

Mr. Taylor

Steel Refinery

At Mr. Taylor's suggestion I lunched with him yesterday at 71 Broadway, Mr. Close included. He took me down to Hammond's room where Gary used to be and we had a little pleasant talk about the character and stability one finds in old homes - the lack of it in the modern, garrish furnishings.

Lunch was served in the Director's room - excellent.

Taylor said that as I had stopped my study of the Steel Corporation about '26 or '27 he thought I might like to bring it up to date, what I told him was what I had in mind, but hadn't gotten around to asking for it.

He says that when he came in, I think it was about '28, the country was already in for a dull time. The Corporation which at the start he said had 94 percent of the production in some lines. I don't think it ever was that much. But now dwindled to an average of about 24 percent - was spread over too great a surface. There were too many old fashioned small plants. He set out to put the whole thing on a new basis, more compact, cutting down the badly placed plants, bringing all the machinery up to date, according to him much of it was old fashioned. They weren't able to compete with such plants, I take it, as the Armco. He says they spend \$325,000,000 and would spend \$200,000,000 more but in these times they haven't it.

They went after their personnel - cut out all the old fellows that had grown seedy - set up younger material.

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To take care of those displaced they revised their pension system. I must get the figures from Close, so as to take care of particularly the large white collar class which the reorganization was displacing. He says he thinks now they have an organization under plan equipped to compete with anything anywhere, but that at the moment they are not earning dividends on their preferred. He reviews the economies that they have made. Says that he has made up his mind that the last thing they'll touch will be pensions. Here Close disagrees. He thinks that there should be a ten percent cut in pensions before there is anything of reduced program. They have a friendly but lively talk on the point. Taylor says that the psychological effect of cutting a pension is the worst of all they could do, that he guarantees that if he the homestead and put the case before the men that they would vote solidly, not that they would rather have their own wages and relief cut rather than the pension. He says that if it comes to that he is going to do it.

Thinks that there must be a Federal reorganization of all American industries to get it onto a basis where consumption are balanced. Reviews what the Steel Institute is doing - a new active head under Lamont - a committee which is studying the reorganization. He is convinced that it means reorganization; he is convinced that it means fewer days work a week from now on in this country. I put in a word for my old notion of combining farm and ?

He says it all sounds very simple, doesn't it, but it has taken four years to come around to this. Close speaks of it afterward. He says no one has any idea of how that man has worked, how he has aged, said he hadn't a grey hair when he came to the corporation. Close thinks that he has grown enormously. He has had no industrial experience, save through the law.

He is mightily pleased because Judge Buckingham wrote him a kindly letter about a speech he recently made telling how they were handling the labor body. Says those things help a lot.

The man, himself, is really interesting. He is very large - big head - heavy face - smile - but his eyes can look like nails.

Thinks Hoover should not have permitted the B.E.F. to Washington, but he was right in driving them out, with ~~it~~ which I most emphatically disagree. Thinks that the recent communist parade should have been prevented, alright for the Mayor to see the delegation but there should be no parade. I tell him here again he is wrong in my judgment. Quote Hyde Park. Describe the procession I saw of communist, pathetic, nothing to be afraid of. Speak of the meeting.

You can talk freely to Taylor - I think a little more freely than to Judge Gary.

He is not quite so long in the harness as Judge Gary. His cultivation of which he has much is more certain in. Likes discussion, argument, I fancy.

We speak of Barbarini in Italy. I ask about him. He says he always chases him around, that he and Mrs. B. have a little Villa in Florence where they go in May and while he is on a vacation he always makes a point to get up there before he goes away.

Says how a man's mind through a good deal of his life is so absorbed in detailsthat he doesn't have time to think of his task, of his own development. Says he was once at Bad Naunheim, had to walk a great deal alone in the forest, and he found himself picking up old threads, recalling old scenes, living over things, and he took great pleasure in it.

He speaks of an experience in Washington which is interesting. When he was a student he went down there for several seasons in his vacations to study how Government was made. Very exciting, he found it, watching Congress, listening to speeches. It was not that he wanted to be a politician, he wanted to understand how they did it. Here is something that might be elaborate. Think he would talk rather freely on this point. Might interview him on it. Gifford thinks the commissions are good, as you can expect. Certainly that is not because he has not had sharp disagreements with him.

In leaving he said he would like to talk with me again.

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