Series I. Pages 3, 4, 6 missing

B. 1672

Interview with Gerard Swope:

Was pleased to have a most cordial welcome - evidently glad to talk and ~~so at once~~ when I said that I was hunting for the genesis of the Swope Plan he saw my point and lost no time in telling me his story. How we was born in St. Louis of a middle class family - his father was reasonably well to do - put him through Boston Tech.- came out an electrical engineer, with his way to make. He went to Chicago; for a couple of years he worked as a Test Boy with the General Electric at a $1.00 a day. He then went into the Western Electric Company. ~~The first time~~ he is said to have begun, when at the suggestion of a friend of his, he took a ~~slight dip~~ night class = cu at mathematics at Hull House - went to live in the place.

"It was the first time," Mr. Swope said, "that I had ever been put in contact with men who labored with their hands. Before the general eight hour day I was myself on a ten hour day - went to work at seven o'clock in the morning - 4 1/2¢ an hour then - $12.50 a week.

"In those night classes of mine I began to realize something of what the long day and hard work did ~~for~~ to men. They were too tired to respond freely to teaching, although they stuck to it doggedly. I never realized until I went to Hull House how the other half lived, or never understood before how they were practically on the ragged edge.

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"I married at Hull House, a Bryn Mawr girl - this was in 1901. At that time I had gone from Chicago to St. Louis with the Western Electric and was getting $200.00 a month."

I don't get from what he tells me the exact sequence of his movements, but it is certain of him that in his early years he was finding it hard to make things balance. He was offered a position with the General Electric but hesitated to go. If he could not carry the job, if he should fail in it, what would happen to his family. That is, Mr. Swope was going through these years with all the anxieties of the man who has not yet fixed himself, at least in his mind, in his relation to his industry and who has not accumulated any background. His father had left him nothing except I think debts which took him a long time to get rid of.

He was for a number of years in the sales end, as I understand it, of the General Electric. I think he was made Vice-President in 1913, the year that O.D.Y. came into the G.E. but it was in charge of a Vice President in charge of sales. In 1919-22 he was President of the International General Electric and then was put into his present position.

He was put into the manufacturing end of sales. He began to sense, as he had not before, the nature of labor difficulties. They were having trouble all up and down the line more or less, a reflex of the war, a good deal of it.

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It seems out of twenty thousand eighty five percent accepted. I think that these figures will have to be looked into, I do not get them. Decidedly Wrong

The insurance plan was made compulsory only for men not for women, but the women was offered the insurance and out of sixteen thousand, 73% percent accepted.

"So," says Mr. Swope, "no big stick was held over them or is now. True," he says, "they come in before the men."

They had the insurance but in 1921 came a bad period. Lynn had to cut down its force and then the thing that interested Mr. Swope immensely, and I think he regards as a justification of his confidence in the worker and that they would prefer to be taken in in matters like insurance. He said the employers got together in Lynn and suggested that those who had work should tax themselves one percent for their unemployed brothers. The management met this proposition. They gave I think as much as the men gave. They worked out a plan really for unemployment and put it up to Swope.

Then the G. E. worked out their new plan, as I understand it, for relief, loan and unemployment. This was put before the employers in 1925 - they agreed to take the relief and the loan but not unemployment, no need for it saying that the workers administered the fund or at least they were fifty fifty with the management of it. When they came to make a loan to a worker in difficulty they said it was to be made without interest. Mr. Swope, I did this thing - that is not good and sound business. If I borrow money in case of trouble

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Then comes the episode of last winter when ~~they~~ instead of there being more work there was less and the Board deciding that they would carry the men through until May. It has cost them about five million dollars a year.

The plan made to carry the men over last winter was, as I understand it, a resolution by the Board that they would see them through, that is, they gave them a guarantee of so much work. When it was done they said it might cost them five million dollars, costing eighty thousand dollars a week under the guarantee. Out of this they collected about twenty five thousand with their two percent ~~injury~~. This guarantee expired May 1st.

What Mr. Swope thought was that the G. E. could not go on doing this thing, that is, it couldn't be done ~~alone, not~~ by one unit and not others of an industry. And the thought that this coming winter will probably be harder for everybody or as hard made Mr. Swope, I suppose, suggest the idea that the G. E. could not alone carry on these plans.

The fact that what they were doing and others were not doing had apparently on his mind. He said that in the Winter of 1931 he made the Panama trip with Mrs. Swope, says the only place he can really rest is at sea where he gets it complete. Also, I take it, he ~~is~~ thinking over things. When he went out in that winter he was greatly disturbed over the conditions - how were they to be prevented ~~if they were to be prevented~~ - what could the industry do. Could they reconstruct things so that they could take care of situations, be ready for situations, such as brought

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industry to the path it is in. I take it that here would be the place for a few paragraphs on the absolute impossibility, the world being as it is, to prevent situations in which there would not be a large element of depression, unemployment and distress, crop failures over the world at large, war, epidemics, great natural upheavals. All of those things may at any time upset the present moulded plans. Supposing that the Russian harvest should fail entirely, as has happened in other years. Consider what the terrible disasters in Italy have done to retard her plans. Now is there any method by which an industry, taken as a whole, not one unit but the whole, can be so well prepared that it can stand the period of distress.

The hope of a plan a plan for holding industry. There are all practices of the unfair competition that you get in certain units. Swope speaks of Mr. Taft's idea of federal incorporation of an industry which would hold it to certain procedures that are fair.

He speaks of a trade association but he says we have to be careful of what we say or the government will be suspicious of us. Thinks that we are violating the Sherman Act. He speaks of the Sherman Act as something the people do not understand, that it was intended to prevent unfair competition. I think here that there really should be a good analysis as I can get of what the Sherman Act means. What it is in my mind is quite clear and it seems to me that there are enough decisions to be able to work out something better than I ever have done.

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He feels that with the trade association you can build up what corresponds to a personal honor so that the rules of the day will not be broken. Recommends my reading his testimony before the Wagner and LaFollette committee.

I ask him how far they have gotten along with the organization of the Swope Plan. He says it is doing finely that already returns in representing seventy percent of the electrical employees in the country have agreed to go into some form of organization. The organization is under way. He is going to give me exact figures but thinks before I want to publish my article that it will quite an impressive statement.

I tell him that whatever I write I shall want him to read and he likes this idea I can see. Indeed, I think he wouldn't want to be quoted without checking up. At all events the Swope Plan is the perfectly logical development - the result of a sudden impulse to try something - to imitate something - came out in what in Swope's mind was his whole experience whan he began with that mathematical class in Hull House.

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