

Wally Ballou Visits a Paper Clip Factory

- RAY: We've been conducting a cross-country search for inflation fighters . . . industrialists who've been going all-out in their efforts at cutting costs, eliminating waste, and contributing to the economic health of our nation. This week, Wally Ballou visited the Great Lakes Paper Clip Factory in Napoleon, Ohio . . . and here's his report.
- BALLOU: –ly Ballou at the Great Lakes Paper Clip Factory in the office of its president, Mr. Hudley Pierce. And I want to thank you, Hudley, for the warm welcome you've given me here.
- PIERCE: It's quite all right, Wally . . . always glad to have guests.
- BALLOU: I might say I was amazed to find such a big plant as yours here is devoted to the production of such a small item as the paper clip.
- PIERCE: Well, actually, there are much larger paper clip factories than ours, Wally. We're really one of the "little fellows" in the industry. But I guess we have to fight the same battles as the big boys. Battles against inefficiency . . . waste . . .
- BALLOU: Now, I've only been through that one building, but I imagine there are others. In the one I saw, I was surprised that there's no machinery in there at all!
- PIERCE: No we don't have any machinery. We just buy wire in long strips. Then, our workers cut the strips into shorter pieces and bend them into paper clips.
- BALLOU: Well, if all of this work is done by hand, I imagine you have to get a pretty hefty price for your product.
- PIERCE: No. Our clips are priced competitively. So far, I think we've managed to hold the line on inflation . . . and we expect to keep on doing that. Our clips retail at ten cents for a box of one hundred.
- BALLOU: Wow!
- PIERCE: And we sell them there at the factory for six cents a box. In gross lots.
- BALLOU: Astounding figures. How many boxes can a plant the size of yours turn out in, say, a week?
- PIERCE: Well, when we have all three shifts working, we can produce right around two hundred boxes a week. If we can sell them all, that means we take in twelve dollars.

- BALLOU: And you can afford to operate a big plant like that when your weekly sales only amount to twelve dollars?
- PIERCE: Yes. We have a very low wage structure. Here, again, we've been able to hold the line on costs. Our average worker makes about fourteen cents a week.
- BALLOU: Well how in the world could anybody live on that?
- PIERCE: We don't pry into the personal lives of our employees, Wally. But I understand that most of our people live in caves out at the edge of town. And they forage for food.
- BALLOU: Apropos of that, I noticed on my visit to the plant that all of the fellows working there were dressed in rags. And they seemed to have strips of cloth tied around their feet!
- PIERCE: Well you can't wear shoes when you make fourteen cents a week. That should be fairly obvious to anybody.
- BALLOU: Probably explains why they seemed to be grumbling, too . . .
- PIERCE: Possibly . . .
- BALLOU: I just can't understand how you can get people to work for a salary like that!
- PIERCE: Well, the union contract has quite a few loopholes in it. For example, it doesn't mention wages at all. But, it does have a clause that makes a worker subject to prosecution . . . and imprisonment . . . if he tries to quit!
- BALLOU: I imagine the union will have that changed the first chance it gets.
- PIERCE: Fortunately for the firm, it's a ninety-nine-year sweetheart contract. And it still has almost eighty-six years yet to run.
- BALLOU: Well it's certainly been interesting to chat with you, Hudley, and we tip our hat to you in your valiant fight to cut costs and eliminate waste.
- PIERCE: Thank you.
- BALLOU: Now, this is peripatetic Wally Ballou returning it to Bob and Ray.