Memo - Talk with Close

Had a talk with Close on the way they are handling unemployment in Corporations. He says that to begin with it has been the rule ever since 1904 to allow no sufferers. When Judge Gary took hold he was at Greenville and that order came in. He says that he carted coal all winter to families that were out of work. Now the normal working force is full, that is no men have been let off. But they divide the work. Sometimes there is but five days of work, a man will be given three one week and two another, etc. In case a man is behind he is assisted by the Company to whatever he needs. One thing that they have found works well and that the men appreciate is giving credit to buy what is necessary. They arrange a loan from the bank, which they believe adds to self-respect of the men, who if they are behind hate to ask for help. He says that ninety percent want to pay themselves and any kind of arrangement, as far as accepting credit, when they would neither ask for nor accept help if they could help it.

At one concern near Pittsburg, a Jew in the town put several thousand dollars into goods on sale - left-over stock, etc. Through the mercy of the Company shoes were being sold at twenty-five cents a pair, boys suits at two dollars, overcoats at three fifty.

Says that one of the concerns at the beginning of the depression went weekly over the payroll to see how much each man was earning. If they found it was below what they call a living wage he had they took pains to see that extra work of some kind so as to bring it up.
This was a Company in which twenty thousand men were employed. It worked so well that an order was given to use it in all of the plants. And it is now in operation.

Tells me of their group insurance, which the men, themselves, have taken out unaided by the Company. He says that nearly two hundred thousand men in the Corporation have taken out insurance to the amount of $244,000,000. The insurance costs them about $1.00 a month, which is deducted from their wages. Many of the Companies did not like this idea. The insurance companies increased upon it and the men insist upon having this group insurance. He says that this has gone through the plant like wild fire, the men insisting on doing this. He has been behind them and where there has been opposition by the administration of this plant he has said, "It is none of your business. The men are doing this for themselves."

Says that the Company is spending the sixty million that they promised Hoover last Spring that they would spend. The plant at South Chicago is being entirely built over. No employment there or at all. The men building the plant are the men who will run it when finished. They are the employees of the old plant.

I asked him about technological unemployment. Says that two years ago Hempstead was re-built - a thousand men were displaced. Four hundred of those are now pensioners, they were too old to be absorbed in business. Many of them have little jobs around the plant. But they are really pensioned. He says that for the other six hundred you cannot tell where they have gone, but he is sure that
they have found work. Speaks of the fact that radio has required hundreds of thousands of men since its development began two years ago and that there are others similar new industries absorbing. Thinks, however, with me that in this process of absorption there may be a good deal of individual suffering. The point is to avoid as much as possible of that.

Says that Gary felt personally responsible for the condition of the workers in time of depression. Says that he has heard him tell them more than once, "You must not leave this to the Superintendent and Foreman. You are responsible. You should know, yourself." Said it was sometimes poorly received but that the Judge always insisted that it was to be done and that it put a new sense of responsibility on the President.

Tells me that in their safety work now they are putting less responsibility on the individual man and more on the Foreman. If an accident happens the Foreman can no longer say, "Well, I told you so." He would pay no attention. The theory is that the Foreman/insist that the man obey safety precautions, exactly as he should insist that the processes in production are right. He is responsible if the production is not up to standard. He must be responsible for safety in the same way.

To my surprise, Close tells me that he does not believe in prohibition. Says that