CHEMICAL HERITAGE FOUNDATION

IRVING S. SHAPIRO

Transcript of an Interview
Conducted by

James J. Bohning and Bernadette R. McNulty

in

Wilmington, Delaware

on

15 December 1994

(With Subsequent Corrections and Additions)

ACKNOWLEDGEMENT

This oral history is one in a series initiated by the Chemical Heritage Foundation on behalf of the Society of Chemical Industry (American Section). The series documents the personal perspectives of Perkin and the Chemical Industry Award recipients and records the human dimensions of the growth of the chemical sciences and chemical process industries during the twentieth century.

This project is made possible through the generosity of Society of Chemical Industry member companies.

SHAPIRO, IRVING S.

THE CHEMICAL HERITAGE FOUNDATION
Oral History Program

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Irving S. Shapiro

(Date) 6/10/96

(Revised 17 March 1993)

Chemical Heritage Foundation
Oral History Program
315 Chestnut Street
Philadelphia, Pennsylvania 19106

IRVING S. SHAPIRO

1916 Born in Minneapolis, MN, on 15 July

Education

1939 B.S., pre-law, University of Minnesota
1941 L.L.B., University of Minnesota

Professional Experience

1941 Attorney, private law practice
1941-1943 Attorney, U. S. Office of Price Administration
1943-1951 Attorney, Criminal Division, U.S. Department of Justice

E. I. DuPont de Nemours & Company, Inc.
1951-1965 Attorney, Legal Department
1965-1970 Assistant General Counsel
1970-1972 Vice President
1970-1973 Director, Executive Committee Member
1972-1974 Senior Vice President
1973 Vice Chairman of the Board
1974-1981 Chief Executive Officer, Chairman of the Board, Finance Committee Member, Chairman of Public Affairs Committee

Skadden, Arps, Slate, Meagher, & Flom
1981-1990 Partner
1990-present Of Counsel

Honors

1979 Chemical Industry Medal, Society of Chemical Industry

ABSTRACT

Irving Shapiro begins this interview by discussing his parents' backgrounds and the influence of his father's interest in law and accounting. Next Shapiro examines his own early intellectual strengths and proclivities and his undergraduate and law school performance. He describes the path which took him from a private practice in Minneapolis, to the U.S. Office of Price Administration during WWII, to the U.S. Department of Justice's Criminal Division, where his highly publicized work prosecuting the eleven Communists brought him to the attention of the DuPont legal department. Shapiro recalls how his appointment as a DuPont General Counsel heralded a new era for the company in terms of its attitude toward Jews. In considering his advancement to CEO, Shapiro emphasizes his relationships with Walter Carpenter, Crawford Greenewalt, and Charles McCoy, as well as his work with the industrial departments and in disputes involving General Motors, Ford Motors, and Ralph Nader. Next, while discussing his career as CEO, Shapiro explains how his management and communication practices impacted on public and internal views of DuPont and allowed talented employees to blossom. He touches on his relationships with Edward Kane and Edward Jefferson and his commitment to DuPont's research and development, and he speaks more generally of his views of foreign competition, business community relations with the media and government, the Business Roundtable, and his legacy to the history of DuPont. Finally, Shapiro describes his post-DuPont work at Skadden, Arps, Slate, Meagher, & Flom and at the Howard Hughes Institute.

INTERVIEWERS

James J. Bohning, formerly Assistant Director for Oral History at the Chemical Heritage Foundation, holds the B.S., M.S., and Ph.D. degrees in chemistry. He was a member of the chemistry faculty at Wilkes University from 1959 until 1990, where he served as chair of the Chemistry Department for sixteen years and as chair of the Earth and Environmental Sciences Department for three years. He was Chair of the Division of the History of Chemistry of the American Chemical Society in 1986, and has been associated with the development and management of the Foundation's oral history program from 1985 to 1995. He currently writes for the American Chemical Society News Service.

Bernadette McNulty, former Oral History Project Manager for the Chemical Heritage Foundation, holds a B.A. in communications and social work and an M.A. and Ph.D. in communications. She held several teaching and research-related appointments, including positions at Muhlenberg and Rowan Colleges and Temple University, before joining the Foundation's oral history program in 1994.

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INTERVIEWER: James J. Bohning
Bernadette R. McNulty

LOCATION: Wilmington, Delaware

DATE: 15 December 1994

BOHNING: Mr. Shapiro, I know that you were born in Minneapolis on the 15th of July in 1916, and that your father was an immigrant from Lithuania. Could you tell me a little more about your parents and your family background?

SHAPIRO: Well, it was the typical family situation of people from Eastern Europe who migrated to the United States around the turn of the century. By any definition, they had a rough time for many, many years before they finally got themselves at least minimally economically established so that they could live a decent life.

As you know from the notes, my mother came over here at age twelve because both her parents died in the same year, and she was sent off to a shirt-tail relative in New York and wound up being given the living room sofa as her place to live. Somehow or other, she wound up in the garment trade and spent some years just doing that.

As fate would have it, she traveled out to Minnesota on a vacation to visit her brother, and lo and behold, she met my father, and that was a fast romance. Things were very frugal in the new family, but there was the feeling that opportunity was going to knock and they were going to be all right, and they were right, it did. My father wound up with a little business that supported the family. As he became older, my younger brothers took it over and it supported that family for a lot of years. This is the classic American story.

BOHNING: How did your father end up in Minneapolis?

SHAPIRO: Well, that's a typical story, again. My father had gotten drafted into the Russian army. For a fellow named Shapiro, that was not a very desirable thing to have happen, but he served his duty. By the time he was discharged, the family had left to save the younger boys from a similar experience. They wound up in Glasgow, so he headed for Glasgow, stayed about a week and decided that wasn't for him; he wanted to come to the States.

In those days, particularly when you're really penniless, you didn't choose where you

wanted to live; you went wherever townspeople were. It turned out there was a collection of townspeople in Minneapolis from his town, so he headed there. It was the established practice; those there ahead of him looked out for him so that he had enough food and that sort of thing and helped him get started. He managed to stay the rest of his life in that one spot.

BOHNING: Where did his interest in the law derive?

SHAPIRO: I can't really give you an answer to that. He had an interest in accounting; he had an interest in law, and he dabbled around with it. He loved lawyers. He really didn't have much legal business to parcel out, but he had a relationship with a couple of lawyers in the city, and when they had an interesting case, they'd invite him to come to court to watch them. They'd give him law books that they no longer needed and that sort of thing. He dabbled with it. I'm not sure he was ever really a first-class expert on the subject, but he knew the terminology and he had an interest. Now, on the accounting side, he was pretty good at keeping a set of books and knowing what he was doing. Double entry bookkeeping was not a mystery to him.

The thing, for me at least, that is significant is that in the early pictures of him there were always some books on his desk. Not novels, but law books, accounting books, that sort of thing. He had, obviously, a great ambition to make something of himself, and I think the fair conclusion is that he didn't quite get to what he wanted to get to, and so he just transferred all that to his oldest son. If I had to explain how I wound up in law school, my guess would be that he probably had a more subtle influence on me than anything else, but my own analysis is that I had no talent at all for the sciences, and I had a <u>great</u> talent for government, law, that <u>kind</u> of thing, so it was just natural to go in the direction of where the abilities were.

BOHNING: So from little up, you remember your father in terms of the books.

SHAPIRO: Yes. In retrospect, I think in part he was kidding himself. The subjects were too complex to really master, but he would read a chapter on equity law, try to figure out what that was all about, and think he had accomplished something when he did it.

He was an interesting man in the sense that he had lots of different abilities. In those days, residents in Minneapolis who wanted to write relatives in Eastern Europe had to get someone who could address the envelope in the language of the country it was going to, so my father had a steady stream of callers asking to have envelopes addressed for them, and no matter what the language was, he had it under control and could do it.

So, my own judgment is that he's a man who probably ended up doing the wrong thing in his life, but there were no opportunities and he had to earn a living, so that all got transferred. The eldest son did those things that he wanted to do.

BOHNING: You said that he had a subtle influence. Was he ever outspoken about it, in a more open way?

SHAPIRO: Well, there was no pressure; there was no pressure. I remember thinking very carefully about accounting as an alternate to law. I wasn't at all sure that I had the stuff to do law. When I look back on it now, I'm very grateful that I never went for accounting. [laughter] But at that stage of life, when you're uncertain about your own abilities and the driving force says to get some skill that will earn you a living, those were the alternatives. I knew that there was a segment over here involved in government, law, and subjects of that kind in which I had a pretty good natural flair, and subjects over there involving the sciences in which I simply had no interest at all. I stayed away from every course on science I possibly could.

BOHNING: So your grade school education and high school education was near home, then?

SHAPIRO: Yes.

BOHNING: And I understand that as children you worked in your father's business after school?

SHAPIRO: Well, some did more than others. That was a business that didn't attract me very much either. The idea of handling other people's dirty clothes and fooling around that way was something you did, but not something I looked forward to, so I found as many excuses as possible to not go there. There were days—you know, weeks—when I did, but my younger brother, for example, took to it like a duck to water. He thought it was a great operation, but I can remember going to summer school in college as one way of avoiding working in the plant. [laughter]

BOHNING: As you were going through high school, did your thoughts turn more and more to a pre-law degree at the University of Minneapolis? What were your thoughts?

SHAPIRO: Well, at that time, it became very clear to me that subjects like botany, biology

were something I endured, but when I got to subjects like civics, which was government really, it was as though someone turned on a light. I really functioned as the assistant teacher—it came that easily to me—and the same thing was true in a bookkeeping course I took in which another fellow and I simply ran away with the whole course and the rest of the class was way behind us. It just came to us naturally.

So, that began to give me the thought that I better figure out where my talents were, to the extent that I had any. As I said, clearly they were not in the scientific area, but they were in the area of governmental functioning and all the things that relate to government, so by the time college came, I simply signed up for the pre-law course. I got turned on by English constitutional history, of all things, and took all of that that I could get in, and was fascinated by the whole development of the common law.

I ultimately got to law school and had no idea whether I'd last. In those days, at that school at least, the policy was, if you met minimal qualifications, you were admitted. About seventy-five percent of the students were flunked out at the end of the first year, so I figured, "Well, I've got one year to see whether I can cut the mustard or not, and if not, I guess it will be accounting." Lo and behold, at the end of the first quarter we took exams and the grades were posted, and I was number four in a class of 133, so for the first time, the light went on and I said to myself, "Maybe I've got more going here than I realize." Then I really got involved heavily in trying to keep up that kind of performance, and I did, so I didn't have any doubts at all that I was in the right field.

That was a world in which, despite what anybody may tell you, the driving force was economic; you had to be able to earn money, because there wasn't any around. I've often thought, if someone had come around and given me a job in that period, with cash, I query whether I would have ever remained in college.

But, in any event, I did the law school bit and did it very effectively, made the order of the coif and all the rest, and graduated. Then the question was to get some law firm to hire me, and Minneapolis was a very inhospitable place for young lawyers. The major law firms wanted nobody with a name like mine. There were two law firms that would interview, but they were overwhelmed by all the Jewish graduates each year coming out of law school, so that really wasn't much of an opportunity. I finally caught up with a retired IRS agent who was practicing tax law, and he said, "Well, if you want to come in with me, I'll give you an office. If you can get any business on your own, you take care of it, but when you have free time, you do work for me." That's how I got started.

I can remember very vividly, I got a title on an empty lot and did some work on it. Lo and behold, I found a defect in the title and got it corrected, and the bill was fifteen dollars. That was a lot of money in those days. [laughter]

BOHNING: Were there any people who during either your high school or college careers

influenced you in any way?

SHAPIRO: Well, the influential people were the faculty people at the law school. The law school opened a world for me that I'd never known existed. I'd been sheltered really from the judiciary system, from the great judges and all the rest, and once I started into legal literature, I was turned on in a big way. Justices [Oliver Wendall] Holmes, [Louis D.] Brandeis, [Benjamin N.] Cardozo, people of that quality—I really fell in love with the legal system and the people in it.

In retrospect, I'm clear that I went overboard and not everybody in it was great. I found the test on that at a much later point in time. When I moved from being a lawyer to being a corporate executive, I had some concerns about whether, feeling as I did about the great legal lights, I'd feel uncomfortable in the business world. Of course what I discovered—not surprising at all, when you think about it—is that there were some great people in the business world too, and I took to them just the same way. I didn't see every businessman as great, but those who were, were an exciting group. Just to get ahead of the thing a little bit, in my early days as a lawyer, I'd been in the Department of Justice and wound up as a Supreme Court lawyer. I'd never tried a lawsuit in my life, but I was writing briefs for the Supreme Court, and finally they said, "Well, go ahead and argue your own case."

I had a string of appearances in the Supreme Court and in the various courts of appeal before I'd ever tried a lawsuit, which is exactly an upside down procedure. I'd had this exposure to the Justices of the Supreme Court on a daily basis, and that sort of was the role model for greatness—at least with respect to some of them—and quite pleasantly surprised, I found that there were the same kind of people in the business community, so we were off to the races after that.

MCNULTY: Just to go back for a minute, I was wondering how you funded your way through college.

SHAPIRO: Well, there were two stages. The pre-law part of it involved tuition of twenty-six dollars a quarter, and I lived at home, so all I needed was money for books and transportation. The streetcar was ten cents from home to the campus, and lots of times I managed to bum rides from people who had cars, so that I got by with a minimum of money, and what I did get by with essentially came from my father. I picked up a little money doing some jobs when I could find them, but not much really.

When I got to law school, it was different. I was eligible to borrow two hundred dollars a year, all on my signature, interest free—it started bearing interest after I graduated—and with two hundred bucks, I owned the world. I could support all my needs. I

can remember clearly the feeling of great self-respect, because somebody would give me money simply on my signature. That had never before happened in my life, that anybody took me as a serious individual, but it worked.

Then I can remember clearly the first thing I did when I started earning money was to pay off the law school loans, on the theory that that money had better be there for somebody else coming along. That's how it happened. I didn't know I didn't have money. [laughter]

BOHNING: You got your law degree in 1941 and then went to work with this tax lawyer. I'm not clear of the dates; Pearl Harbor was December of 1941. Were you still working in Minneapolis at that time?

SHAPIRO: Yes. Well, I've got a time frame here. I graduated in June, took the bar over the summer, got admitted to the bar in September. Then I worked with this man from September to early December, when Pearl Harbor changed everything. At that point, I was recruited by someone from the federal government who said he got my name from the dean of the law school. "There's a national emergency; drop whatever you're doing and come to Washington."

I talked it over with the man with whom I was associated. He said, "By all means. This is the thing you should do. Besides, you're going to get drafted anyhow, so go get that job done, and then you'll be in the military." So, in about three or four days, I was in Washington.

It's hard to believe now, but I remember arriving by train in the morning; I was supposed to report for work that morning. I came out of the train station, and there was the Capitol. I couldn't resist checking my bags and just walking around the capitol and admiring it before I showed up for work. [laughter]

BOHNING: You were involved in developing the wartime rationing systems then?

SHAPIRO: Yes.

BOHNING: At the OPA [Office of Price Administration]. What did that involve?

SHAPIRO: Well, what you have to visualize is a large bull pen filled with lawyers and administrators, maybe a hundred people on a floor, and they're divided up into groups. One is worrying about sugar; another is worrying about tires; the third is automobiles, bicycles. There were different groups, and what they're trying to do is to put together a rationing

program that would conserve what stocks we had and set priorities for who had access to them.

I remember sugar was the first one I worked on. I was a member of a group that was sitting around the room, trying to figure out a sugar rationing program that could be put in place very quickly, and the problem that arose was that the government printing office needed ninety days to print the rationing coupons.

It was one of the greatest lessons I ever had. I sat there, and everybody's talking, arguing back and forth, and one of the fellows was sitting there, not saying anything, just folding paper. He got it in this shape, [indicates papers] and then he wrote something on each side, and on this page were printed coupons which the housewife would clip off to use. It took about two days to print all this up and get it going, so we got the program out very quickly. I've always remembered the fact that one man with some imagination made the whole thing go. I learned a large lesson that day.

Well, it went on like that, you know. We set up a rationing program for automobiles, but we excluded luxury cars because no one cared about them. The definition of a luxury car was any car that sold for more than two thousands dollars. [laughter]

BOHNING: Which, as I understand it, was your initial salary there. Is that correct?

SHAPIRO: Yes, yes. That was my first introduction to the world of finance. I was perfectly satisfied with two thousand bucks a year, until I discovered that the guys working at the desk next to me were making a lot more money than I was. That had a logical explanation. They were older, so they fell under different groupings, but I didn't understand that, and I couldn't understand why people doing the same work were getting different compensations. [laughter]

The fact is that two thousand dollars was enough to live comfortably. I got married; my wife went to work and we saved her earnings, and with two thousand bucks, we had everything we wanted. In those days, you could buy a steak dinner for a dollar and a quarter.

BOHNING: I understand also that Richard Nixon was at the desk next to you, at one point.

SHAPIRO: Yes, he was. We had a setup in which we had another rationing group here, a tire rationing group here. As fate would have it, there were always jurisdictional squabbles, so they took Nixon and said, "You be the arbiter; you work between the two groups and keep peace." He was a pleasant, inoffensive guy. He stayed there until he went into the Navy. Then, when he came out, he came back.

At that point, he had been elected to Congress. His wife was pregnant with their first child, and he needed help in terms of identifying a doctor and all those things, but the team we had worked with went to work. One fellow had a father who was politically tied in, so he introduced Nixon to Senator Taft, and the Senator got him his committee assignments. Another sent Mrs. Nixon to a gynecologist that his wife used, and that's how the small little world blossomed. [laughter]

[END OF TAPE, SIDE 1]

BOHNING: When did the draft catch up with you?

SHAPIRO: Well, let's see if I can put a time frame around it. I would guess probably within a year of the time we came to Washington. I'm not certain of that, but in that range.

We had a small apartment, and I'd managed to sell all the furniture in the apartment, provided I was drafted. Then I went out to Port Snelling, where it said I was to report, and they took one look at me and said, "We're not that desperate." [laughter]

I'd had a history of asthma as a child, and the Army didn't want anybody with that kind of background, so I came back to Washington and worked for a while longer at the OPA. I decided that that was the wrong place if I wanted to learn to be a good lawyer. I was getting along fine doing what I was doing, but that wasn't a demanding lawyer's role, so I went over to the Department of Justice and canvassed the place, and sure enough there was a job opening in the Criminal Division, in their appellate section. I figured, "Well, why not?"

I went over and started writing Supreme Court briefs, and the first thing I discovered was that everybody else wrote so much better than I did. There was a style to writing those things, and I was really pretty backward in terms of their level of skill—this is an interesting footnote to life—so I started examining, how do Supreme Court justices write? What's their style? I finally wound up trying to write the way Justice [Felix] Frankfurter wrote, and the trouble with that was that it might take me a week to do something that someone else could do in a day. I knew that I was on the wrong track.

One night I had to get a brief ready to submit to the Solicitor General's staff for review. The practice there was that they usually rewrote everything we submitted. I took the stuff home and looked at it and decided I didn't like anything I'd written, and I simply threw it in the waste basket, saying, "I'm going to start over again, and I'm going to write it as Irving Shapiro writes, not Justice Frankfurter."

I was up most of the night, writing that brief in long-hand, and lo and behold, I submitted it to the Solicitor General's staff and it passed without a change being made in it,

and went to the Supreme Court, and certiorari was denied, so I'd prevailed.

That was the first time it really dawned on me that you can't be somebody else; you've got to be yourself. You've got to play to your own strengths and not try to fake it. After that, I knew I could write, and with time, the skill got better. Towards the end of my period at Justice, when I was engaged in trial work, the trial lawyers looked on me as the great brief writer. Whenever there was anything to be written for any court, they'd duck and pass it on to me, because I wrote so much better than they did. It was a good lesson in finding yourself, really.

BOHNING: I'm not sure if this was early on in your time at Justice or not, but I understand you were given a case that looked like a real loser?

SHAPIRO: Yes. That was my first Supreme Court argument. You know, you write briefs, and then someone else goes up to the court and argues the case. You go up to observe, and your tongue just hangs out at the opportunity to say these things yourself because you wrote them.

It was not then the custom for the Solicitor General to send anybody to the court to argue, other than the people on his own staff, and that was a select group of eight or ten people. But in this case, they thought they had a losing position, and Paul Freund, the great man at Harvard who then was the Assistant Solicitor General, said, "Well, why don't we give Shapiro a chance to get some experience? Let him go up and argue." I seized the opportunity, absolutely frightened out of my wits, but seized the opportunity and prepared it the best I could. I wore my cutaway and the whole bit.

The day came to argue the case and we had to be in court two cases before our case, sitting in the well in court waiting our turn. The night before there was no sleep. I sat in the courtroom, listening to other arguments, and the great worry was that I would open my mouth and nothing would come out. [laughter] You'd say to yourself, "Now, what do you do?"

Then, to put the pressure on, there was a very important antitrust case that was going to be argued following my case, so the well of the court was filled with prominent litigating lawyers from New York and Washington. My case was called, and I walked up to the dais, surrounded by all these experienced lawyers, and there was the Court in front of me. I looked up, said the usual things and got started in the argument. Lo and behold, there's a dialogue with the Court almost immediately, and it's clear there are two factions on the Court, on issues here, and within five minutes, I concluded that my prepared stuff was academic, [laughter] and I'd better close my books and deal with the members of the Court, answering their questions, and I did that for a solid hour.

The verdict of those in the courtroom was that I'd done a good job, so I felt pretty

good about myself. I lost on a five to three vote, but most people didn't think I could get three votes, so the word went out in Washington that this kid is all right. From then on, I was practicing in the court on a regular basis.

So, it's an interesting beginning. I never tried a lawsuit, and here I was. I'd argued one case in the Court of Appeals. My second appearance was in the Supreme Court, and under circumstances in which I knew everybody expected me to lose, but my theory was, arguing even in a losing case is better than not arguing a case, so I went in and gave it all I had and got a good strong dissenting opinion, and that was the beginning.

BOHNING: You also argued a case in the Civil Rights area, at one point. Is that correct?

SHAPIRO: Well, I didn't argue it; I was on the brief in one of the famous Civil Rights cases that arose in Georgia. The sheriff arrested a young black boy, brought him to an area of the jail, then strung him up on a tree and hung him. In the District Court there was an indictment, and the District Court said that this wasn't state action; this was a sheriff who got out of line on his own, so there was no federal lawsuit.

They took an appeal to what was then the Fifth Circuit Court of Appeals, and that's when I got in to write the brief. We failed. The Court of Appeals said that the state didn't authorize him to hang this boy, so there's no federal cause of action, and at that point we said, "We've just got to go to the Supreme Court."

We wrote the best brief we could, and the Supreme Court agreed to review the case. They reversed it, saying, "Obviously, when you put a man in public office, surrounded with the power of the sheriff, the state can't walk away and say his actions were not state actions." So we established that principle, way back in the forties, that really became a foundation for a lot of the Civil Rights actions that came later.

I once had a very interesting experience because of all that. I was being honored by one of the Black organizations in New York. They said, "Come on up. We want to honor you, and you don't have to make a speech or anything." Lo and behold, by the time things came to a head, of course I had to make a speech, and I had nothing prepared, so I decided the best way to deal with this was to tell them the story of the Screws case.

It was basically a Black audience, with lawyers and judges and business people, and I walked them through the facts and told them the dilemma of a young lawyer. You know, he stands for justice, but what is justice in dealing with this kind of a problem? I told them of the case in the Supreme Court and the ultimate outcome. One of the Black judges from the Court of Appeals in Philadelphia was in the audience, and I could see him nudge his partner and say, "United States vs. Screws." Everybody identified with what I had gone through and felt very warm about the fact that they could salute me.

Well, that's much ado about writing a brief. I didn't even qualify to argue the case, but that was one where we felt that somebody had to do something about something as outrageous as that, and we finally got it done. I don't want to leave the impression it was just me there. There were two or three of us who felt the same way, and we applied ourselves to the case, and we prevailed.

But, in those days, the whole Civil Rights operation in Washington was five lawyers. That's how long ago that was. [laughter]

BOHNING: In 1948, you were put on the prosecution team for the trial of the eleven Communists.

SHAPIRO: Yes.

BOHNING: Who was responsible for putting you on that group?

SHAPIRO: Well, let me give you some background, then I'll answer that question.

For reasons beyond my knowledge, a decision had been taken at the higher level of the government to bring a Smith Act case against the leaders of the Communist Party, and for reasons that I can only speculate about, the U.S. Attorney in New York who was to try the case refused to use his own staff on the case. Now, I could speculate on why that was, but in any event, that was the case, so Washington had to recruit a team to do the job. My first inkling was simply a summons to the front office and a statement that I was going to New York and was assigned to this case. At that point, I had a young wife with a young son and a daughter who had just been born, and it wasn't very happy news, but that was the order. That was the order.

I'd never been to New York, so at that point, I had to ask questions about hotels, where to live and all the rest. In any event, we got organized, and the team pulled together a couple of other fellows who were really quite good; they had been former Assistant U. S. Attorneys. I brought one fellow from Washington with me. We started working our way through all of the materials that the FBI had assembled, and none of it made a lot of sense.

The FBI, taken in by all the Communist literature, had thought that that was very important, and anybody who had ever seen a courtroom knew you weren't going to get very far talking about any book, regardless what the subject matter was, so we got to the point where we realized that the FBI had informants, live people. We insisted on seeing those people and interviewing them.

I remember one interview that was conducted in a car, driving on Long Island roads. There was an FBI agent driving the car, and I'm in the back seat with a man from Boston, who turned out ultimately to be a star witness. We got our facts organized in a sensible way, and we went before a grand jury, presented them, and brought in the indictment. Everybody sort of laughed and said, "The Communists are much too strong in this country for you to be able to really achieve success," and we literally had potential witnesses who had refused to testify because they said, "You can't beat the Communists. You're going to expose me and ruin me forever." But we got involved in a nine month trial, and we got it accomplished.

At that point, I inherited the case for appellate purposes, and everybody else disappeared from the scene, so I put together a new team. They handled the appeals, and we argued the case in the Second Circuit for three mornings, which is quite unusual. The Court had set aside three mornings to hear the case, and then Judge Learned Hand wrote the opinion. We won the case, and I had an opinion by the greatest judge in the country. I'd had the privilege of arguing before him and experiencing the man, so I thought this was great.

Of course, the case got to the Supreme Court, and the Attorney General had assigned himself the case to argue, so my function was to prepare everything for him, which I did. At the last minute, he got buck fever and ducked. It's one thing to theorize about these things, but to face nine Justices in a complex case like this without knowing the details of the evidence was something else, so he decided that prudence required that he be busy someplace else, so the Solicitor General and I split the argument up. I took the fact part of the case and he took the constitutional issues, and we argued it in the Supreme Court. By the time the decision came down, I'd already left the Department of Justice and come to DuPont, so I got the word here.

BOHNING: During the time this trial was going on, that was also the beginning of the McCarthy era, too, wasn't it?

SHAPIRO: Yes. I think the McCarthy era began a little before the case, at least if you include the House UnAmerican Activities Committee as part of the picture.

BOHNING: Okay.

SHAPIRO: I remember writing a brief for the Supreme Court about the committee. That was the period, and there were strong feelings. The press already had columnists writing that the whole case was a fake, that we couldn't get a conviction, and that this was just Truman's show for the 1948 elections.

Now, we didn't know we couldn't win. It seemed to us, if we could get the evidence

we wanted, then we had a shot at convincing the jury. We turned up some confidential informants the FBI had who were really quite good, and once we got them before the jury, then everybody's attitude changed. It's the old story: you can't win without facts, and you've got to have live witnesses.

Fortunately, we had a good judge in Harold Medina. It was a long struggle, but we finally got the verdict, and the judge locked all the defendants up, pending sentencing. There were a lot of applications for bail, and he turned them all down.

My boss in this case, the U.S. Attorney, took the view they ought to be locked up and not out on bail pending appeal. At that juncture, I came home one weekend to see my wife and kids, and I got a call from the Attorney General. He said, "Would you please come to my home Sunday afternoon, two o'clock." I said, "Sure." I went there, and lo and behold, the White House was represented there by Clark Clifford. The long and the short of it was applause for getting a conviction, but was it really necessary to keep these people locked up, pending appeal?

I allowed as how, as a Supreme Court lawyer, I knew that this was a case going to the Supreme Court, and therefore there was a good case for saying, "Put them out on bail until the Supreme Court concludes." Well, they didn't want the Administration to take the heat for making that concession, so they said, "Go and argue this thing in the Second Circuit, but don't tell anyone we want to release them on bail. Let the court come to that conclusion on its own."

That was a pretty hard assignment. I went into the court and argued it, and Judge Hand again was on the panel. I started my little dance, trying to not make the bail concession. And, finally, Hand looked at me and said, "Counsel, do you concede that there is an issue for resolution by the Supreme Court?" It's a typical thing to do, when you want to buy time. I quickly said, "Your Honor, that puts the question to me in a hard way." He said, "I intended to." [laughter] Of course, they knew what the game was, and they entered an order, as a matter of fact, saying, "On the basis of the concessions made by the government, bail is appropriate; set bail."

It's an interesting footnote, just to divert for a second, that there's a book out now on Learned Hand and his life, which is a marvelous book (1). The author had a little section on this particular episode, and he characterizes the government attorney's argument before the panel as not very clear, but the Court had granted bail. That was a compliment. He didn't know that that was a compliment. [laughter]

Well, we've wandered pretty far, but it's interesting history.

BOHNING: That's great.

By this point, you had reached a position which was, as I understand it, the highest career job you could get without getting a political appointment. Is that correct?

SHAPIRO: Yes.

BOHNING: What were your thoughts at that point, in terms of your career?

SHAPIRO: Well, I knew I didn't have any political backing and probably had to take the initiative and leave Justice. I hadn't done anything about it, but while I was arguing this Communist case in the Court of Appeals, the *New York Times* carried a full story on the argument each day, and I got a call at the courthouse.

It was from a man I had worked with at Justice for a few months, and he'd gone on and joined the DuPont legal department and risen. He said, "Would you have lunch with me?" I did. He said, "You've got to make a move; you've gone as far as you're going at Justice. Why don't you think about joining DuPont legal department, and we can have some fun together, do some things."

To make a long story short, I went in and interviewed for General Counsel. I said, "I want to make sure you understand I have no scientific education at all, and I just wonder whether I'm a fit for a science-based company."

[END OF TAPE, SIDE 2]

SHAPIRO: He smiled and said, "If I needed a scientist, I could hire a scientist. I need a lawyer who understands the law of conspiracy." I said, "Well, I understand the law of conspiracy; that's not a challenge." So, I got hired, and the thing that really was very attractive was, the government was paying me ten thousand dollars a year, and DuPont upped the ante to twelve. I said to myself, "Well, two thousand bucks is two thousand bucks, but there's even a chance that there might be more money later. Who knows?" So, I took the opportunity.

My problem at that moment was, they wanted an antitrust lawyer, and I had never read the Sherman Act—I was a criminal lawyer—so I bought an antitrust case book and holed up in a hotel room for six weeks and just worked my way through the book and then pronounced myself an antitrust expert. [laughter] It worked.

BOHNING: Before you accepted the job at DuPont, did you come to Wilmington and

interview with the legal department?

SHAPIRO: Oh yes.

BOHNING: Was there any concern about your being a Jew, in terms of joining that department?

SHAPIRO: There turned out to be. The first round was one in which the General Counsel recommended the appointment and someone on the executive committee of the company, responsible for personnel, refused to approve the appointment. It fell to my friend to come to see me in Washington and tell me the sorry tale, and it was a crushing blow, but that's life; I said I would go on living. It was really a year or two later when he came back and said, "Now I can guarantee it can be done; please say you'll do it."

It turned out that the VP who had been the culprit had retired, and his replacement said, "The only question I've got is if this guy is as good as you say he is, maybe we ought to try to keep him in Washington." But, in any event, I came in, and the thing that made it workable for me was that with my name, there was no mystery at all. Lo and behold, nobody paid any attention. I found a setting in which there were a handful of Jewish lawyers who had been there for years, but they were all anonymous. They made their charitable gifts anonymously; they didn't admit their background.

The point of this is not that so much, but rather, Crawford Greenewalt had become chairman of the company, and someone got to him and said, "Do you realize what's going on in your company? There's a sense out there that the company is hostile to Jewish people." I have to say in all candor that the largest business DuPont had was the textile fibers business, and Jewish people were all over that business; they were major customers, so Crawford just stepped up to it. He wrote a letter for quiet publication and disavowed the past and proclaimed a new era for the future, and it turned out to be true. I think that Crawford simply never thought in terms like that. I think the DuPont brothers did, but in any event, there I was.

It happens in life sometimes. One of the early people who became an admirer of me was Walter Carpenter, who had been the CEO prior to Crawford Greenewalt. This was a fascinating experience because he was a very sophisticated, bright, knowledgeable person. He was addressed as Mr. Carpenter by everybody in the top command. He got into sort of a little game with me. He knew the legal department started at 8:30 in the morning, and so at eight o'clock he'd leave a call for me, and then he got in the habit of wanting to hear a discussion of Supreme Court decisions. Decisions came out on Monday, and Tuesday morning he was on the phone, "Tell me what this case means and why."

So, we developed a relationship, and finally one morning he said, "Mr. Shapiro, my name is Walter." I said, "Well, under those circumstances, you can call me Irv." We became very good friends on a business basis, and he had great respect for me; I'm sure it made a difference in how others saw me. That was the beginning of the route up. I'm not sure he triggered it, but I'm sure that when people mentioned my name and said, "What do you think?" he'd say, "Yeah, this guy is all right." That was the beginning of an unforeseeable ride.

BOHNING: Carpenter, if I remember correctly, had married one of the DuPonts. Is that correct?

SHAPIRO: Oh no, that's not correct; his brother had. Carpenter had married a woman who had been working for one of the DuPont families, but his brother, Ruly Carpenter, had been tied to Pierre DuPont, and Ruly married one of Pierre's sisters.

BOHNING: When did you first meet some of the DuPonts? Was it through Walter Carpenter that you met others?

SHAPIRO: No, my relationship with Walter Carpenter was one-on-one and never went beyond that. After I was in the saddle for a while, I found myself assigned to the antitrust case in Chicago seeking to force DuPont to give up its investment in General Motors. We had a big team in Chicago, and part of my assignment was to stay back in Wilmington and make sure that the top management of the company knew on a daily basis what was happening and understood the significance of it, pro or con. I drew that straw for a while, then went out to Chicago later.

In any event, every day I met with the key people on the executive committee, gave them a run down on the previous day's developments, and they began to feel free to call me when they had anything on their minds. Before long, they saw me as their lawyer. When we won in Chicago, they thought they had a pretty good horse. When we were through with the case, I represented various industrial departments and had a curious experience.

My function in life was to solve their problems, and very often, they'd come in and propose a course of action that clearly was illegal. I'd say, "Well, if you've got this kind of a problem, you can't do it this way, but let's think about alternative courses of actions. Maybe you can't get a hundred percent of what you're after, but can you live with seventy percent, eighty percent?" Usually I gave them two or three alternatives, and they'd select one and it worked. The word went out that this guy is different from all the other lawyers.

Then I found myself being invited to sit in on the staff meetings of the industrial

department heads, whose legal work I did, which was a signal to their people that this guy was okay. I'd get a call from one of the business people saying he had a legal problem. When we met, it was clear that he didn't have a legal problem at all. He had a business problem, and he's looking for help. I discovered that somehow or other I had some business judgement that I could apply, and it helped him solve his problem.

Management just said, "You're now functioning as a businessman, anyhow; why don't you stop pretending you're a lawyer and come on over to the business side of things?" At that point, I was an Assistant General Counsel for DuPont, and I got jumped four or five grades, I guess, and was made a Vice President of the company and a member of the executive committee. That was significant for two reasons. The first was that it had never before happened to a lawyer in DuPont, and secondly, no one in the history of the company had jumped that far in one step. There were people who had concerns about whether I was ready for something like that, and I was one of them, but I figured, you can't say no to an opportunity like that; you've got to give it a shot and see if you can make it work.

I came on the committee, and it didn't take long to get convinced that these were all great fellows. They also put their trousers on one leg at a time, and they didn't know any better answers than I knew. It got to the point where I had built up a following as a guy who could solve the tough problems, and the rest of this story, you know.

At one point, I was simply told that if I would take it, I was going to succeed [Charles B.] McCoy as CEO of the company. That was so far from anything I've ever thought of that I asked for a tablet and a pen, said, "I want to write this down so I can get it right." There it was, and once I took over, it seemed to me the job was pretty well defined. I didn't have to be a scientist to do the job. I only had to be a fellow who understood the people and had the support of the people in the organization; who understood the political scene on the outside, the press scene and all the rest; and who had some ideas about direction.

Somehow, it all came together and worked. I think in part it worked because DuPont had been a very closed-in company. While the family ran it, secrecy was the word and they didn't want the press anywhere near them and all the rest. The world had changed, and my view of the world was that the press could be our ally, if we changed our approach. I made it a point to always talk to reporters directly, never turn them down, and never lie to them. If something came up that I couldn't talk about, I told them, "I can't talk to you now about this, but when it opens up and I can, I'll talk to you." I established my credibility, both in government circles and with the press, and that made an enormous difference. Once you open the windows and let some fresh air in, all kinds of things change.

To cap that off, the Business Roundtable drafted me to head the Business Roundtable. That was still in its fledgling days, but it was inconceivable to anybody to try to rationalize that a guy named Shapiro would become the spokesman for all of American industry, and that they would listen, but they did. It all worked.

The one great dividend out of that which sort of gets lost in the shuffle, but which is important, is that if it was good enough for DuPont, it was suddenly good enough every place. Within a couple of years, I could give you a list of three hundred Jewish men who were in the top circles of American corporations, and today, it's not even a newsworthy event. So, in a quiet, simplistic way, a great thing was accomplished, wholely apart from running the business. [laughter]

BOHNING: Could I go back into some of the early days in the legal department? You said you had done some things before you were assigned to the antitrust case. Is that correct, or when you first went there, was it right on that case?

SHAPIRO: Well, no. I came in and functioned as an antitrust lawyer and wrote opinions. For example, there was a question about whether DuPont's position on nylon was monopolistic, so I did an elaborate study of nylon, concluded that there was not an illegal monopoly and they ought to relax about that.

There were other assignments like that, and then the system changed. Each industrial department was given a lawyer as its lawyer, and I drew a couple of interesting departments. Then one of them invited me to speak at its sales meeting. I thought about it, and I finally hit on a theme, and the theme was this. Louis Brandeis, when he practiced law, represented lots of major power companies, and he had a session with his clients. The nuts of it was, "Gentlemen, if you insist on walking along the edge of a precipice, I can't tell you when you will fall off, but I can tell you, you will fall off. On the other hand, if you'll tell me what your objectives are, perhaps I can find a different route that will solve your problem with no risk of falling off the precipice."

Well, now, that was a marvelous experience. I addressed this gung-ho sales group and said to them, "You fellows have an image of a lawyer as a guy who learns to say no to you; it's not constructive. I want to tell you, I'm a different kind of lawyer." I went through the Brandeis thing and said, "That's how I feel. If you'll tell me what you're up to, I can help you solve your problems, but if you keep me in the dark, I can't be of much use to you."

The next thing that happened was, the head of the department was getting in touch with the general counsel saying, "You've finally got a lawyer in your place," and that was the start of it. I worked closely with the clients; I attended their staff meetings; I conducted sample surveys of what went into their files; I attended all the sales meetings, that sort of thing, and built a relationship with the people. As they moved up in the business, they remembered who I was.

So, it was that kind of thing. I guess early on I was involved briefly in that cellophane monopoly litigation as well, but the big thing came at the General Motors case in Chicago.

BOHNING: It's my understanding that you directed the final settlement, in terms of the divestiture being counted as capital gains as opposed to regular income for the stockholders.

SHAPIRO: Well, it was more than just me. We undertook a campaign to convince the congress that it was prohibitive to tax our stockholders on an ordinary income basis in a forced divestiture. This was a struggle for several years, and our real problem, it turned out, was that we had a Senator John Williams here in Delaware who was setting up the roadblocks; the rest of the Senate leadership was ready to move on it. I can't be sure, but I think Senator Williams, who came from down-state Delaware, just wanted to sock it to the DuPont family. He didn't care about the other stockholders, so we finally worked out a plan in which the family people paid a tax on receipt of the stock, and all the other stockholders simply got it and reduced the cost basis for the DuPont stock, so Williams got his pound of flesh.

It turned out not to be that painful for the family, because that gave them freedom to move the stock without tax consequences later, but they paid taxes sooner. The State of Delaware wound up with a huge fund that came from the taxes the state got on this and we managed to create a reserve fund to be used for important, unforeseen developments in the state. That lasted a few years. The politicians got through that. [laughter]

But, in any event, the problem was to not penalize the routine stockholder for this. The fact was, the DuPont family had prospered very well on the General Motors investment, and paying the tax was not the worst thing in the world, but it wasn't the same for the average stockholder. He may have bought his stock two weeks ago, and to sock him with taxes at that point would be brutal, but we got it worked out.

BOHNING: What was your relationship with Crawford Greenewalt? What kind of person was he to work with?

SHAPIRO: Well, it started in a setting in which I was much closer to Walter Carpenter. I had known Crawford, but was not really close to him at all. When I came, I'd get called in on some problem and I'd give him advice and he'd almost always say no. All right, my function in life was to give the advice, not to impose it on anybody. Then I began to notice that some months later, after he'd thought about it for a while, his views changed. Then he started implementing the things that I had urged.

I never said anything to him about that; he never said anything to me about it, but we obviously both understood what was happening, so from my standpoint, it was an educational process, and gradually and obviously we became much closer, but in a formal kind of a way. It wasn't until Charles McCoy took over that I really blossomed on DuPont's ninth floor.

McCoy really didn't know me very well, but he knew me by reputation, and he took a shine to me. Then a peculiar thing happened, and these are the kinds of things that you can never plan ahead of time. Ralph Nader used to have teams of college kids he'd set up and send in to investigate a company for a summer. One year, he was going to do it with Citicorp and with DuPont. McCoy was on the Citicorp board; it became a big issue there, and they brought in their law firm, and finally a great plan was produced.

DuPont had played differently, and McCoy called me and sat me down. "We're going to have to face this; you'd better be the guy who runs it, and tell me how you plan to do it." Quite innocently, I sat down, figured out a plan of action, presented it to him, and he said, "My goodness! This is exactly the plan that this great law firm in New York presented to Citicorp." [laughter] I said, "Well, that's not surprising; good lawyers are going to think the same way." But in any event, that fixed it in his mind; he had one man who was the equivalent of this team of great lawyers in New York.

We fought that battle quite successfully. By then, I was on the executive committee, and then he looked to me for an objective judgement. He knew I had no irons in the fire; as a matter of fact, it didn't ever occur to me that I was a candidate for anything more than that. I wasn't quite sure why I got on the committee, but at least I made myself useful on the committee in some constructive ways. When McCoy, with the concurrence of Greenewalt and Carpenter, decided I was the guy to succeed him, there was no one more surprised than I.

BOHNING: Could you tell us a little bit more about the Nader case?

SHAPIRO: Well, sure. The Nader affair was the typical case in which they arrive at a judgment first and then look for facts to justify the judgment. They'd take a half a dozen kids, and they took up residence in Wilmington for the summer. They wanted to exact all kinds of DuPont files and all kinds of DuPont people, and, indeed, they did it in the surrounding area too.

But the conditions I laid down for interviews were simply that we would set a schedule, and we would record the interviews, so there would be a record. They gave us the names they wanted. I produced those people, made a record of it, and they objected vigorously that this was an interference with free speech to record what people said.

They were innocent kids mostly. There were one or two that simply had a lot of old baggage to carry, but it was a lark for them. They went around to the barber shop, for example, and asked the barber whether I tipped decently, [laughter] and things like that. You know, the whole town rallied around us, and wherever they went, all they got was positive information, even if they had to stretch things a little bit, so they wound up writing a report that was obviously negative, but it was intended to be negative from the beginning.

What we did was, McCoy and I sat down and said, "Well, there's no way we can deal with this by just saying we disagree with them. Let's go through this material and find some gross errors, and put out an error sheet immediately." It urges anybody who reads that report to look up these various items, because they were erroneous.

[END OF TAPE, SIDE 3]

SHAPIRO: That turned out to be a ten strike. The local press and the press generally didn't pay much attention to it, but I wound up on the *Phil Donahue Show* some years later, and he was playing the same game. He confronted me, said, "This is what Mr. Nader said, and what is your response to that?" All I said was "Phil, we have tapes of all the interviews, and you're welcome to listen to the tapes. When the report came out, we put out an error sheet that said here are fundamental factual errors in this report, and you're welcome to see the error sheet. Now, after you've gone through that material, then we can have a rational discussion about Nader."

That was far beyond anything he was up to, and the error sheet had credibility with everybody. You know, you wouldn't do that unless you thought you were right.

The Nader thing was a flim-flam, and it was played for publicity. I've heard from some of those kids since then; they straightened out and became fine citizens. One of them is a General Counsel now for a large firm. Another one thought he'd like to be a be a trustee of the Howard Hughes Medical Institute, of which I'm chairman; he wrote to me asking me to get him appointed. [laughter]

You know, it's a small world, and you have to recognize that kids are kids and they have to grow up. They were enamored with Nader, but they got over it.

BOHNING: McCoy became president in 1968, I believe, on the 1st of January.

SHAPIRO: Somewhere around that period.

BOHNING: Then you went on the executive committee in 1970. Had there been other lawyers or legal counsel on the executive committee?

SHAPIRO: Never.

BOHNING: That was the first time.

SHAPIRO: This was the first time. No lawyer had ever been allowed in the business before, not that I know of. They stayed as lawyers and functioned as lawyers, period.

BOHNING: You'd used the term clients before. It sounds like the legal department sat there as a law firm and served the company.

SHAPIRO: Well, that's how I visualized it, that it was no different than if I were in private practice. If I had a client who had a problem, my job was to solve the problem. The only difference really was that I couldn't bill him. I did indirectly because it became part of the cost of the operation, but I went at it on the basis that I was in private practice and these were important clients.

MCNULTY: Do you feel that the behind-the-scenes interactions, giving advice to the management, had more of an influence in your rise, as opposed to your work on the GM case?

SHAPIRO: Well, you can't separate them out; each played a role. I'll give you one for instance, just to dramatize the thing. One of our industrial departments that supplies the automotive industry got into a dispute with Ford. The Ford lawyers had a scheme on patents and tried to force us to take more patent licenses than we needed and pay the royalties, and it just happened to be illegal.

I wasn't a great genius to know that, and so we got down to setting up a meeting to meet. I fired off a telegram to them saying, "I call your attention to such and such a decision of the United States Supreme Court, and at our meeting I would like to have a discussion on whether these patents are available individually or only as a package." I knew that there could be only one answer to that, and when we went to Detroit, we got exactly what we wanted.

Well, the word came back to the executive committee from the operating department saying, "This guy pulled a miracle. We were going down the drain, and all of a sudden we came out winning." It sort of builds up, one incident and then another, and a third, and people say, "Well, maybe this guy is different than the ordinary lawyer, and maybe we ought to pay more attention to his views."

I can't point to any single day where suddenly it was all there. As a matter of fact, I never realized many of these things at the time they were happening. I was just doing my

thing. I didn't know, for example, that our F&F department told the executive committee that I saved their bacon in Detroit. I thought it was a routine thing for a lawyer to do, and it worked, but from a business perspective, it made a lot of money and it had been accomplished without spilling any blood.

BOHNING: Somewhere after you were on the executive committee, McCoy assigned each member responsibilities for specific departments; one of those you got was Fabrics and Finishes.

SHAPIRO: Yes.

BOHNING: Is that when you first met [Richard E.] Heckert? Was he in charge there then?

SHAPIRO: No, this was before Heckert. Heckert was in the Film Department then, and then he moved over to F&F later on. But Dick and I go back a lot of years, because I had the Film Department too. [laughter]

BOHNING: Okay. I'm quoting here from a source that said you were getting an inside view of the workings of an operating department for the first time (2). What was your reaction to that?

SHAPIRO: Well, I was looking for, first, credibility, and that meant the troops had to be convinced that the general manager wanted me in his act, and secondly, I really did want to understand the business better. You can't give legal advice out of context. Once you understood what their business objectives were and what their programs were, then you could start thinking in terms of what modifications will make any difference.

Reaction to what goes on in the department? It was all very positive in the sense that I thought the heads of the department were really quite good, and it was their leadership that made the big difference. There were characters in some of those roles. You had to know how to deal with them, but they could be dealt with, and I never really had a problem. I had enough backing from the heads of each department that the others were responsive when I made recommendations.

As a matter of fact, as I said, a lot of them simply saw me as a vehicle for testing out ideas and getting advice on non-legal problems, so to put it a different way, if you were in private practice, you would spend years building your reputation, gradually getting a following, and the same thing happens in a business—a large business, at least. People don't

simply come to you because you're there. They come to you because somebody else said, "He solved my problem. Get to him; he'll give you an answer."

BOHNING: This was also the time of Corfam.

SHAPIRO: Yes.

BOHNING: What was your involvement in the decision to pull the plug out, as it were?

SHAPIRO: Well, I think that happened when I was on the committee, but it was an obvious answer that was long coming. It really went to Dick Heckert to do the work and make the recommendation, and there wasn't any debate about it. The mistake in Corfam was that it came ten years too soon. If Corfam had been invented ten years later, I'm confident it would have been a huge success.

It all turned on the price of hides, and once the hide market went crazy, it was a great opportunity for Corfam-type products, but that's what goes on in business.

We once built a plant, and before we could open it, new technology had come and the plant was out of date. Those things are part of the risks of running a business. Corfam was a great pain obviously, but we were all big boys and we know what the risks are when we come out with a new development.

BOHNING: What was your agenda for the company when you took over in 1974?

SHAPIRO: Well, that's a tough question, because I no more than took over when we had the oil crunch, and we fell into a deep recession. Suppliers were unable to supply us with raw materials; people whom we'd done business with for thirty or forty years were simply refusing to ship. We went ahead, did what we could in terms of running the business. We had to conserve our capital because we couldn't foresee how long we'd face this situation. I remember, we had lists of projects that were so important, they simply had to be funded this year, regardless. There were others that were projects that should be funded if there's available capital, and there were other projects that the list had said they're good projects, but they can keep for a couple of years without doing any serious harm, and we ran the business trying to allocate capital that way.

On our broader basis, my objective was to open the windows, let the fresh air in, and change the atmosphere, change the public perception of DuPont. That was accomplished

without difficulty. Within the organization, not surprisingly, I sent out a signal that said I'm not interested in what clubs you belong to, who your wife is, what family you come from. The only thing that's going to count is performance, and lo and behold, some people suddenly had careers that they didn't have before.

Somebody had just said, "Well, you don't want a Greek in that kind of position," and I said just the opposite. "Greeks know how to make money; that's exactly the kind of fellow I want in that job." I put him in there, and he was immensely successful and ultimately wound up on the executive committee. The atmosphere changed in the place in the sense that there was only one ground rule that you had to pay attention to, and nobody cared about anything else.

I have to say that it took about a year before I could sense that the troops decided I was okay and they wanted to be supportive. The first year, I think they were doing what I told them to do, but I didn't get the emotional involvement and response that I really wanted, and I understood that. It seemed to be perfectly clear that they had to get to know me before they could decide whether I was okay or not.

But they did decide, and once they decided, then it was easy, because what I did was to recognize right away that the worst thing that could happen to me is if I got isolated and heard only the good news that the troops wanted me to hear. I thought that I was capable of making dumb mistakes from time to time, so I got four fellows that I trusted and I said, "Listen, you guys have got a job, confidentially. If you see me going off the deep end, come in and level with me, fast. Save me from making mistakes that I otherwise might make." And that happened. I had people come and say, "Irv, you ought to rethink that one," so I bought myself an insurance policy without having to pay a premium of any kind.

The rest really flowed from how you dealt with the departments, and their projects, and their objectives; how you dealt with lack of success, when it happened; and how you dealt with people getting themselves into trouble.

We had an antitrust case that was unforgivable. We managed to get out of it all right, but one general manager retired very quickly, and a number two man was given a non-commercial job. The troops read the tea leaves; they knew right away that I wouldn't tolerate any funny business, so we didn't have any. All the years after that, we never had any antitrust problems.

It became first, for me, a problem to make sure I knew what was really going on, and was not just getting good news. I had my ability to wander around the corridors and talk to people and sort of get the lay of the land, and every once in a while I'd pick up something that I wouldn't otherwise have known. By and large, the objective was to be sure you had the right people and then turn them loose and get out of their way, because the worst thing you could do is try to be a mastermind at the top office when it's simply not possible.

My function really was to deal with issues that the department heads couldn't solve for themselves. Occasionally, you had two departments contending for the same objective, and not so infrequently, something boiled to the top, and you sat down and said, "Okay, tell me the story." You heard the story from both sides and you said, "Now, what piece of business is hanging on how we decide this question?" "Well, nothing imminent." "Then, why do we have to decide the question?" "Well, it got started last year and it has to get resolved." "Go on back to your offices. No decision."

That's a trick I learned from the Supreme Court when I was a young Supreme Court lawyer. The Supreme Court never decides constitutional questions, if it can avoid it, and there's wisdom behind that, and it certainly was true in business. Why decide academic questions? So, it worked out fine.

I had the usual problems you have when you've got to tell one man that despite his aspirations, he's at the end of the road, simply because there's somebody better available to fill that spot. Occasionally, I had to get tough with someone. I lost a few friends along the way that way, but that's what you get paid for, decisions. The nicest guys in the world sometimes are the wrong people for the assignment; you've got to have the guts to step up to it.

I've have some experiences like that, but I think that's true in any business, if you're doing the job. You resolve your doubts in favor of the man, but if you still got doubts when you're through, you know you've got to make a move. We tried to do it as painlessly as possible, but a man's career was at stake, and the thought of him going home and telling his wife he'd flunked out is pretty serious stuff.

They were always painful, and you always worried about whether you had made a mistake, but you had to do what you thought your judgment was, and that's that. A lot of those people have since become friends again, but some have not, and you know, that's just part of the territory.

BOHNING: You've commented that one thing you had to do was find the right talented people and let them go.

SHAPIRO: Yes.

BOHNING: How do you select the right talented person? What do you do to find that person?

SHAPIRO: Well, first you look for intellectual capacity; without that there's no point in

playing the game at all. Then you look for the ability to solve problems and make things happen. I found people who had done that, but they'd got to a certain level and the management said they'd peaked out at this level. Then finally, what you do is take one of your best operators and say, "Take this guy under you wing, and after six months tell me what you think of him."

I can think of a particular case where the word was that the man had topped out. I assigned him to a man who later became a member of the executive committee. He came back and said, "If I can have him, I want this man on my team. I think he's tremendous." So, it gave him a reprieve and he turned out to do all kinds of important things in the company and to rise much higher. For some curious reason, somebody had said, "This guy's topped out."

You keep looking for these hidden nuggets that are just mistakes in judgement by somebody, and it happens the other way too. Some people got promoted who should never have been promoted, but the goal line is in discovering the talent that somehow or other was being missed.

My favorite case is my Greek, because he performed beautifully in every assignment he had and retired from the executive committee when the time came. I think of another man whom they simply said was topped out, and he wound up being the profound thinker for the planning operations, dealing with what's the business going to look like five years from now, ten years from now. What should we being doing now to get ready for those events? That's not a man who's topped out.

That was part of the fun of the job, really, discovering talent, and what you learn is the obvious—that some people are glib and smooth, and they're not really solid performers at all, and that some people are very thoughtful, perhaps even too thoughtful, in the sense of projecting themselves forward because they're thinking of all the issues, and there's a tendency to not see their strength because they don't sell themselves.

You look for who is the person who is built that way, and my test was usually to look at their writing. I could judge more from what a person wrote than I could from oral conversation. He couldn't fake it on paper. You know, a meeting in large business is really a people game. Early in my term, I spoke to a group of our scientists in our Philadelphia operation. After dinner remarks, they usually throw the thing open for Q&A, and you find what you might expect; no one wants to ask the first question. Finally, a young Chinese scientist got up and said, "Mr. Shapiro, I mean no disrespect, but I would be interested in hearing you talk about why you think a lawyer, a nonscientist, should head the DuPont company?"

I thought that was a marvelous question, and I told him so. "That was a great question; I've asked myself the same question. I'm going to tell you now what the answer is." [laughter] I took him through a job description for a CEO and reminded him that nobody

expected a CEO to make inventions, or to go on any but a few sales calls. His job is really one of dealing with facts, making decisions. I said, "In all my years in the courtroom, there were years in which you were dealing with an irascible lawyer on the other side, dealing with a jury who may or may not be paying attention to you, dealing with the judge who may be able or not able, and he's making rulings, and you've got to make decisions on the spur of the moment, as you go forward. Anybody who learns how to do that can learn how to make business decisions the same way."

In any event, I'm not sure I ever convinced him that a nonscientist can do the job, but that was my rationale—that if you looked at what the job of a CEO was, it was something quite different than running a laboratory or anything like that. If you're invited to the White House for a business session, what skills do you want? If you're dealing with the press, what skills do you want? It's much more than the internal part of the business.

BOHNING: Which may have been necessary in the early days of the company, where the CEO would have been more involved in the internal part of the business, the chemistry that was going on, for instance. I think when companies mature and grow and become quite large, then you have more layers between you and the operating systems.

SHAPIRO: Yes, well, I think there's more to it than that. I think in the early history of DuPont, the family people who were the key people in those days really saw themselves as bankers. They assigned various areas of jurisdiction to talented individuals to run, and when any one of those people came in and said, "We've built the business up to this level; we now need money to build another plant," you could make your case in about fifteen minutes, and they'd say yes or no. It was that simple.

Sure, they visited with each other about new developments and research, products, and all the rest, but they really saw themselves as non-operating people, and they saw themselves as a layer above that. It was said, at least, that they would sit still, even if they thought a department head was making a mistake. They wouldn't intervene, tell them not to do it. Well, I didn't see any sense in that. They don't want the mistake, period, but that was their state of mind; they saw themselves as bankers with funds.

BOHNING: What was it like being CEO of a company in which a lot of power was in the executive committee?

SHAPIRO: It wasn't tough, because over the years you'd built up enough procedures, systems, so that by the time an issue got to the executive committee, you knew you were going to get all the relevant facts. What you really got down to was a judgment about the sponsor of the project, the department head. How reliable had he been in the past? How

much did he borrow on his facts? If he had a five-year forecast, what discount factor should you apply to it? And you had a different number for every one of those fellows who came in, because you were dealing in a world in which you were hearing only from proponents.

In those days, DuPont didn't even have a planning group to provide the management with data that might counter what the proponents were offering you. That's one of the things I created that has turned out to work very well. It's sort of incongrous, really, in a large business, not to have a central planning group that kept the executive committee fully advised.

[END OF TAPE, SIDE 4]

SHAPIRO: I think the issues really were, first, are you satisfied on the facts? Is everybody satisfied? And, secondly, do you want to put capital into this particular business? Sometimes the answer was no.

I remember, just as an illustration, a venture with a leading Mexican businessman, and the plan involved building plants in Mexico. DuPont had an establishment in Mexico, but this was in addition to the joint venture. One sole voice spoke up and said, "I disagree with you guys. I think this is the wrong thing to do," and he made his case. By the time we got through talking, we agreed with him and changed our position. I drew the short straw for flying down to Monterey and telling the proposed partner that it wasn't going to happen.

That's what made the system work; you had a half a dozen people sitting around the room who saw each other everyday, trusted each other, had respect for each other's judgement. You tried to come to the best decision on the merits. Anybody's objection was entitled to be closely examined. There were times when you heard it, examined it, and said, "We disagree and we'll go," but there were other times when someone waved a red flag and we had to start rethinking things.

You know, sometimes it happened to me; from time to time, I'd wake up in the middle of the night and something would say, "You haven't got the right answer, you'd better rethink what you're doing." I used to have a pad by my bedside. I'd jot down these ideas, some of which turned out to be wild when I woke up, but nevertheless, there was a mechanism inside that said, "Despite what you said, it's not the right answer and you ought to rethink."

Usually when I did rethink, I came out with a different answer, and it was a better answer. I can't explain that. I think you need the world of medical science to deal with that. But I knew when my gut judgment wasn't satisfied, and it gets us into the whole business of what is the gut judgment and how do you know, and why is it different from your brain. I think it is. I think you can rationalize a lot of things in your intellect, but your gut judgment won't be persuaded that way. It's your intellect saying, "There's something else you've

overlooked here, something better; think it over again." I've never gone against my gut judgement that way. That's something that's a warning sign; you'd better pay attention when it happens.

MCNULTY: What was your relationship with Edward R. Kane?

SHAPIRO: What was it? Difficult, in a curious way. Kane thought he was going to succeed McCoy, and it came as a great blow to him to discover that he was not, and I did. In the back of his mind, he was never quite happy with having to report to me. There were days when he thought he had really been appointed and behaved that way, and I had to have a heart-to-heart talk with him and explain to him that there couldn't be two CEOs in this company. Either I was the CEO or I'd be gone.

I finally got him educated. This was just a personal thing with one man who thought he had read the tea leaves and the job was his. The real reality within this world is, there are no tea leaves; either you're appointed or you aren't. [laughter] I understood what his problem was, but within limits could tolerate it. Beyond those limits I couldn't.

BOHNING: During your term there was a change in attitude about research and development.

SHAPIRO: Yes.

BOHNING: I have a few quotes here from the Hounshell and Smith book. One says, "Researchers interpreted the selection of a non-technical person to run the company as a de facto de-emphasis of research" (3).

SHAPIRO: I think that's a lot of nonsense, because those people never talked to me when they did that book. They had selected sources.

No, as a matter of fact, I was fully committed to research, for obvious reasons. Twenty-five percent of our product line had been invented within the past ten years, and so I knew this was how you fed the business; this was how you distinguished DuPont from everybody else in the industry, and there was no issue about that. The issue I had to face was, given the lack of scientific background myself, I couldn't count on myself making all the right calls in the research world, so we changed the system and said that we were going to have a member of the executive committee with direct line of authority over the entire research establishment, and I appointed Ed [Edward G.] Jefferson to that role.

That had a couple of great dividends. First, he got rid of the problem of researchers just researching something that they thought of but which had no practical business worth. We had to put a focus on what the markets needed rather than just playing around. Secondly, we had a central research group, and we had research groups in each of the industrial departments, all of which worked separately. All of a sudden we started exchanging data and working together on various projects, and it became, I think, a much more favorable atmosphere for getting research done.

No, I think the answer to the book is just simply, if you look at the money allocated for R&D, it kept going up. The last thing I would have wanted is to be a non-scientific person cutting back on research. It is the wrong signal. But you can get that kind of literature if you're not careful about what the sources of the facts are. [laughter]

If you look at it in pragmatic terms, I'm sitting there with five other members of the executive committee, all of whom came up through up the research establishment, and it wouldn't take very long to have five guys in rebel calls if I tried anything as crazy as that. The simple answer is that it didn't make any sense business wise to go down that route. As a matter of fact, I'm critical now of the current management for having cut their R&D expenditures. It seems to me that this is the life blood of the business. If you don't have vigorous, strong, successful R&D operations, you're just giving up your future. DuPont could not have lasted all these years but for R&D.

BOHNING: But wasn't there a period where—and I think DuPont did the same thing—you buy the new technology instead of developing it.

SHAPIRO: Well, let me put it the other way. I think there was a time in history when you had a not-invented-here psychology, and people didn't want to pay any attention to what others were doing; they wanted it invented in their own shop. I think DuPont finally outgrew that and said, "If it's available elsewhere, at a price that makes sense, we can use our research dollars for other research." That happened, but it was a profound change from the not-invented-here syndrome. I don't think it had any significance at all in terms of any research program, because you've got almost five thousand researchers on the payroll at any point in time, and this is crazy if you don't want to be in the R&D game. I'd put it the other way; I think business acumen came to R&D.

BOHNING: One of the things you also did early in your tenure was to stress that there would be employment opportunities for minorities.

SHAPIRO: Yes. I made a discovery, first of all. I discovered that whatever I said publicly meant more to the organization than whatever we said in private communications, so I simply

went public and told the press that my objective was that by the time I retired, the presence of women and minorities in DuPont would be so commonplace that no one would even talk about it.

It didn't quite happen that way, but it did open up a lot. People still can't understand why—well, there no longer is an executive committee, but if we had an executive committee of six people—they can't understand why three shouldn't be women. There's no reason they couldn't be, but the fact is that you get there only by accomplishment and the judgement of your peers that you deserve to be in that kind of a role. You don't do it by counting gender, or counting race, or counting anything else. You want that to happen to the best people you've got.

MCNULTY: Have there been women on the executive committee?

SHAPIRO: No, not yet. There have been women in vice presidential roles. Well, there is no executive committee, so I can't answer it that way. Now you've got an office of the Chairman, and you've got the Chief Financial officer, Chief Personnel person, and the Chief Operating man, and the Chairman. It's a question of a woman achieving that level, and there's no reason why it can't happen, but you can't speed it up. You've got to go through the steps and convince everybody you're more able than somebody else.

I don't really think there's any bias that affects it, because you've got Ed [Edgar S.] Woolard right now; he's got two daughters, no sons. He's very devoted to women's issues. If there was someone he thought was ready to be Chief Financial Officer, I assume she would get it. Merck did that; they have a very able woman who is Chief Financial Officer and a key person in the organization, so it can happen, but it depends on the luck of the draw in terms of your personnel. Woolard would give his right arm to be able to make that kind of appointment.

BOHNING: You dealt with the energy crisis, which came soon after you started. [laughter] I don't think I want to say anymore about that, but that was certainly a trying time for all of the chemical industries.

SHAPIRO: Yes.

BOHNING: Later on, in the seventies, the whole idea of competition, especially foreign competition, became a problem as well.

SHAPIRO: Yes, but the answer is that it worked both ways. We were doing more in Europe and other places in South America, other places in the world, and suppliers to those areas are coming more heavily into the United States and acquiring companies and competing here, and that's how it's worked out.

ICI is a major factor in this country, under a couple of names. The Japanese are the one exception. The Japanese chemical companies haven't come here in a big way, but you'll find DuPont all over the world. It's not uncommon to come to a strange city, and all of a sudden, you see a DuPont building.

And so, a revolution has really taken place. The world of the pre-war period is gone forever, and here now, we're seeing two, three, four key companies in every product line being established all over the world, and they're wherever their market is, so it's a totally different marketing situation then we had before the war. I think, essentially, it reflects aircraft and communications. The computer has changed everything. You could be any place in the world but still handle the business at your desk. Once that happens, it's a whole different world.

BOHNING: What effect will NAFTA [North American Free Trade Agreement] and GATT [General Agreement on Tariffs and Trade] have on the chemical industry?

SHAPIRO: Well, I'm not close enough to it to have any judgments of my own. Ed Woolard has been very enthusiastic about them in terms of how he sees the benefit to DuPont, and I think—at least on the theoretical basis—that's right. Anytime we've got the freedom to export without heavy duties, or the freedom to manufacture abroad and import to the United States or elsewhere, then it's bound to benefit us.

The real challenge is in the footnotes and things like that, not the concept, if it works as intended. We've had one big office building in Mexico City called the DuPont Building, filled with Mexicans, and I assume they'll have two or three before we're through. There's a whole market there that's being developed. We've been at things in Mexico since 1909, but in lots of areas, there was regulation; we had to have a local partner. There were lots of reasons why we limited ourselves, and all that's gone now, so I think we're going to see profound changes in world commerce. We're probably going to see a smaller number of companies in each of the major markets there simply on the basis that if they can't be first or second or perhaps third, then they can't really compete, because the large firms are going to have the capacity to serve those markets.

Then there are the other problems you get. When you go to Japan, for example, you know you can be shut out of some markets, whether they admit it or not, but you learn to manage those problems.

Well, I'm very enthusiastic about what's happening in the world now. There are lots of people who wring their hands and say we're moving jobs from the United States abroad. It's true, we are moving some, but there are jobs coming here too. ICI is in the United States and people have got lots of jobs. In a different world, it would be nice to debate whether to build your next plant in North Carolina or South Carolina, but in the real world, unless you're where the market is, you're not going to sell your product, so that dictates that now you go to the Far East and establish manufacturing facilities there that will serve those markets.

So, there's change. Some people get hurt in the change. I think the worst offense is to entry jobs. As the sewing trades disappeared in this country, you have to remind yourself that that's how lots of people started their working career, in the sewing trades, and they're going to be gone. You're going to have what you see now. They have the fabric cut here and then shipped abroad to be sewed, and then brought back, and as long as the markets abroad are on a different cost level, people in this country have got no alternative but to do it, because they've got to be competitive. If they don't have a competitive product, they can't sell it.

You can't turn back the clock and say, "We won't let things change." The trick, I guess, is to recognize that change is inevitable and move with it as fast as you can to get the advantage.

BOHNING: You mentioned earlier that you had selected Ed Jefferson and you would essentially select him again.

SHAPIRO: Yes.

BOHNING: What was it about Ed Jefferson that caused you to select him to look over the research and development?

SHAPIRO: Well, that was an easy call. He was highly educated. He had had research background. He had run an operating department with his own research division, so that he was thoroughly familiar with all of the research establishment, and on top of that, I thought he had the guts to make the tough calls, so he wouldn't just be a nice guy. That was one of the decisions that worked out quite well.

Now, it's hard to realize that prior to that, each department was doing its own research thing its own way. The central research department was in business for itself, with no direct line of responsibility except to the executive committee. Common sense, as we look back on it now, says it probably should have been done a lot sooner.

I've seen inventions that were marvelous, but they didn't have worth in the marketplace, and I ask myself, "Why did we do this?" [laughter]

BOHNING: Do you feel that there was reluctance on the part of the research community to accept these changes?

SHAPIRO: There was some in the beginning. There was an aura of independence that they wanted. On the other hand, there were lots of researchers who recognized that they could play a much greater role in the success of the business if they had some focus on what the business needs were, what the market was after. So we had mixed views, but having had independence for all those years, there were some people who thought that they'd lost something when they got a leader from the executive committee. It didn't amount to anything, and they got used to the succession quickly, and I think most saw it as a benefit.

BOHNING: You received the Chemical Industry Medal in 1979, and I was going to ask you why you selected as a topic for your address, "The Media as a Mirror" (4). You've somewhat answered that already, in terms of saying you wanted to be open to the media. What do think has happened since 1979 in the relationship with the media?

SHAPIRO: Well, we've lost some ground. I think that Dick Heckert was pretty good with the media, but I don't think Jefferson was, and I don't think Woolard has been. This is a strange phenomenon—grown men become fearful of stuff that appears in the press, and they run from it, so they have somebody else deal with the media. They've simply been unwilling to recognize that the credibility of the CEO does everything with the media; once you send somebody else, you don't have that credibility.

My relations with the media were such that to this day, I hear from people. There'll be a piece in the *New York Times* this Sunday (5), and you ask why are they doing anything about me—I'm out of the job thirteen years. Well, some reporter thought that in the holiday period, they ought to have a nostalgic, warm, fuzzy piece, and she remembered me and she called up and said, "Will you talk to me?"

What people don't understand is that the media are crucially important to the success of a business. If you get good press coverage, it makes a world of difference. You're trying a lawsuit; if the jurors read good things about your company, they have a different attitude towards the company. Now, if you're in congress, testifying, and they've read about you in the *New York Times* or the *Washington Post*, you get a different reception, and that's certainly true with the government agencies. That's even true with your own people.

I'll give you a little for instance; over the objections of my PR people, I agreed to go

on the Phil Donahue talk show. He's still doing talk shows. It turned out very well from my standpoint, and DuPont's standpoint, so the same people who had urged me not to do it suddenly decided the tape of this show needed broad dissemination among DuPont employees. They announced that they'd be running this thing at lunch time for a couple of days in the Nemours auditorium, and they were overwhelmed with people brown bagging it and watching the tape, so they sent it abroad to DuPont operations and got the same reaction.

I got letters from employees. I remember one particularly, from a secretary, and she said, "I knew about you, and I saw what came through officially, but I never could visualize you as a person until I saw that tape. Now, I'm excited because I really relate to you. I just want you to know that I'm a loyal DuPont employee and I'm going to do everything I can do to help DuPont achieve success."

What it says is, your own people want to see you recognized outside the company. They want to see good coverage, and they read between the lines. If he's saying this, what does that mean inside the company? As I said before, this is one mechanism for communicating with your people. It's a much more effective mechanism than sending out bulletins.

And so, without going overboard on the subject, I think you can't be in business without treating this as an important subject that needs attention. John DeButts, when he ran AT&T, had a private line in his office, and he just told the press, "If you want to know anything about AT&T, just call me on my private line. Don't bother with the PR people at all." It worked marvelously. Everybody who called felt an obligation to that man, and when they could, they wrote something nice.

I didn't invent the concept, but I used it effectively and established my credibility, and it worked.

[END OF TAPE, SIDE 5]

BOHNING: Could you say a little bit more about the Business Roundtable? You chaired it for two years, I believe.

SHAPIRO: Well, the Business Roundtable got started at the suggestion of Arthur Burns, who was then Chairman of the Fed. He told his business friends that he thought business was doing a terrible job in Washington and that trying to deal with Washington through lobbyists was not a very good idea. So, a handful of businessmen organized something, and it really started out more as a labor relations operation than anything else.

When I came in, McCoy asked me to take his place on the policy committee of the

Roundtable, and I went to a couple of meetings. I told him right out, this thing wasn't going to work; these guys were much too confined in their outlook. Well, to make a long story short, we convinced people that the way we ought to function opposite government is through CEOs, so only CEOs were members of the Roundtable.

We were organized into little groupings, each one with a topic. Reginald Jones of General Electric was the key man on taxes. He knew more about taxes than most of the people in Washington. Russell Long was chairman of the finance committee, and he'd invite Jones down, and they'd spend an afternoon talking taxes. When Carter was going into the White House as President, Jones gave him a lecture on taxes.

Each of us had a different field that we specialized in, and the objective was not to lobby in the traditional sense but rather to be fact finders, to get all the facts on a given subject, then to have the CEO, not his staff, sit down with the senator—or the government agency, whatever it is—and say, "Here are all the facts. Here is the case for our point of view. Here are the answers for people who support different policies, but you've got all the facts now."

I've had more than one senator say, "Thank you. I've never before had the experience of someone lobbying me and giving me all the facts."

It's the same thing at the White House. You always had collisions between government agencies and business interests. Try to get them resolved at the White House level, and they'd bring in the agency head. You had someone speaking for the Roundtable who had assembled all the facts and said, "Here, let's agree these are the facts. Now let's talk policy."

I'll give you a marvelous illustration. When Carter was running for President, a suggestion was made by Bob Strauss, who sort of followed industry activities. "It would be nice to invite Carter to speak to the Policy Committee of the Roundtable," so I did it on the basis that anybody running for President certainly ought to have access to this crowd, and he turned it down. Nobody's heart was broken; most of the members were Republicans, and they were just being good guys.

But, in any event, Carter got the nomination, and then he called a meeting in a motel at the Atlanta airport. I attended, and it turned out there were twenty-two people, all of whom had wanted something from Carter, and he'd turned them down, so he now had them all in. We had a luncheon, and we drew straws for positions, and each person was given three minutes to say anything he or she wanted to say to the nominee and his lieutenants who were there.

As fate would have it, I drew number eleven and listened to all these other people make pitches about their self interests, one way or another. I just started by saying, "Governor, I want to tell you about the Business Roundtable. I have to tell you right off, most of the members of the Business Roundtable are Republicans, but we do have access to

facts and knowledge about lots of subjects that might interest you during the campaign, and I want to volunteer. If you would find it helpful, we would be glad to put together position papers on any subjects that you ask for." He snapped at that right away and said, "That's a good idea; let's do it." He turned to Burt Lance, who was seated next him, and said, "Work it out with them."

Well, to make a long story short, we got a list of nine topics, and in two weeks, we delivered nine position papers, objective on all the facts and stating our views of what we thought the right answer was.

Now, I don't know whether Carter ever read any of those papers, but he remembered that the Roundtable had offered him help, and I'm sure his staff people had read the papers, so when the Administration was formed, the Roundtable people were at the front seat with a chance to express views, with a chance to nominate people for serious considerations for appointments. As a matter of fact, he had me picked out as a serious contender for Secretary of the Treasury. I had to do a little dance to get him turned off, because I didn't want to be in a posture of saying no to a President.

The other dividend from all this, which was unintentional but which was very important, was that we discovered very quickly that CEOs didn't know much about the political system, how it functioned, what was important to it, how to deal with it. We were really running a course for CEOs on how to deal with the external world, and I'll give you one illustration again.

We had organized an arrangement with the Speaker of the House to meet with him twice a year with his key lieutenants, to address various subjects that they thought were interesting to them. The first session went so well that instead of lasting an hour, it lasted all afternoon. When it was over, we got word from the Speaker. He said, "You had a man who reported on the oil industry, but he reported by reading a paper to us. You should understand that you don't read papers to members of the House." "Well, okay, we understand you, and we appreciate the good advice."

We brought the same man back for the next round, and he just sat there and talked off the top of his head, supposedly—no papers at all—and came through fine. Everybody learned a lesson. You wouldn't think of it right away—that people in Congress would prefer that you not read something to them—yet when you reflect on it, you can understand why.

So, we did two things. We educated business itself. Secondly, we acquired skills in terms of lobbying the government in a positive way, and we got our voice heard. A lot of things didn't happen because people listened to us.

For instance, there was a movement afoot to create an Office of Consumer Affairs to supplement everything else that the government had. It made no sense at all, in practical terms, but it was a political thing, so we sat down with everybody who would listen and said,

"If, with the establishment you have in place now, you think there are consumer affairs problems that are not being resolved, why do you think creating another agency will make it any different?" Finally, they recognized the reality and backed away from it. At the start, Nader had that thing at a boiling pitch.

The ability to get your voice heard on the merits is crucially important to every business, and to this day, I can go down to the Senate, to the House, and people will remember me and will listen. I don't have to do it anymore, but they learned who they can trust. Indeed, we've had this experience. I brought Crawford Greenewalt down once. He saw certain people and didn't see certain others, and the ones he didn't visit were insulted that he didn't give them attention too. Well, once I learned they felt that way, that mistake was never made a second time.

So, the issue is how do you communicate effectively, and lots of times it's not by writing a letter or making a phone call. It's by sitting across from each other and making sure that all the facts are on the table, and then making your argument. You'll win converts that way.

BOHNING: Another problem that you faced was a twofold one, going in opposite directions. One was the declining public image of chemistry and the chemical industry, and the other was an increasing government regulation system.

SHAPIRO: Well, the two had some relationship. As long as government agencies thought the public saw the chemical industry in a negative way, they were encouraged to throw the book at the industry.

It was the *Phil Donahue Show* I was speaking of earlier, and the reason for going on that show was that I could get an hour of commercial television time to espouse the views of the DuPont company, without spending a nickel. There was a gamble involved, but the fact that it was received very well meant that lots of people had a new view about DuPont.

Now, the same thing is true with these public policy questions. Unless you educate the public, you're not going to get far in Washington. You can't deal with these problems by simply using political connections and saying, "I gave money to the Republican party; therefore, I'm entitled to be heard." They'll receive you, be gracious to you, but nothing will happen. You've got to convince people on the merits that these are sensible people with a rational point of view and you ought to be able to work with them.

One experience, just to divert again. There was an environmental issue and the EPA was going off in the wrong direction at a full gallop. We thought they were wrong in what they were doing. We raised the issue with one of the President's staff people, and she said, "Well, let me get the administrator in and we'll talk together," and everybody applauded that.

We had a series of sessions at the White House trying to find common ground, and then, lo and behold there was an election, and Carter lost, and the people in industry who were naive about the political world assumed that now that Carter had lost, they didn't have to worry about this problem; the Republicans would bail them out. That was sheer nonsense.

So, some dropped out of the working group at the White House; the rest of us went through with it, and we got a package that everybody could live with. Congress enacted it, and when the President signed it, in his signing message he explicitly recognized the fact that this legislation couldn't have been obtained without the cooperation of the chemical industry. Well, that's what you're up to.

Obviously, if there is a fundamental problem of some kind with a product, you can't paper it over by talking, but most of these issues are not of that nature at all; they're the issue of if the water is ninety-eight percent pure and someone wants it ninety-nine percent pure, and everybody can drink the nine-eight percent water and swim in it and everything else, is it prudent to spend a hundred million dollars on the water rather than use that capital to build a plant to provide jobs?

It's those kind of arguments where you have to get your point of view heard, and interestingly, the newest Justice of the Supreme Court gave three Harvard lectures on that very subject, which are now out as a book, and his conclusion was that most of what government had done was mistaken. It was a waste of resources and didn't attack the real problems.

So, what you're talking about is not anything that is inherently evil, but rather judgment calls on whether the line should be here or here, and how to make the right call. Bear in mind that you're usually dealing with young people, not a lot of experience; they've got good hearts and they've got thoughts about what they want to do in the way of a contribution, but they're lacking experience. They're lacking access to key facts, and if you can establish a rapport in which you can get your side heard, you'll make progress.

They're up and down all the time; there's no question about it, depending on who's in office and what the PR of the thing is. Half of the things that happen obviously happen because it's good press, not because they're fundamental problems that need addressing. Nonetheless, that's the world you live in and you have to learn to function in that world.

BOHNING: In an article in *C&E News* in 1979, you spoke of a number of antitrust suits against DuPont at that time. You said, "We were being used as a guinea pig" (6).

SHAPIRO: Well, I'm not sure; I don't really remember that, but I'm not sure I spoke in the present tense rather than the past tense. There were a number of antitrust suits against DuPont in the forties. Some were still pending when I arrived in the fifties.

There was a time when DuPont had ten antitrust suits pending against it, and the line always was, "We have as many antitrust suits as we have honors from the Defense Department." Now, they gave you some kind of a symbol in those days, and DuPont was large and it didn't deal with the subject very adroitly, and the antitrust division enjoyed bringing the cases. What we did was simply—I didn't do it, but they did it at the time—adopt the policy of not settling any of the cases; litigate every one. They won a fair number of the trials, and all of a sudden, the antitrust division lost interest in DuPont, because it wasn't an easy win.

Now, we didn't have a slew of antitrust suits in the fifties at all. The last one I remember was the trial of the cellophane case in the early fifties, and we won that.

BOHNING: When you reached retirement 1981, how did you look back at what you might say would be your legacy to the history of the company?

SHAPIRO: Well, I was quite pleased with myself for two reasons. The first was that I presided in a transition period, from the DuPont family to skilled managers, and I did it without spilling any blood. That meant a lot of hand holding, a lot of consulting, a lot of convincing people that we ought to raise the dividend and all those sorts of things, but I operated to preserve the role of the DuPont family, a historic role, without having them really interfere with the management of the business. I solved it by communications. No surprises, and therefore no problems.

That's one of those unrecognized things that I think turned out to be very important. On the other side, we had come from rock bottom in the 1974-1975 period, when they had the oil crunch, to the fact that the business was running quite well in the late seventies, and I finally decided I was a businessman too.

I think the final statement I may come back with is this. In every business, the first order of business for a new CEO is to be prepared with his successor and to recognize that most of what you do is going to go down to your successor, for good or for bad, so when I retired—and we had a succession that everybody thought was fine—that was a load off my back, and I thought I had accomplished it.

BOHNING: Had you thought when you retired that you would really retire, as opposed to ending up with many other activities on your plate?

SHAPIRO: Well, the answer to that is this simple. In 1979, I bought a house in Florida, and said, "When I retire, I'm going to spend more time around here and take life easy." The closer I came to the retirement, the less I though of that idea. Then that was encouraged by

lots of phone calls. Suddenly law firms discovered me, and everybody wanted to bring me in as a partner in New York and Washington; some offered to open offices here. It suddenly dawned on me that well, if I was that attractive, maybe I ought to take a few years of it and make a few bucks. I finally decided I'd do it for three years and retire at age sixty-eight.

Well, three years has come and passed. I'm still at it. [laughter] I guess that the honest answer is that this is more fun than anything else I can do. Once you've got a pension, you stop worrying about supporting yourself and you do the things that turn you on. I discovered that a client with a problem is a lot of fun, and solving the problem is a great thing. I get a great charge out of it, and making money is even nicer.

I hate to get up with the idea that I have to go play golf everyday. I sort of like the idea of coming in. "We've got a crisis today." "Well, let's work the problem and see where we come out." Most of the people here have parents who are the ages of my children, so they can't figure me out at all. [laughter] I'm just from a different world, but they're respectful, and when I bring in some business for them they appreciate that. These are all bright kids in their twenties and thirties.

MCNULTY: What kinds of clients do you deal with?

SHAPIRO: Recently, a company wanted to take its stock public, so it retained us to prepare the proxy material and everything and file it for public distribution, which is a major undertaking.

Very often you get situations in which there's a conflict between two companies, and you really need someone to sort out the facts and say, "Here is the issue. Why don't you guys sit down yourselves and see if you can't solve it, rather than spend a lot of money having this litigated in a courtroom?" Nine times out of ten, they solve the problems themselves. So, in a very real sense, I'm a problem solver. I no longer go to the law library and research law. I couldn't keep up with the kids. They're better trained than I am.

I'll give you a different kind of an example. I got a call one day from a lawyer I knew very casually, and he said, "I've got a client who needs your kind of experience. Can I bring him to see you?" "Sure, come ahead."

Well, it turned out he was a man who had inherited a minority interest in a major newspaper, and the majority interest kept the dividends low and kept the stock price low, so this fellow could never live the life he wanted because he never had access to his capital. There was no market for the stock, so the trick was to figure out a way to get him cash for his stock. That involved some litigation, some discovery material, and ultimately conducting an auction to sell a minority interest in this newspaper.

[END OF TAPE, SIDE 6]

SHAPIRO: Lo and behold, *The Washington Post* and Gannett came in as bidders, and we got the man more money than he'd ever dreamed he would see. It all happened because I could go to an investment banking firm and say, "I have a client who's cash poor, but he's got this asset. If we can work it so that we could sell the stock, we'll get paid. If we can't, there's not much money here because the guy's just barely eking out a living." The investment banker said, "Well, we do a lot of work together; we'll take a chance."

We accomplished it. Then we had a dinner in New York for this man and his family. It was fascinating just to listen to it, because he had a very talented daughter who had an important position in Washington with an accounting firm. Her husband was a medical researcher at the NIH, and of all people, he's the one who spoke up over dinner and said, "You know, I want you to understand what this means. We were about at the point where I was prepared to resign from the NIH and go out to make money, because I've got children who have to go to college. Now I don't have to leave the NIH. I can do my research work at NIH, and there'll be enough money for all of us to live our lives."

Well, you don't think about those things every day, but seeing a family this way gives you a nice sense of comfort that you've done something constructive. You know, I had a call a couple of months ago from a doctor in this town who said, "I'm in trouble; I need your help." I said, "Well, come on down. I'll buy you lunch and tell me."

Well, he's a specialist and most of his patients are DuPont employees or DuPont pensioners. DuPont changed its healthcare coverage to a different company. That company came into town and selected a group of physicians as its authorized physicians, and he didn't hear about it until late in the game. When he heard about it, he went to them and asked to be put on the list as an authorized physician. They said, "No, it's too late," so he took the appeal to Philadelphia. It turned out against him, and he said, "I want to sue. They're going to put me out of business."

It's a real dilemma. It happens to lots of doctors, and it's a real dilemma. I said, "Well, the first thing I've got to do is check to see whether our firm has represented that insurance company, because if they <u>have</u>, I'm disqualified from representing you." I checked, and sure enough, we've done a lot of work for that insurance company, but instead of signing off, what I did is call the partner in the firm who had represented the company and said, "You know, here's the dilemma. Why can't you talk to somebody you know in that company and get them to be sensible. Putting this one doctor on the list isn't going to make any difference to them, and it makes an enormous difference to the man." He said, "Let me talk to the people of the client and I'll call you back."

He called back, and he said, "Now, I want you to have your client call so-and-so, who's Chief of Healthcare Operations in the legal department. He doesn't want any lawyers

involved, so don't you get on the phone; don't have anybody on the phone except your client."

I went out and sat down with my client and said, "Doctor, now do what I tell you this time; don't get off the reservation. Now, don't call this afternoon; call first thing in the morning when they're fresh, and tell your story and see what happens."

Well, the answer was, they put him on hold for ten days, then called up and said, "You're in." If we had sued, we'd still be litigating.

I didn't make a nickel out of that, and I didn't want to, but here was a fine doctor—my own doctor, as a matter of fact—who would have been really destroyed financially if we hadn't solved a problem. I get a tremendous charge out of doing something like that. All that was involved was a phone call, but having the ability to call the right person to get something to happen was the whole ball game.

So, you try to get all the business you can, do all those things, but down deep you know that's not really what you're after. You're after the ability to use your skills in a constructive way.

A few months ago, the Governor called up and said, "I've got to have you here." "Why?" "Well, GM has announced they're going to shut down a plant here. That's thirty-six hundred people out of jobs, a lot of suppliers, a lot of business as well. We've got to get organized and take steps to have the state respond as best as we can." "Well," I said, "all right, I'll take it on. We'll do the study and get the facts on one condition—that is that you don't demonize General Motors. Don't start on the premise that they're evil and we're going to correct evil. Instead, start on the premise that they're fine businessmen. We've had them in Delaware for a lot of years, and economic circumstance may be forcing their hand, but we want to work with them."

Well, to make that story short, we did a number of things, including organizing the small business manufacturers in the state, and I found two hundred truly exciting businessmen whom I'd never heard of. They're people who had started up businesses and grew them. We had one fellow who'd started working with DuPont, and now had his own business. He was doing business all over the world and had two hundred employees.

To make a long story short, we got the state organized to improve its practices with respect to manufacturing in the state, and secondly, we maintained our relationship with General Motors in such a way that when the automotive market turned up, they came back and said they were not going to close the plant in 1996, as they had said.

You can't put that in the books any place, but the fact is that when we're doing it the right way, we accomplish something. I get satisfaction out of that, a lot better than hitting a bad drive on the golf course.

BOHNING: Do you still golf?

SHAPIRO: I quit this year. We got worse and worse as we got older, and my wife and I looked at each other one day and said, "Why are we torturing ourselves? We're not having fun any more!" "All right, let's call it quits." There's no point in making your body do something if you can't do it well.

As a matter of fact, I just got a check from my club this week; I'm getting a refund on my membership.

BOHNING: I know we've taken up quite a bit of your time this morning. I've got just a couple more questions, if you have time.

SHAPIRO: You've got me until you're out of gas.

BOHNING: Okay. [laughter]

In 1985 you wrote a book with someone from DuPont.

SHAPIRO: Yes.

BOHNING: *America's Third Revolution* (7).

SHAPIRO: Yes.

BOHNING: Why at that point did you decide to write that book?

SHAPIRO: Well, I let myself get talked into it. I had made a series of speeches on various public policy issues and business. People came around and said, "You've got to convert those speeches into a book." Then Harper came in and said, "We'd like to publish it," and that was too tempting to walk away from.

I'm not sure, if I had my life to live over again, I would have written a book. It became very successful on college campuses, but the rest of the world didn't give a damn about it at all! [laughter] I can go up to the Kennedy School and I'm a big man there,

because they've got the book. But you don't realize what you're really getting into when you write one of these things, if you're going to do it well. It was a major undertaking. I wouldn't regard it as a financial success, although I had no financial stake really. Since it involved the speeches I've done at DuPont, the royalties were set to go to DuPont.

BOHNING: Then we come to Howard Hughes Institute.

SHAPIRO: Well, that's a different world entirely, and I might add, it's the second time in my life where, as a nonscientist, I'm running an operation that depends on scientists.

Howard Hughes. It's a long story, you know. When Hughes died, there were three other retainers who sort of saw themselves as the executive committee of the Howard Hughes Institute. Then there was Hughes' nephew, who didn't buy that at all, so he brought a lawsuit against these people, challenging their authority to run the Institute. In the meantime, these three guys decided they'd better bring some fresh blood in if they're going to have any respectability, so they got my name from the retired dean of the Harvard Business School and propositioned me.

I said I was interested, but <u>not</u> while they were in litigation; if they got that resolved, I'd consider doing it. After a trial, the judge ruled that these guys were <u>not</u> authorized, and since there was no one authorized, the Court would appoint a board. He appointed eight trustees and left one vacancy to be filled by the eight. Each side submitted names for consideration, and lo and behold, my name survived, so I got involved with this thing as a trustee and was appalled at what I found.

They were running a decent science program, but their business affairs were simply chaotic. They were engaged in a long-term fight with the IRS, dating to 1969; penalties were accruing at some huge sum per day. I took one look at that and said, "Well, the first thing we're going to do is make peace with the IRS. We can't live with these kinds of penalties, because ultimately we'll be out of business if we continue this."

So, we recruited a first-rate staff of tax experts, then went to the IRS and said, "It's a whole new ball game. The people you've been fighting with are gone. They're really not gone; they're part of the trustees, but they're surrounded by new trustees, and it's a whole different ball game." Over a period of a year and a half, we proved that to them. We worked out a settlement that was quite satisfactory, so we solved our IRS problem.

Then, at the same time I recognized that here was a medical research operation of quite some significance which was dependent on dividends from a single company. If that company ever had a bad year, their research program was in difficulty, so we made the same decision that the Ford Foundation made when they took the Ford shares public. We said, "We're going to sell the Howard Hughes Airplane Company and use the proceeds to finance

medical research."

Well, sometimes you have to have divine guidance, and we happened to pick a period when that industry was as its peak in the market. We ran an auction and got over five billion dollars for the company from General Motors. There were two others—Boeing and Ford—close to it. Suddenly, we had independence; we could have a diversified portfolio.

That five billion dollars is now close to eight billion dollars, and we're putting out about three hundred and fifty million dollars a year; most of it is medical research, but about fifty million is grants to various institutions to encourage the study of science, some museums.

We found, for example, a Black school in New Orleans, in which ninety percent of its graduates go on to graduate work, and most of them in medicine. You go down and say, "What's going on here?" and they tell you their stories. It's simply a marvelous story, and you say, "Could you find a use for two million dollars more a year?" They kiss your feet! What you find is that they've gone out and recruited among the Black community in the South, from the talented kids they could find, got them into the school and made them into something, educated them and turned them on so that they would want to do something with their lives. They're all going to medical school.

We're putting out about fifty million for things like that, museums and scholarship money for some students in medical school. We have a number of programs of that sort. It's about fifty million as a foundation in a foundation mode, and about three hundred million running medical research laboratories.

This has turned out to be an exhilarating experience. Again, I sit at science meetings and I can't understand very often what's being said. I once turned to the man behind me and said, "You know, I don't have any science in my background, and I didn't understand that." He said, "Irv, I'm a physician and I didn't understand it either." [laughter] The answer, of course, is that it's such new stuff, such new language that unless you're in your twenties or early thirties, you're lost.

But it's a thrilling experience to see these bright young people come in, take on research assignments and then report on them. Almost every week, you're getting another discovery, another gene that's defective, that causes this or that. The most recent one was the one at Rockefeller, where they found the gene that relates to fat! Well, that was a Hughes scientist. Next week, it'll be something else.

Oh, I'm living in sort of a dream world; when I sit down at meetings, there are a couple of Nobel laureates at the same table. The very brightest of medical people in the country and Canada are serving on our committees, and we're trying to use money in a very constructive way. It's being recognized in the scientific circle that Hughes is making quite a difference in the scientific world.

Just to show you how things go, we discovered that the scientists in Eastern Europe are starving! They can't get funding; some are getting jobs as cab drivers just to live! We discovered that for ten thousand dollars, we can hire a top-drawer scientist, with his staff, and it will take care of his expenses and his laboratory too. So we run a contest, really, in which we select a group of scientists, all through Eastern Europe. We name them Hughes scientists, and they get money grants to keep them in business.

Now, I don't know who's going to make the next great discovery, but it could very well be one of those people. The thought of it, that for ten thousand dollars a laboratory went down, makes you worry about things.

So we're trying, and we're having great success. That takes a fair amount of my time now; I guess I average about a day a week. It's a real challenge, and the thing that turns me on is, apart from the goals, using the skills I developed.

Now, I don't have to make medical decisions, but I knew how to recognize problems with the IRS, problems with the management of the place and how to get that straightened out, and how to manage it properly. It's an interesting activity that I wouldn't have counted on, but there it is.

BOHNING: You mentioned management. You once wrote an article in which you said, "Management can not be reduced to a science" (8).

SHAPIRO: That's right. You're dealing with judgment. Now, you can't reduce your life to any mathematical formula, and there are judgment calls all the time; it could make the difference.

Management knows it's going to make mistakes. Very often there are mistakes because you never have all the facts when you need them, but you've got to make a decision, and these judgment calls are the guts of many successful enterprises.

My definition of success is being right fifty-one percent of the time. There's nobody who's smart enough to call all these shots and call them all right, but good management will be more successful, and it will face up to the fact that it has made a mistake when it makes a mistake. That's the difference between successful companies and less successful companies—quality of judgment.

BOHNING: Now, isn't that what the chemical industry did originally, say, after Rachel Carson in *Silent Spring* (9)? They stonewalled for a while, before they realized that they had to be more honest about what was happening.

SHAPIRO: Yes, yes, that's right. That was one of the jobs that Dick Heckert got from us. We sent him down to Congress, to teach them about cancer. I can't remember the issue now, but there was some claim that cancer was all over the place. Dick went down there and called on everybody and gave them a little lesson on what is cancer and what is not cancer, changed perceptions on what the problem was. I can't remember whether it was the Alar thing on apples, or whether it was something like that, but it was one of those affairs where there was no real problem, but an issue had been built up to the point where people were scared. When you said cancer, people thought of death, and they would do anything. It was Dick's job to go down and talk turkey with them, in terms of what cancer is and what it isn't. With his big figure and his manner, he was very effective in talking to them the straight way he does and persuading a lot of people that they're simply misinformed.

Yes, there's been a lack of wisdom in the industry from time to time; no question about it. In the earlier days, particularly, it was often based on political considerations and anybody who knew would recognize that writing a check is no guarantee of anything! Yet, they naively thought it was.

BOHNING: I've come to the end of my question list. Do you have anything else that you want to add?

SHAPIRO: You've gotten tired, huh? [laughter]

BOHNING: Well. [laughter] Thank you for spending time with us this morning.

SHAPIRO: I appreciated it.

[END OF TAPE, SIDE 7]

Notes

1. Gerald Gunther, *Learned Hand: the man and the judge* (New York: Knopf, 1994).

2. "A management leapfrog at DuPont," *Business Week*, December 15, 1973: 47-51.

3. David A. Hounshell and John K. Smith, *Science and Corporate Strategy: DuPont R&D, 1902-1980* (New York: Cambridge University Press, 1988; p. 588).

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5. Mary Rowland, "Lessons from a 2-Culture Career," *New York Times*, 18 December 1994.

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7. Irving S. Shapiro with Carl B. Kaufmann, *America's Third Revolution: Public Interest and the Private Role* (New York: Harper & Row, 1984).

8. Irving S. Shapiro, "Executive Forum: Managerial Comunication, The View from Inside," *California Management Review*, Vol. XXVII, (1) Fall 1984: 157-172.

9. Rachel Carson, *Silent Spring* (Greenwich, Connecticut: Fawcett Publications, 1962).

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