

Interview with Walter Gifford;

First time I have talked with Gifford since Washington days. He has aged, also he has taken on self-confidence, speaks with more authority. Unquestionably has done good hard thinking in connection with his job. It is in truth a job and he thinks of it in terms of the various groups^{of} which he is responsible.

"We have all grown socially-minded," he said. "I have 360,000 employers; 700,000 stockholders; 15,000,000 customers; \$5,000,000,000 of property. Their interest must be kept in harmony. I am responsible for them."

I ask him about public service commissions, tell him that I do not think they have done as well as they ought in guarding public interests. He says immediately, "They have done very well indeed and as a rule the men are of a good type." It is not because he has not had ~~his~~ contact with them. I take the relations^{are} generally fair, at least he does not challenge their authority.

We talk a little of the Insull failures. He thinks the type^{of} financing all wrong, this building of so huge a^{pyramid of} secondary issues on ~~the~~ small a base. And here again I go back to my public service commission, say it could not have been done without their consent. He says, "No, in every state they had to have the consent of the public service commission."

This is a thing to be looked into.

He is not for this sort of financing. Questions the G.E.'s policy of issuing stock dividends. Says they never have

done it. They have paid regularly their high dividends on their great amount of stock. He thinks this is better than other methods, that that really conceals the value of a stock. Who can tell, he said, what the real value of a share of G. E. is. That question was put up to Young. Seems to me the report ought to show.

He says, "Take our reports and it is clear ~~that~~ what the worth of a share is." Here he is talking about the ~~value~~ and not the market quotation I suppose.

I ask him about the Swope Plan. He says that people are coming from all over the country with all sorts of plans - economic - social - setting things right. I tell him that the people will be set right by the people of the country, all of whom are working on the problem, that no one person nor one suggestion can do it. He is one hundred percent American in his belief in the ability of the people to take care of themselves. Here ^I quote him his Post article, his talk to newspaper people.

He says that in the recent radio talk ^{he said,} "You blame me for laying off workers? I don't lay them off, it is you that lay them off. I can only employ as many as our orders permit. I would much rather take on people than dismiss them, but if you will not use telephones why I must cut expenses. I do not have the work for the extra people. It is the public that hires and fires, by its purchases.

He says he had many criticisms for this but that he has always to his gun. Of course he is really right.

He thinks that the trouble is largely psychology, that the boom was psychological, a belief^{that} we could make everybody well to do and we went on that supposition though ~~there was~~ much more of this idea than there was of individual greed. ~~the mis-using of~~ ~~the~~ this distribution of the good things that industry had learned how to provide. I think this is true in the electrical industry, that is it certainly is true in Young's mind. It is true in Gifford's mind. He still believes that we can make everybody comfortable but he said we go to extremes having overdone the thing before we fall into corresponding debts. His papers were very interesting showing how he has thought of the problem and how he attacks it always from the base of democracy.

I ask him what he thinks about the Swope Plan. He said it wasn't worth much. It does too little and provides only ten weeks wages he said. "What is that when you face a slump of three years? Is it possible for industry to take care of men through a three years slump? You get reserves that are accurate.) Thinks that industry must have a reserve for labor as it has for dividends and that they are trying to do. He says his and Swope's schemes are based on different philosophy.

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His on the philosophy of individualism, Swepe on the hard socialism of S. and Mrs. S. He emphasizes Mrs. S.

Swope of course ~~emphasizes~~ provides for individualism by taxing the employer, making him in part responsible. Gifford thinks that all these different laws, one for this, that and the other, makes too heavy a forced drain on the man's wages, that they should have a reserve fund, taken out of his wages perhaps, that he should use it for what he thinks best. I am not so sure that the two are so different.

He says that the Western Electric Company which is the manufacturing company of the telephone is not going in to the Swope plan.

I am surprised by the excellence of these figures he gives me and by a certain paragraph in his report. There is no doubt he is being an upstanding citizen who knows his mind, goes on his own in a very American way. Interesting to see how the Telephone Company has studied the foreign market. The report shows them as owning or controlling all but a few of the telephones of the world, at least that is how I read the report.