

Interview with Mr. W. J. Filbert,
Wednesday, October 15, 1924

Mr. Filbert has been Comptroller of the Steel Corporation since June 3, 1902, when he succeeded Edward Shearson. He is also a member of the Finance Committee since April 25, 1922 and a Director since December 30, 1919.

Mr. Filbert is a short, stout little person, with a round, red, almost bullet shaped head, rather large eyes, - the frankest thing I have yet found inside the organization, and the first sense that here is somebody that doesn't idolize the Judge.

I tell him what I am trying to do and ask him when he came into the organization. He tells me Shearson brought him into the Federal Steel Company and they both came in when the Steel Corporation was formed. It came about from his having known Shearson in the Northwest Railroad where both had been employed. Gary knew Shearson on the railroad, and took him over to the Federal. We discussed the part that chance acquaintance in this case has had to do in shaping a man's fortunes.

I tell him I want his judgment of Gary. He says, "Of course I have not seen him as intimately as many others. The most striking thing about him is the promptness, clearness and accuracy with which he grasps situations - marvelous faculty for getting at things. Think he makes his decisions now more quickly than he did 20 years ago, that is, 20 years ago he was more careful - examined evidence more carefully."

I venture that possibly that this is the fact, that he has had so long acquaintance with their problems that he is more capable of a prompt decision.

There is some reservation in his mind - I am not sure but I think that he is a little doubtful about Judge Gary's deciding both Pittsburgh plus and the 12-hour day without further delay.

He comments on the way he has always looked far ahead and makes the interesting remark that he handles situations before they become bothersome. He says he never loses his equilibrium or temper, that if he doesn't succeed in getting something that he wants from his Board, he follows it up until he does get it, but always good temperedly, patiently. He is a great trader, a hard trader. I don't mean by this that he is cunning or sharp but that he is a hard trader."

Sites commenting on this remark says the Judge enjoys a trade - likes to negotiate. I ask Filbert for an example of the kind of trades that the Judge would make.

"Well," he says, "of course it is major things - when we are purchasing iron ore or taking over a business or buying securities, he is deeply interested and does more than you would expect from a man in his position and of his years - devotes time to these matters that he might turn over to others. He does this because he feels that he is the head of the business - likes to know what is going on."

I suggest that he holds his responsibility high.

He says, "Yes."

Something leads me, I cannot remember what, to say that the Judge is a great Bible reader. He says, "Is he?" - a little skeptically. He says "He is filled up just now with Josephus - went to Palestine a couple of years ago and came back much stirred up."

Another point in his appraisal is "Of all the men I ever knew in business Judge Gary dismisses with the least criticism anyone that has gone wrong or made a mistake. That is, he does this when he thinks that someone has made an honest error in judgment. He is firm, adamant in punishing anyone that has been dishonorable or mercenary."

I ask him what he means by mercenery, and he says he means using the prerogatives of office to advance one's personal interest - another thing that shows that he has a good and clear idea of the ethics of business. The Judge is keen, he says, on ethics in business.

I raise the point of allowing Directors inside information which they possibly might use in the market. Filbert says there is a question whether he has always been right about that, - Directors may be entitled to information. I suggest that the group of Directors that he had had at the start were some of them inclined to abuse the privilege. He says, "Yes, that is true. The Judge could not stand that because he is highly impressed with the idea that he was a trustee of the stock, and that a man must not missuse his position.

Have told him that I want to get information showing what economies and superior efficiency had resulted from the formation of the Corporation - what advantage they had over the smaller companies. He is to give me a general statement. We agree that we cannot use too many figures. He says that the best proof that the Steel Corporation has no particular privilege that its competitors are not sharing is the relative growth of the independent concerns, that they have been able to live and prosper. "If we have made profits, they have."

I shall get from him a comparative statement of the profits of the Steel Corporation, the Bethlehem and the Lackawana, in certain selected years. He says the position of the Steel Corporation financially today is largely attributed to the war years. You compare today and ten years ago and you will see that we had some exceedingly profitable years. "This raises the question," he said, "as to whether we profited during the War."

He calls my attention to a letter signed by Gary and given to Williams, Comptroller of the Currency. He says that he practically wrote the letter, that is, of course, he prepared the figures for it.

We revert to the investigation of the Bureau of Corporations and the suit. He tells me what a nuisance it was. I raised this point because I had been reading his testimony. He tells me how much time and money the Steel Corporation spent on this. He says that between 1911 and 1913 all constructive work in his department was stopped. He says he means by that the remodeling of methods, which he carries on all the time, that is, he is not satisfied to go on because it happens to run. He tells me that for about five years the Government had men in their offices. They also had extra help aiding these men. We comment on the fact that this policy was very different from that of most corporations. "Yes," he said, "the policy of practically all corporations was one of antagonism to anything the Government wanted." This is very important. It has been characteristic of Business to fight anything that looked like examination or regulation without any attempt to find out whether there might be reason back of what they called interference - whether they could not get a fairer deal by coöperation.

I asked him, after all, what the public gets out of the Steel Corporation. He says he thinks that the Corporation has given greater stability to the industry, also, on the whole, lower prices. Except for the Corporation, prices frequently would be held up. He says, "We can keep them from going up, but we cannot keep them from going down."

He makes an interesting remark that even in the worst years everything doesn't go bad at the same time. And this fact can be so used as to stabilize.

We have a desultory talk about Pittsburgh plus. He says the removal gives a preferential to the mills nearest the point of consumption. Thinks it never would have been raised if the Steel Corporation had not had mills at Chicago and Pittsburgh. He is to send me certain notes which I am to study and be prepared to ask him definite questions.

When leaving, Filbert surprised me by saying, "I want to ask you a question." It seems he is a Napoleon student, and he wants to know if I believe that the recently published "Diary of Napoleon at St. Helena" is authentic. Have not seen it - promised to get it.