00
TOTAL CURRENT LIABILITIES

FIXED LIABILITIES
Loans Payable - First National Bank, Princeton, N. J.
(Balance Not Payable Within the Next 12 Month Period) | | 1,[illegible]

TOTAL LIABILITIES | | 21,[illegible]

CAPITAL (As Per Schedule "A-1") | | ([illegible])

TOTAL LIABILITIES AND CAPITAL | | 1[illegible]

PREPARED FROM THE BOOKS AND RECORDS WITHOUT CERTIFIED VERIFICATION

[illegible] - Certified Public Accountant

METRON, INC.
BALANCE SHEET
JUNE 30, 1961

ASSETS

CURRENT ASSETS			
Cash in Banks		599.06	
Deferred Film Production Expenses		3,012.08	
TOTAL CURRENT ASSETS			3,611.14
FIXED ASSETS	COST	RESERVE FOR DEPRECIATION	
Automobile	3,258.08	1,140.33	2,117.75
OTHER ASSETS			
Goodwill - American Behavioral Scientist		10,000.00	
Organization Expenses		700.00	
TOTAL OTHER ASSETS			10,700.00
TOTAL ASSETS			16,428.89

LIABILITIES AND CAPITAL

CURRENT LIABILITIES		
Loans Payable-First National Bank, Princeton, N. J (Payable Within Next 12 month Period)	1,209.68	
Loans Payable - Alfred de Grazia	5,369.66	
Accrued Expenses	19,375.00	
Unfilled Subscriptions	1,800.00	
TOTAL CURRENT LIABILITIES		27,754.34
OTHER LIABILITIES		
Loans Payable-First National Bank, Princeton, N. J. (Not Payable Within Next Twelve Month Period)		1,007.70
TOTAL LIABILITIES		28,762.04
CAPITAL (As per Schedule "A-1")		(12,333.15)
TOTAL LIABILITIES AND CAPITAL		16,428.89

PREPARED FROM THE BOOKS AND RECORDS WITHOUT AUDIT

METRON, INC.
CAPITAL
JUNE 30, 1961

CAPITAL STOCK		
Class A - Preferred		
$10 Par Value; 10,000 Shares Authorized; 200 shares Issued	2,000.00	
Class B - Common		
$10 Par Value 10,000 Shares Authorized 100 shares Issued	1,000.00	
Class C - Common		
No Par Value; 1,000 Shares Authorized; 2 shares Issued	-	
Class D - Common		
No Par Value; 1,000 Shares Authorized 501 shares Issued	501.00	
TOTAL CAPITAL STOCK		3,501.00
SURPLUS ARISING FROM EXCESS OF STATED VALUE OF AMERICAN BEHAVIORAL SCIENTIST OVER LIABILITIES		3,433.17
DEFICIT		
Balance, January 1, 1961	(13,532.42)	
Net Loss for Six Month Period Ended June 30, 1961	(5,734.90)	
DEFICIT		19,267.32
TOTAL CAPITAL		(12,333.15)

PREPARED FROM THE BOOKS & RECORDS WITHOUT AUDIT

JEROME H. GOTTLIEB - CERTIFIED PUBLIC ACCOUNTANT

EXHIBIT "B"

METRON, INC.
INCOME STATEMENT
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1961

INCOME		
Consultation and Research		2,034.95
Subscriptions and Reprints		2,950.15
Foundation Grants		1,755.00
Lectures		1,164.00
TOTAL INCOME		7,904.10
EXPENSES		
Salaries	4,325.60	
Travel	415.00	
Printing	2,581.20	
Postage	626.75	
Rent	1,770.00	
Consultation and Editorial	125.00	
Telephone	478.70	
Promotion	1,194.04	
Stationery & Supplies	299.32	
Auto	144.98	
Electric	33.34	
Taxes	135.32	
Repairs	85.63	
Sundry	325.16	
Depreciation	651.62	
Organization Expense	100.00	
Insurance	201.14	
Legal	146.20	
TOTAL EXPENSES		13,639.00
NET LOSS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1961		(5,734.90)

PREPARED FROM THE BOOKS AND RECORDS WITHOUT AUDIT

JEROME H. GOTTLIEB - CERTIFIED PUBLIC ACCOUNTANT

PERSONAL DATA SHEET

Dr. Alfred de Grazia, 306 Nassau Street, Princeton, N.J.

Born at Chicago, Ill., 1919; married; seven children; studied at the University of Chicago and Columbia University Law School; holds AB and Ph.D degrees.

U.S. Army, World War II, Africa-Europe, decorated, Captain in command of propaganda operations, Seventh Army, at war's end. Responsible for some early developments of tactics, organization, and equipment in Psychological Warfare.

Member of faculty: University of Minnesota, Brown University, Stanford University, and presently (since 1959) Professor of Government at New York University. Onetime visiting professor at Northwestern University, Columbia University, and Harvard University.

Courses presently offered include Social Invention; Psychology of International Politics.

Author of Michels' First Lectures in Political Sociology; Public and Republic; Elements of Political Science; The American Way of Government; The Western Public; American Welfare; Science and Values of Administration; Grass Roots Private Welfare; Methods of Leadership Analysis; Media of Propaganda: and many articles, in administration, scientific method, public opinion.

Administrative and business experience includes: Company Commander, U.S. Army; political campaign manager (Chicago and California); consultant on economic policy and research methods for General Motors Corporation, Dole Corporation, Creole Foundation, U.S. Information Agency, Operations Research Office, John Hopkins University, and other agencies and foundations (see also research &METRON experience below)

Founding member, Laboratory for Research in Social Relations, University of Minnesota; member, Committee on Research, Social Science Research Council; Executive Officer, Committee on Social Research, Stanford University; Director, Center for Applied Social Research, New York University.

METRON, inc., was established in 1959, and owns the American Behavioral Scientist magazine, (established 1957) a monthly of news, reports, and artlicles on research and theories for social scientists. Dr. De Grazia edits the journal. Also produces educational films (3 now nearing completion), and engages in research and consultation.

Member U.S. delegation to General Conference to UNESCO, 1960; consultant, Brookings Institution-NASA project on social consequences of space and missile programs; officer, American Political Science Association (Executive Council).

AMOUNT AND USE OF PROCEEDS OF LOAN

1) To produce by November, 1961 the film: "Communism: Its Causes, Nature and Results, in Relation to the American Way of life." 27 min. in 16 mm. color. There is a large demand for a film on this subject in classrooms, general adult education, TV, and theatrical screen.

Script will be written by Dr. Afred de Grazia, in consultation with several authorities on the subject. Live narration, off-scene shots, and animation will be used. Estimated gross return, $25,000 to $50,000 in three years.

To produce by October 15, 1961, the film: "Automated Teaching: Friend or Foe?", 13½ min. in 16 mm. For teacher assemblies, teachers colleges, education classes. There is a great unrest and ignorance about this subject throughout the educational world. Yet there is no question but that programmed instruction and automated teaching will play a big role in industrial training, home-study, and schooling at all levels. The film will introduce the subject to all concerned. It will indirectly support METRON's research and development program, which will emphasize this field. Estimated returns, $15,000 to $30,000 in three years.

To complete three films: "Lobbies", (27 min.), "The Art of Nalbaudian", ([illegible] min.), "Welfare", (10 min.). Estimated return, $15,000 to $30,000 in three years.

Total film production requirement: $10,000.

2) The American Behavioral Scientist, for changeover to format more suited to larger circulation and advertisers' needs, and for experimenting with different group samples to

pinpoint larger drive later on. At the same time, it is expected that the $4,000 investment will result in an expansion of circulation of 1500 subscriptions for a total of $7,500 increase in sales (and a return over direct costs of $4,000). . . . $4,000

3) Administrative Reorganization of METRON with a view towards public stock offering or otherwise obtaining additional capital as follows:

a) Legal fees to alter stock structure, etc.

b) Moving and centralizing work in new office (to take place in May, 1962)

c) Setting up accounting system . . . $2,000

4) [This is an item not contained in the budget as submitted for 1961-2, either as to costs or projected receipts.] Preliminary work on product design and testing in the automated teaching - programmed instruction field. METRON will program a subject and adapt or devise a machine for its presentation. The programmed subject can then be either

a) Sold like a textbook or other book, to a publisher for royalties

b) Used, with the machine design, as an inducement to a large company to contract for further research and development on a large scale.

c) Used, with the machine design, as a basis for a new product to be made and sold by METRON.

Possible subjects (examples):

"How to Travel Abroad"
"Elements of American Government"
"Introduction to Logic and Scientific Mehod"
"History of the United States dince the Civil War"

Cost $3,000

5) (This is an item not contained in the budget as submitted for 1961-2, either as to costs or projected receipts.) Design and development of an early-phase project in Information Retrieval.

a) The aim of this project is to prove the commercial feasibility of a simple personally-tailored information service. The service would be tested up on a group of about 50 men (and offices) who would receive each month for 8 months, beginning in January, a set of current materials from various sources pertaining to their personal needs and interests.

b) The ABS will, with little extra cost, provide access to the materials from its regular screening of 250 journals, the press, foundation news, university news, and government news. Early equipment will consist of multilith, photocopy, and uncomplicated filing and sorting devices. The ultimate equipment would be a system of computer storage and retrieval, and rapid photocopy devides, with mechanized mailing procedures and large-scale promotion.

c) This system as it develops should become a valuable commodity which might be sold to a large company or expanded within the METRON framework.

d) The service would be sold to the test group at its commercially feasible rate (say $120 a year) but would require an initial expenditure for research and development. $6,000 would be used for a salaried assistant researcher-designer, $3,000 for clerical work and $3,000 for machinery rental and purchase. The sume required here is $12,000

SUMMARY OF PROPOSED LOAN DETAILS

Starred (*) Items

Starred(*) Items included in the Attached Budget:

*Film Production	$10,000
*Magazine Development	4,000
*Administrative Reorganization	2,000
Research and Development	15,000
Total Loan	$31,000

PROPOSED SCHEDULE OF REPAYMENTS

Interest to be paid in monthly installments over a five-year period

Principal to be repaid as follows:

10% at end of first year	$ 3,100
10% at end of second year	3,100
20% at end of third year	6,200
40% at end of fourth year	12,400
20% at end of fifth year	6,200
Total Loan	$31,000

CONFIDENTIAL

METRON, inc.
Projected costs, July 1, 1961 to June 30, 1962

1. Film Production Division

seven months period, August 1, 1961 to January 31, 1962

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	5 mos. ending June 30, 1962
Overhead:									
Rent	155	155	155	155	155	155	155	1085	775
Utilities, etc.	15	15	15	15	15	15	15	105	75
M.V. Peebles	180	180	180	180	180	180	180	1260	900
Phone	30	30	30	30	30	30	30	210	150
Car (pro-rated)	40	40	40	40	40	40	40	280	200
Legal & Accounting (pro-rated)	60	60	30	30	30	30	30	270	300
Secretarial (pro-r)	80	80	80	80	80	80	80	560	400
Publicity, Promotion	40	40	60	75	200	100	50	565	500
Travel & expenses (pro-rated AdeG)	100	75	100	75	75	75	75	575	500
Direct Production									
"Tensions" (to complete)	40	125	40	-	-	-	-	205	-
"Nalbandian"	150	300	50	-	-	-	-	500	-
"Communism"	-	500	1000	100	-	-	-	1600	-
"Lobbies"	200	1000	100	-	-	-	-	1300	-
"Auto. Teach."	-	200	500	700	-	-	-	1400	-
"Welfare"	-	-	-	-	500	-	-	500	-
Films of '62	-	-	-	-	-	-	-	-	15,000
Totals	1090	2800	2380	1480	1305	705	655	10,415	18,800

II. ABS Division

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	5 mos. ending June 30, 1962
Overhead:									
Car	40	40	40	40	40	40	40	280	200
Rent	185	185	185	185	185	185	185	1295	925
Utilities	10	10	10	10	10	10	10	70	50
Erika Gurr	-	150	150	150	150	150	150	900	750
-	150	150	150	150	150	150	150	1050	750
Ted Gurr	-	40	40	40	40	40	40	240	200
Phone	30	30	30	30	30	30	30	210	150
Production	-	550	550	550	550	550	550	3300	3,000
Mailing	25	50	50	50	50	50	50	325	400
Promotion	20	250	250	200	200	200	200	1320	1,000
Travel & expenses (pro-rated AdeG)	50	50	50	50	50	50	50	350	250
Dues, misc.	50	50	50	50	50	50	50	350	250
Legal, Accounting (pro-rated)	10	10	10	10	10	10	10	70	50
Totals	570	1565	1565	1515	1515	1515	1515	9760	7975

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III. Research and Development Division

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	5 mos. ending June 30, 1962
S. de Grazia	100	600	600	600	600	600	600	3700	3000
OH-Florence office	150	150	150	150	150	150	150	1050	750
Travel	-	200	200	200	-	-	-	600	300
Total	250	950	950	950	750	750	750	5350	4050

IV. Administration

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	5 mos. ending June 30, 1962
Alfred de Grazia	500	500	500	500	500	500	500	3500	2500
OH-NY, Princeton (car, conferences, secretarial, materials.)	80	80	80	80	80	80	80	560	400
Total	580	580	580	580	580	580	580	4060	2900

Cost Totals	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	5 mos. ending 6/30/62
Div. I	1090	2800	2380	1480	1305	705	655	10,415	18,800
Div. II	570	1565	1565	1515	1515	1515	1515	9,760	7,975
Div. III	250	950	950	950	750	750	750	5,350	4,050
Div. IV	580	580	580	580	580	580	580	4,060	2,900
Grand Total								29,575	33,725

ADDENDUM

Estimated Receipts 1961-62 (ending June 30, 1962) on R&D projects covered in proposed loan:

1) $12,000 loan on IR project

2) 3,000 loan on Automated Teaching project

1) IR costs:	Researcher-designer	6,000	
	Clerical processing	3,000	
	Machinery rental and purchase	3,000	
	Total		12,000
Receipts:	50 subscribers @ $120		6,000
			Loss (6,000)

2) AT costs:	Research Assistance	2,000	
	Design	1,000	
	Total		3,000
Receipts from sale of the programmed book			6,000
			Gain 3,000

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METRON, inc. July 1,1961 - June 30,1962
Projected Receipts

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	5 mos. ending 6/30/62
I. Film Production									
"Tensions"	-	-	-	-	1000	1000	1000	3000	5000
"Nalbandian"	-	-	-	-	200	200	200	600	400
"Lobbies"	-	-	-	-	1000	1000	1000	3000	5000
"Communism"	-	-	-	-	-	2000	2000	4000	8000
"Welfare"	-	-	-	-	500	500	500	1500	1500
"Automated Teaching"	-	-	-	-	1000	1000	1000	3000	5000
Films of 1962	-	-	-	-	-	-	-	-	2000
Sub-total	-	-	-	-	3700	5700	5700	15100	26,900
II. ABS (subs, & adv.)	600	600	800	800	800	800	800	5200	8000
III. R&D									
Naval Ordnance	[illegible]	1500	1500	1600	-	-	-	4600	5000
Publish. Consultants	-	800	800	800	800	800	800	4800	5000
Bantam Books	-	1500	-	-	-	-	1000	2500	-
subtotal	600	3800	2300	2400	800	800	1800	11,900	10,000

Receipts Totals	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.		
Div.I	-	-	-	-	3700	5700	5700	15,100	26,900
Div.II	600	600	800	800	800	800	800	5,200	4,000
Div. III	-	3800	2300	2400	800	800	1800	11,900	10,000
Total								32,200	40,900

Summary:

Projected receipts 12 months Total	$73,100
Projected costs 12 months Total	63,300
Net earnings for period	9,800
Increase in value of inventory	60,500
Debt and capital outstanding 6/30/61	(27,000)

METRON FOUR YEAR PROJECTION

a) Assuming $31,000 loan.

b) Assuming sale of $600,000 in common stock, within four months of loan.

	Item	1961-62	1962-63	1963-64	1964-65
a)	Receipts	85,100	170,000	295,000	540,000
	Costs	78,310	102,000	215,000	350,000
	Net Earnings	6,790	68,000	85,000	190,000
	Net after reinvestment	6,790	18,000	30,000	50,000
	Debt Outstanding (end of year)	50,900	37,000	20,000	10,000
	Capital Outstanding	3,000	3,000	3,000	3,000
	Inventory (value at cost less depreciation)	60,000	120,000	220,000	300,000

b) If, in addition to the loan of $31,000, common stock to the amount of $600,000 with 300,000 shares issued to the inside interest and 100,000 held in reserve were sold, the new capital could be invested in METRON for the following purposes:

Personnel (2 years)	175,000
Designing, equipping, and furnishing a film studio	25,000
Real Property	20,000
ABS circulation promotion to 30,000	40,000
Stepped-up film production	150,000
Printshop for Information	

Retrieval, other projects, and mailing pieces, incl. perhaps the ABS	100,000
Distribution Center and Promotional Campaign on films	25,000
Overhead and misc.	65,000
	600,000

Item	1961-62	1962-63	1963-64	1964-65
Receipts	260,000	722,000	1,047,000	1,522,000
Costs	542,000	652,000	674,000	739,000
Net Earnings	(-282,000)	70,000	373,000	783,000
Net after Reinvestment	-	70,000	200,000	500,000
Debt outstanding	40,000	30,000	20,000	0
Capital outstanding	900,000 shares	920,000	940,000	960,000