EASTMAN KODAK COMPANY

A Brief History

In 1875, the art of photography was about a half a century old. It was still a cumbersome chore practiced primarily by studio professionals and a few ardent amateurs who were challenged by the difficulties of making photographs.

About 1877, George Eastman, a young bank clerk in Rochester, New York, began to plan for a vacation in the Caribbean. A friend suggested that he would do well to take along a photographic outfit and record his travels. The "outfit," Eastman discovered, was really a cartload of equipment that included a lighttight tent, among many other items. Indeed, field photography required an individual who was part chemist, part tradesman, and part contortionist, for with "wet" plates there was preparation immediately before exposure, and development immediately thereafter—wherever one might be.

Eastman decided that something was very inadequate about this system. Giving up his proposed trip, he began to study photography. At that juncture, a fascinating sequence of events began. They led to the formation of Eastman Kodak Company.

George Eastman made this self-portrait with an experimental film.

A New Idea . . .

Before long, Eastman read of a new kind of photographic plate that had appeared in Europe and England. This was the dry plate—a plate that could be prepared and put aside for later use, thereby eliminating the necessity for tents and field-processing paraphernalia. The idea appealed to him. Working at night in his mother's kitchen, he began to experiment with the making of dry plates. He had no scientific training, but he was methodical, precise, and ingenious.

Out of his experiments came a successful series of dry plates and, more important, an idea for a machine to make them uniformly and in quantity.

H. A. Strong

G. Eastman

W. G. Stuber

F. W. Lovejoy

W. S. Vaughn

L. K. Eilers

A Patent, A Process, A Purpose

Because London was the center of the photographic and business world, Eastman went there in 1879 to obtain a patent on his plate-coating machine. An American patent on it was granted the following year.

In 1880, George Eastman rented a third-floor loft in Rochester and began to manufacture dry plates commercially. Success of this venture so impressed Henry A. Strong, a hard-headed businessman who roomed with the Eastmans, that Strong invested some money in the infant concern. On January 1, 1881, Eastman, together with Strong, formed a partnership called the Eastman Dry Plate Company. Late that year Eastman resigned from his position at the Rochester Savings Bank to devote all his time to the new company and its business. George Eastman worked day and night. While actively managing all phases of the firm's activities, he continued his research in an effort to further simplify photography.

In 1884, he startled the trade with the announcement of film in rolls, together with a roll holder adaptable to nearly every plate camera on the market. Eastman dreamed of making photography available to everyone. With the No. 1 Kodak camera in 1888, he laid the foundation for fulfilling his goal.

The Kodak camera was a light, portable instrument that could be easily carried and hand-held during operation. It was priced at $25 and loaded with enough film for 100 exposures. After exposure, the camera and film were returned to Rochester. There the film was developed, prints were made and new film was inserted—all for $10.

The company's first home was on the third floor of this building on State Street in Rochester.

"Kodak" as a Company

In 1884, the Eastman-Strong partnership had given way to a new firm—the Eastman Dry Plate and Film Company—with 14 share owners. A successive concern—the Eastman Company—was formed in 1889.

The company has been called Eastman Kodak Company since 1892, when Eastman Kodak Company of New York was organized. In 1901, the present firm—Eastman Kodak Company of New Jersey—was formed under the laws of the State of New Jersey.

Since its founding, ten men have served Kodak as president. At the firm's beginning in 1880, George Eastman was the sole proprietor. When the Eastman Dry Plate Company was formed in 1881, Eastman and Henry A. Strong became joint proprietors. From the organization of the Eastman Dry Plate and Film Company in 1884 until 1919, Strong was president. During the same period George Eastman served as treasurer and general manager. He served also as president of the New Jersey holding company. Eastman was named president of the New York company as well in 1919. He became chairman of the board of directors in 1925. His successor as president was William G. Stuber. Following Eastman's death, Stuber became chairman of the board and Frank W. Lovejoy was made president. In 1941, Thomas J. Hargrave was elected president. Lovejoy became chairman of the board, and Stuber became honorary chairman. Perley S. Wilcox served as chairman of the board from Lovejoy's death in 1945 until Hargrave's election in 1952. Dr. Albert K. Chapman succeeded Hargrave as president until his election to the position of vice-chairman of the board in 1960, when William S. Vaughn took office as president. In 1962, after the death of Hargrave, Chapman became chairman of the board. In January, 1967, Chapman retired, Vaughn succeeded him as board chairman, and Dr. Louis K. Eilers was elected president. Upon Vaughn's retirement in 1970, Dr. Eilers became board chairman, and Gerald B. Zornow was named president. Walter A. Fallon became the tenth president in 1972 when Dr. Eilers retired, and Mr. Zornow was made chairman of the board.

T. J. Hargrave

A. K. Chapman

G. B. Zornow

W. A. Fallon

Basic Business Principles

Eastman had four basic principles for the business:

- mass production at low cost
- international distribution
- extensive advertising
- find and meet the needs of customers

Today, these principles are generally understood and accepted, but in 1880 they were novel. Eastman saw them as closely related, for mass production could not be justified without wide distribution which, in turn, needed the support of strong advertising. From the beginning, he imbued the company with the conviction that fulfilling customer needs and desires is the only road to corporate success.

To Eastman's first basic principles of business, he added these policies:

- foster growth and development through continuing research
- treat employees in a fair, self-respecting way
- reinvest profits to build and extend the business

The history of Eastman Kodak Company is, indeed, one of progress in the development of these basic principles.

Mass Production at Low Cost

In the very early years of the company, Eastman was preoccupied with the idea of supplying the tools of photography at the lowest possible cost to the greatest number of people. The rapid growth of the business made large-scale production a necessity. The creation of ingenious tools and processes for manufacturing film enabled the new company to turn out high-grade merchandise at costs that were phenomenally low for the period.

In 1896, the 100,000th Kodak camera was manufactured, and film and photographic paper were being made at the rate of about 400 miles monthly. This was truly "large-scale production" with resultant savings for the public. In the previous year, the pocket Kodak camera was introduced. It sold for $5.00. Not content with this, Eastman worked toward a camera that would operate simply and efficiently and sell for $1.00. The result of these efforts was the introduction in 1900 of the first in a long line of popular Brownie cameras. At last, photography was within the reach of nearly everyone!

1888: the No. 1 Kodak Camera

1973: the Kodak pocket Instamatic 10 camera

World Distribution

From the sixteenth century on, some great photographic discoveries occurred in Europe. Niepce and Daguerre in France, Talbot in England, and others laid the foundations for the techniques leading to present-day photography. By the time George Eastman launched his dry-plate business in 1880, European interest in photography was keen, but its practice was limited to professionals.

Eastman early realized the potentialities of the world market. Only five years after the company was established in the United States, a sales office was opened in London. Within the

The Harrow Works in England, Kodak's first plant outside the U.S., began operations in 1891—just a few years after the company was founded.

Today's large and modern Harrow plant includes recreational facilities for employees.

next few years, particularly after the introduction of the Kodak camera and Eastman's simplified methods, picture-taking became popular with hundreds of thousands of amateurs.

In 1889, the Eastman Photographic Materials Company, Limited, was incorporated in London, England, to handle distribution of Kodak products in countries outside of the Americas. At first all goods were manufactured in Rochester; before long the combined foreign and domestic demand outpaced plant resources. Construction of a factory at Harrow, England—just outside of London—was completed in 1891. Today, Kodak Limited has plants in several other locations in England, as well as units for marketing, distribution, and film-processing throughout the British Isles.

By 1900, distribution outlets had been established in France, Germany, Italy, and other European countries. A Japanese outlet was under consideration, and construction of a factory in Canada was under way with the organization of Canadian Kodak Co., Limited.

The Rochester Export Territory was established in the early 1900s for the distribution of Kodak materials to South America and to the Far East. Service to the Orient was broadened in 1907 when a small photographic-plate manufacturer in Australia joined Kodak to form Kodak (Australasia) Pty. Limited.

Kodak Pathé of France was added in 1927, and today has factories at Vincennes, Sevran, and Chalon-sur-Saône occupied with the manufacture and sale of Kodak photographic products. The formation in Germany of Kodak A.G. also occurred in 1927. Located in Stuttgart, Kodak A.G. has long been known for the fine craftsmanship of its photographic equipment.

In the United States, the turn of the century saw the opening of regional marketing centers in New York, Chicago, and San Francisco. Additional major regional marketing centers in Rochester and Whittier (Los Angeles) were established in 1946, in Dallas in 1950, and in Atlanta in 1954.

These are highlights of the growth that has contributed to the effective distribution in domestic and world markets. Today, Kodak products are marketed by Kodak companies in more than 40 countries and by distributors in almost every nation and territory in the free world.

An early advertisement-featuring a George Eastman slogan.

Advertising

George Eastman's faith in the importance of advertising, both to the company and to the public, was unbounded. The very first Kodak products were advertised in leading papers and periodicals of the day—with the ads written by Eastman himself.

By 1889, the slogan "You Press the Button, We Do the Rest," coined by Eastman with the introduction of the No. 1 Kodak camera, was becoming well-known. Later, with advertising managers and agencies carrying out his ideas, magazines, newspapers, displays, and billboards bore the Kodak banner. Space was taken at world expositions, and the "Kodak Girl," with the style of her clothes and the camera she carried changing every year, smiled engagingly at photographers everywhere. In 1897, the word "Kodak" sparkled from an electric sign on London's Trafalgar Square—one of the first such signs to be used for advertising. By 1899, Eastman was spending three-quarters of a million dollars a year for advertising.

Today, the company advertises in more than 50 countries, and the provocative word "Kodak," coined by George Eastman in 1888, is familiar to nearly everyone.

There has been fanciful speculation, from time to time, about the origin of the name. The plain truth is George Eastman invented it out of thin air! He explained: "I devised the name myself . . . The letter 'K' had been a favorite with me—it seems a strong, incisive sort of letter . . . It became a question of trying out a great number of combinations of letters that made words starting and ending with 'K.' The word 'Kodak' is the result."

The distinctive Kodak yellow for packages of most company products is widely known throughout the world and is one of the company's most valued assets.

Research

The reason for Kodak's present complete research facilities was George Eastman's determination to perfect the first photographic plates. During the primary years of the company, his own inventions were the bulwark of its progress. But soon thereafter, Kodak pioneered in drawing upon colleges and universities for young scientists to swell the ranks of its research staff—a recruitment practice begun in 1886 when Eastman engaged a chemist as a full-time reseacher, one of the first in American industry.

Eastman was looking toward a laboratory devoted exclusively to photographic research. In 1912, his ambition was realized with the building of the Kodak Research Laboratories at Kodak Park. The laboratories were established under the direction of Dr. C. E. Kenneth Mees, one of the world's leading photographic authorities. Today, Kodak operates research laboratories around the world to enable the company to provide tomorrow's new and improved products. In addition to the laboratories in Rochester, important research facilities are operated by the Eastman Chemicals Division in Tennessee and Texas and by Kodak associate companies in England, France, and Australia. Much development work is also done in engineering departments attached to each of the manufacturing plants. Kodak efforts have brought forth notable contributions in photography for the medical, scientific, educational, and entertainment fields, with the invention of its color film, amateur motion pictures, x-ray and dental films, and safety

Company research facilities are widespread.

film for both amateur and professional use. Through scientific research and development, photography has become not only a unique but a powerful factor in many avenues of human progress.

Development of New Products

The wide variety of photographic products which the company now markets stems directly from productive research.

After the introduction of the first Eastman photographic dry plate in 1880, each successive year brought the presentation of new Kodak products; photography and the company's business forged ahead.

The year 1889 saw the introduction of the first commercial roll film on transparent nitrocellulose support; this was the film which Thomas Edison used to make his first motion picture. In 1896, Kodak perfected the first positive motion-picture film, a great boon to the emerging motion-picture industry. In 1908, the company manufactured its first non-flammable film using safety cellulose-acetate base. With continued research, this improved base became the standard for a wide variety of film products. Gradually, it replaced the highly inflammable cellulose-nitrate type.

In 1923, Kodak made amateur motion pictures practical with the production of 16mm reversal film on safety base. Since 1928, experiments in the field of color photography have led to the continuous introduction of many new films and processes. The introduction of Kodachrome film in 1935 revitalized the world of photography. Further improvements in the first safety-base film enabled the company to switch the production

Movies became a reality when Thomas Edison (r.) used Eastman's flexible film in his new system.

of professional movie film wholly to safety base in 1951. More recently, Kodak films and equipment have been used in the television industry, the data-processing field, and for missile and space projects.

In 1963 the company stirred excitement throughout the photographic world with the introduction of Kodak Instamatic cameras and four cartridge-loading films designed to operate interchangeably. The cartridge-film pack eliminated the amateur snapshooter's perplexing problem—the difficulty of loading a roll of film.

In 1965, the instant-load idea was applied to home movies.

The company introduced super 8 films in cartridges and a new family of Instamatic movie cameras. In the same year, the introduction of flashcubes further stimulated indoor picture-taking. Indoor color movies without movie lights became practical in 1971. The next year marked the introduction of the popular Kodak pocket Instamatic cameras.

Kodak has made its facilities for research and production available to the government during war and peacetime. Kodak designed and built a special camera-and-film system used by the National Aeronautics and Space Administration in the Lunar Orbiter program to determine favorable sites for moon landings by American astronauts. The brilliant flight of Apollo II and the historic pictures of man's first steps on the moon were recorded on Kodak film. A camera designed and built by Kodak specifically for the Apollo mission was used to take close-up photographs of the lunar surface—in stereo and color—for scientific study.

Growth

The company quickly outgrew the third-floor loft where Eastman stirred his first emulsions. When Eastman and Henry Strong formed the Eastman Dry Plate Company in 1881, they moved to larger quarters a few blocks away. The new location, too, could not contain the growing firm, and Eastman began to

The company's largest plant, part of Kodak Park Division, was opened on the outskirts of Rochester in 1891.

This aerial view shows more than 175 buildings.

search for a permanent business home. He chose a site at 343 State Street in Rochester. The present 19-story general office building stands on this site, expanded through the years by additional purchases.

In the beginning, all manufacturing was carried on at State Street. By the late 1880s, more space—lots of it—was needed for the manufacturing facilities demanded by growing business. Land on the outskirts of Rochester was chosen. And, in 1891, production began at Kodak Park Division. Today, there are more than 175 buildings, and Kodak Park Division spreads over 1800 acres. Film, paper, and chemicals are produced there.

Camera Works, which opened in 1893, has been relocated on a 600-acre site in suburban Gates, known as Elmgrove Plant.

Hawk-Eye Plant was christened in 1911, and the lens department formerly housed at Camera Works was moved there. Hawk-Eye Plant is one of the world's most complete optical works. Here, microfilming equipment, color printers, and other related products are produced.

Both plants were combined administratively in 1956 to form what has become the Kodak Apparatus Division. This division brought together research, manufacturing, and related activities for increased operating efficiency.

Diversification

In 1920, Kodak bought from the government a hardwood distillation plant at Kingsport, Tennessee, for the manufacture of wood alcohol, a chemical vital to filmmaking. The plant was named Tennessee Eastman Corporation. Now a part of the Eastman Chemicals Division, this plant has become a flourish-

Tennessee Eastman in 1920 . . .

. . . and now a major chemical, plastic, and fiber producer.

ing center for the manufacture of Estron and Chromspun acetate fibers, Verel modacrylic fiber, and Kodel polyester fiber, as well as Tenite acetate, butyrate, propionate, and polyester plastics, plus numerous important industrial chemicals and dyes.

In 1928, the Recordak Corporation was formed as Kodak's affiliate in the microfilm field. Although the original application of the Recordak machine was devised for the protection of bank records, Recordak microfilm systems—marketed by Kodak's Business Systems Markets Division—are now used everywhere to store and preserve records: in industry, insurance, department stores, engineering, newspapers, libraries, government, and in a growing number of special uses.

Gelatine is one of the vital ingredients in the manufacture of film. Kodak makes some of its gelatine at the Kodak Park Division, and a considerable amount is made by the Eastman Gelatine Corporation at Peabody, Massachusetts, in a plant purchased in 1930 from the American Glue Company.

Kodak's interest in distillation products was born in the 1930s as a result of research in the field of high-vacuum technology. Equipment was developed to distill vitamin concentrates from fish and vegetable oils. Subsequent work led to the first commercial process for making Vitamin A synthetically and, still later, to the production of monoglycerides that fortify many table foods.

At Longview, Texas, stands Texas Eastman Company. The plant, which began operations in 1952, manufactures basic chemical raw materials for use by Tennessee Eastman and other company units, and by the chemical industry. Production facilities for Tenite polyethylene plastic now have a capacity of about 250 million pounds a year. A company-designed unit for the production of Tenite polypropylene and Tenite polyallomer plastics began operating in 1960. Its capacity is about 90 million pounds a year.

In Columbia, S.C., is the Carolina Eastman Company. This manufacturing division began producing Kodel polyester fiber in late 1967. Some 360 million pounds of Kodel polyester fiber are now produced annually at Carolina Eastman Company and Tennessee Eastman Company.

Near Windsor, Colorado, is the company's newest manufacturing plant, its first U.S. unit for photographic manufacture outside Greater Rochester. Photographic films, papers, and lithographic plates are products of Kodak Colorado, a plant operated as an extension of Kodak Park Division.

Employee Benefits

Kodak payrolls and benefits have more than kept pace with employment. For example, the $57 million paid out in 1940 to employees in the U.S. had, by 1972, become more than $1.4 billion to employees worldwide.

From the beginning, employee health, safety, and comfort set standards for building construction. Later these same factors found further expression in the formation of a safety committee in 1911, a medical department in 1914, and a sickness allowance plan in 1920. In 1928, the establishment of life insurance, disability benefits and retirement annuity plans further protected the security of Kodak employees.

One day in 1898, a Kodak Park man had an idea about window washing. He told his boss. For his interest, he was awarded $2, and Kodak's suggestion system began. Since then awards

to employees for time- and money-saving ideas have amounted to over $10 million.

George Eastman believed in rewards for work well done. As early as 1899, he gave a bonus out of his own personal funds to employees. Thirteen years later, he created the Kodak Wage Dividend Plan. A person's wage dividend is based on his total earnings with Kodak during the previous five calendar years of continuous employment, and the amount of cash dividends declared on Kodak's common stock in the previous year. Since 1912, Kodak people in the U.S. have received more than $1 billion in wage dividends.

In the early 1900s, film production was violently seasonal. Film had a relatively short useful life. It had to be made in spring and summer for immediate use; employment among the filmmakers rose and fell accordingly. Eastman and Frank Lovejoy, then manager of Kodak Park, urged W. G. Stuber, the company's top expert in filmmaking, to work out a new, longer-lived film which could be stored safely until needed. With such a film, everyone would benefit; customers would get a uniform and reliable product, employees would have steady, year-round work, and the company would improve the efficiency and economy of operations—assuming estimates of future film consumption were accurate. Eastman and Lovejoy decided the possible benefits were worth the gamble involved in this planning program. It not only worked—it was very successful.

The principles by which George Eastman lived were apparent in all his actions. He believed in planned saving and so made it easier for Kodak people to follow his example. In 1921, the Eastman Savings and Loan Association was founded so employees could make arrangements for planned savings and borrow money for home-building.

A Kodak employee has always had an opportunity to advance if he is willing to work and learn. Since 1916, the company has provided tuition aid benefits so Kodak men and women can take special courses at colleges and technical schools. In June, 1962, when Kodak became one of the first fifty companies in the nation to join President Kennedy's Plans for Progress Program, the company reaffirmed its pledge to promote equal opportunity among minority groups. Today, there are over 300 training courses open to all Kodak people. They run a gamut from the basics of reading and writing to computer programming.

Reinvested Profits

A major factor in Kodak's growth has been the capital investment program to provide new buildings, better machines, and improved methods. This program is financed largely on a pay-as-we-go-basis. In the last ten years, about $2 billion has been put into such additions and improvements to facilities in the U.S. and abroad.

A Tradition of Service . . .

Since George Eastman set out to make the world picture-conscious, photography has become a true servant of man in his many and diverse endeavors. Today, the men and women of Eastman Kodak Company provide, in addition, an array of other products and services that help make life more interesting and abundant.

Corporate Information Department

EASTMAN KODAK COMPANY

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