Interview with Judge Gary - June 20, 1924

Little difficult to get under way - Sites not there. Told the Judge there were so many things I want to ask him I hardly know how to begin, that among other things I want to draw a picture of the business world, i.e. Wall Street business world, at the time he came into it. He breaks in to say that technically the old school was right, that is, that he believes that if a man owns property he has the right to say who shall work for him, when he shall work for him, how long, what he shal pay him, but that always in the history of industry, because of this which he considers a principle, laws have been passed for owners of property. The question of the capitalist and his interests are first in the mind of legislators, that of the worker secondary. Many things have become right from a legal standpoint that were wrong from a moral standpoint. My position is, and this is where you and I have disagreed, that I believe the employer should have still the right to determine how much pay, how long hours, provided he does not encroach on the domain of justice. If he does so encroach the law should step in.

"I laid this down as a principle long ago on the occasion of (?) - I didn't get this) Roosevelt said of this speech that if he had said what Gary did at this time that he would be called a Socialist. Roosevelt always agreed with me that there was a difference between corporations. I told you what Tom Reed used to say when he met me in the morning, 'How is the good corporation today?' The only time I ever met Mark Twain, he said - 'Judge Gary? I know him, he is the good corporation.'

"Mr. Clemens,' I said, 'the time will come when you and I and everyone else will believe there is a difference.'

"'I believe it now, Judge Gary,' he said, - and he showed it, for when he died he had more steel stock than any other security.

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Suggested here that I talk with Judge Reed Buffington of the U.S.Court of Appeals. This is the Pittsburgh Buffington. He says he is a real man - knows a great deal of the steel interests. Says Buffington and Close are great friends. He talks with great appreciation of Close, says he is one of his boys. I told him how I felt about Close. I take it from his talk that what he calls Welfare Work began with an address to managers on the matter of claims. He says Close published this in one of his bulletins, suggests that I ask him for it.

"I told them then that they could be sure that anything they asked for would be granted. Of course there was more or less difficulty with the finance committee - not accustomed to this new point of view and undertaking, but I always try to approach people on a new subject in a way not to antagonize them. We get opposition today about projects - it takes time. Why, yesterday we voted $350,000 for a community church in Gary."

He sends out and gets the water color of this - a really beautiful group of church and a dozen buildings worked out in English fashion. Perkins and Roberts were with him on the early welfare committees. He said the committee in regard to this church was not so easy, but he argued with them and they didn't want to be in the position of saying that they were opposed to it. They made the point, he said, that it was not an obligation. He told them it was a moral obligation. He sent out to get the records to show where the matter had been discussed. He seems, when he has a matter of this kind on hand, to bring in what he calls the local people. He says that at this meeting on the church he had Buffington of the Illinois Steel Company, Gleason the manager at Gary, the Bishop - Methodist, I take it - in that section, before the committee.

He tells of the trouble he had with the finanace

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committee over a Y.M.C.A. building in McKeesport. I take it they are holding that up now. He says he won't force it through - says that when the Board talks to him about the waves of distrust, revolt going on, he tells them there is no way to overcome it but by the adoption of the principles of Christianity. And he added, "There is never anybody to say that is not so."

He thinks Perkins recognized the value of safety first, that Rogers was liberal about it, and that all came around. And he said what he has so often said that you get them when you show them that things are not only right but that they pay.

And here it is that he brings in local people, he tells me again, to tell the committees that men are better workers when conditions are right, and that stops the argument. I ask him if it is his practice always to bring in local people. He says, "When I practiced law I always made it a point to go to the spot, see where the thing happened, what the conditions were, so I always want people to come here who have been on the spot, tell the committee about it.

At this point he seems to become embarrassed, and he said, "I don't want to put myself forward too much as a leader - in a book like this I am apt to do it. I am not so disingenuous as to say I have not been a factor, but it is not fair to make too much of me for I have had always splendid cooperation. Perkins coöperated well though I do not think he had very much confidence in my ability during the first eight months." I take it that there were none of the Morgan partners that were willing to recognize Gary's power with "Senior" as they called Mr' Morgan,at first. But in a year or so he backed me up, and always did."

I say that it would be interesting to trace the growth of the change of opinion on any subject like the 12-hour day. He said, "It was almost impossible to get the steel industry to

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abolish the 12-hour day, that the report generally was that it could not be done, and that some of his subsidiary presidents thought that way, too. But he said it was unanimous at last. "It was the greatest victory in our whole history, this getting the entire steel industry to adopt the shorter day. There was always much earnest discussion, I had as much trouble with our own presidents as with those outside. Buffington didn't think it right, he thought the men didn't want it. They were not willing to yield to public sentiment, but I have always argued that that was somethir that you could not ignore. It is an embarrassing thing to me to seem to take so much credit for these things - still, people do recognise that I have been a factor.

"Not long ago I was introduced to the traffic man of the Bethlehem Steel as one of their - Bethlehem - enemies. I said, 'No, I may be a competitor but I am not an enemy.'

"The traffic man said, 'The whole steel industry knows what Judge Gary has done for them.'

"Roosevelt always said I was doing something for industry. Once when he came ba ck from Europe, I don't remember when it was, I was chairman of a sub-committee having full charge of the arrangements for meeting him. We went on shipboard to see him. Lodge and Loeb, who is secretary to the Guggenheimers now, were there. When we came up they said to him that I had done more than anybody else to complete the arrangements. Roosevelt said'if the leading industrialists of this country had been like this man we would have a different situation today!"

Advises that I see Loeb, go over what Roosevelt thought about Gary.

I refer to the basic idea on which we have been talking, the difference in the business code 25 years ago, and I told him what I want to do, that I want to illustrate it, and he says,

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'Here is an illustration. We are having a meeting of the directors of the finance committee of the International Harvester Company, Twenty-five years ago I was counsel for Deerings and for the Plano Company. Morgan approached us to put the companies together and I was made a director of the finance committee. At a meeting, Cravath, acting as counsel for the Harvester Company, put a good deal of legal work on it. I took exception to a remark in which he mentioned Mr. Harriman's name. I said, 'Mr. Cravath, my ideas are totally different from Mr. Harriman's. I don't subscribe to his principles and methods.'

"'What do you refer to?' Mr. Cravath said.

"'Well,' I said,'to define my position, it is this.' - You remember I told you about that time when Harriman decided to increase the dividends from 6 to 10 and called in two of the five directors to ratify and then told them to keep still about it? There is no doubt that he went out and bought large amounts of the stock and afterwards sold it at a high price. 'Mr. Cravath,' I said, 'Mr. Harriman did not do right. I think it is as bad as robbery. He was taking advantage of his own stockholders.'

"Cravath contended that he had a perfect right to do it. I think Mr. Harriman changed his views later for he asked me about going on a board of the Erie railroad directors, and we spent considerable time talking over matters.

"Then you want to take up the point of the treatment of competitors. You couldn't do better than to read the series of letters which Carnegie sent from Skibou Castle to Pittsburgh, telling his men to drive them (the competitors) out of business, kill 'em.

Here we have some interruptions, and talk about pictures, (See notes under head of "Illustration.") and to start the ball rolling again, I say I am anxious to get his full story of his relations with Mr. Morgan, his estimate of Morgan, and go over the

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stories he had told me. He seems pleased that I had them in mind.

"Did I tell you about the last interview I had with Morgan? He had the habit of sending for me before he went abroad. So before he went abroad the last time he said 'Won't you stop at the library - that is where he always saw me - about nine o'clock in the morning. He said he was going to Egypt, that he was interested in some excavations going on there, and he should like to direct them and he thought, too, the climate would be good for him. He asked about business in general and the Corporation. Visitors began to come in. The principal thing he wanted to see me about was a codicil he was drawing up, he wanted me and Choate to sign it. Cadwallader came in with the document and I signed it. Two or three ladies came in, and he put them off." Here he broke in to describe Mr Morgan's office in the library, says it was at the left - at least that is where he always saw Gary.

"He began again to talk about all sorts of things. After each interruption he would ask me to wait a few minutes - seemed to want to keep me. I stayed for two hours or more. Finally I thought I ought to get away, even on his account. I said, 'Mr. Morgan, I am afraid I must go, I have things to attend to.'

"'Well,' he said, 'I suppose you have to go.'

"I said, 'Mr. Morgan, you go off and have a good time, take care of yourself, keep well and come back home strong. We will be waiting for you. It is lonesome without you.'

"'I don't know,' he said. 'I may never come back.'

"I had had an experience the year before in London which made me feel how serious he was. We went abroad every summer, went to London for a week, made our headquarters at the Ritz in Paris and motored out from there. Mr. Morgan's secretary telephoned me just after we reached London, said that he wanted to

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see me. He had two houses then, he had added a second one to the first in order to make room for his Fragonards. When I got there I found he was having his treasures packed to send to this country, he wanted to get them in before there was a change in the duty. He had a good many men at work, and they kept interrupting him. Finally he said, 'We can't talk here. Come to breakfast tomorrow morning at Dover House.'

"The next morning before I was dressed his car was at waiting for me, and we went to Dover House. He ate a very hearty breakfast. Finally I said, 'Mr. Morgan, I can't eat another morsel.' But he said, 'You have to eat these strawberries and cream. They are raised on the place,' and he piled up the plate." Mr. Gary made a motion to show how he piled the plate.

"He kept telling me how everything was raised on his place. He ate a very hearty breakfast - sausage, ham, eggs, strawberries - all from his own place. We went out to talk under a famous old beech. We talked of some very personal matters. He was called in to the telephone and in going he had to mount two old oak steps, and he stumbled as he went up. I thought to myself 'the silver chord is loosened' - he was in bad shape. I told Jack Morgan so, but Jack always said, 'Nonsense! He's all right.'

"He would often ask me to ride up town with him, and he always stopped to see the doctor, and then send me home. He would sometimes say, 'I am getting old, Judge, I am no better.'

"Mr. Morgan was a very different man from what people think. think. The first time I saw him he was interested in a little railroad in Illinois. I had an office down here with Stetson, and he said to me, 'Mr. Morgan would like to speak to you about an Illinois matter, like to have your opinion.' Stetson stated the case, and I said, 'I don't think you can do that legally, Mr. Morgan.'

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"'Well,' he said testily, 'I don't know as I want a lawyer to tell me what I can't do. When I hire him I want him to tell me how I can do what I want to do.'

"I said, 'Tell me your purpose and I'll see if anything can be done.' So he told me what he wanted to do. I said, 'I think it can be done in this way.' He was immensely pleased. He considered I was practical at least.

"I saw him very often after the Federal Steel and the U.S.Steel corporation was formed. If I didn't go over often Perkins or Steele would say, 'Senior says "What's the matter with Judge Gary? Haven't seen him for a long time." You'd better run in.' The last few years he consulted me about other matters. Mr. Morgan's confidence in me grew, I think, as the years went by. And that is because I never deceived him. Several times we differed. There was once when we discontinued the dividends on the common stock. He didn't want to do it. He was quite inclined to tell his friends what the company would do and how it was getting along, and he often said more than he ought to for he really didn't know much about it. My business was to look after the future, and I didn't think it was safe at that time to pay dividends, and I took pains to tell him why. He didn't agree with me. One morning we began to talk about 11 a.m. and we talked until he went home at 3;30 or 4. He would not give in. 'You come back in the morning,' he said. And I did, and we talked very nearly all day. He was insistent, but he was nice. Indeed, Mr. Morgan never uttered a harsh word to me, never mistrusted me."

Here he drops in, "I didn't behave as Mellon did." I think he will explain, though I think it will take a little diplomacy.

"Finally, I said, "Now, Mr. Morgan, I am going to be very plain and frank." I saiddif it wasn't for you this corporation

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could not have been formed. It was your name and influence which secured the consent of competing companies, who could not have been brought together by any other man. If anything happens to it, you more than any other man will be held responsible. You have been trying for two days to convince me that dividends should be paid and you have had no influence on me. I have been trying for two days to convince you that no dividends should be paid, and I have had no influence on you. Now, Mr Morgan, I am going to leave you, and you must decide this question. I think I can bring the Board of Directors to ratify whatever you decide.'

"He got up and put his arm on my shoulder and said, 'My dear Boy, I would not do that for anything in the world. You must have your way.'

Gary was very much touched in telling this story. He says he thinks his partners never bossed him, so far as he could see, except Coster once. He says, from the first he would do nothing without consulting him and that they generally agreed. Says that Mr Morgan was as tender as a woman with him in this interview. Says he thinks he changed more or less in his attitude toward business as the years went on, he responded more to the changed sentiment of the times. Those who knew him best loved the man. He refers me to something that hewwote - an estimate of him, which the committee adopted - Get this from Sites. Here he had a finely bound and illustrated copy of the 1909 banquet to which he so often refers brought in and read me what Mr Morgan said about him (Gary) and tells me again who Morgan said "If I had not had your shoulder to lean on I never could have stood up and said that in the world." He tells how gentle he was when he was subdued, thinks he was very fair with others and that he really was an affectionate man, with a great deal of sentiment. He says "I told you how we talked about some

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very personal matters at Dover House. He had an intensely bitter feeling toward a certain man. I talked very frankly with him. I said, Mr. Morgan, you are wrong. You are doing him an injustice and thereby doing yourself an injustice. Allow me to tell you what this mans said about you on an occasion. This man said some very fine things about you, and I repeated them. You ought not to do what you propose doing.' And he didn't do it. What he wanted to do was something very injurious to this man. He really was very much affected by what I told him, took out his handkerchief and wiped his eyes."

Gary evidently thinks that Morgan came to have much more confidence in him than he did in any of his partners, though he doesn't exactly say so. That seems to me quite possible. He says he loved Bob Bacon, but he thinks he didn't fully confide in his business judgment.

The interview lasted about two and a half hours.