

January 17, 1925

Conversation with Judge Reed.

Schawb went into the company with the idea of running it. Had Hypnotic influence. He was to be head. Carnegie told him don't have a chairman. Be top. On the other side G was close to Morgan. He had the idea that the Federal was buying Carnegie. Morgan had his own time. Schawb made mistake in buying on his own the Shipbuilding Company. M. made him turn over the stock.

Asked about the Simmons dinner. G was getting old. Federal had no faith in Frick. Each was too big a man. C. brought in Leishman. He was a failure. Tried Schawb. Men thought a great deal of him. Carnegie thought he filled the bill. Speaks of the iron clade between F and C. Tells me I'll find a copy in Ridge's book, which he tells me is unfair to ~~see~~ C. H was secretary. They had a row. Book was the result. F paid the expenses.

Calls my attention to C's testimony before the ^{standing} committee. I went down there with him. They couldn't hold him. Gardner got peevish. C never answered a question directly in his life. Just gassed away. Read of one of his article twice in to the testimony. I told G that if he would work with me that I thought we could get something out of him, so I thok to answering the questions. Finally one of the members suggested that I be sworn in.

Says that C got the names of all the partners to a paper asking F for his interest. Then says Reed he put his little Derby hat on and walked down to F and asked him for it. It was refused. Finally F filed a bill and there was an answer to the Carnegie Steel Company. We wont take either side and F got Knox. The trouble was complicated by F being a rich man outside of Carnegie. Controlled Frick Coke Company and there was trouble all the time over prices. C was no fool, realized Frick's attitude. Finally settlement worked out. C testimony.

Competition severe F & Phipps aried to buy interest. This was the more Frick undertaking. Says Moore was patient, smooth, but perfectly straight.

Tells of starting tube works at Conneaut, then ^{must} have a railroad to the East. Asked Reed to lay out a line to seaboard. This was done and he assessed everybody in Carnegie Company a certain percentage of stock to furnish capital. These railroad enterprises stirred up the financial interest. Nobody could tell what Carnegie would do when started. He had no bonds out, no debts, made Federal afraid of him.

Tells story of Simmon's dinner, but it is better done in testimony.

Says Morgan has been much worried about aggressiveness of Carnegie. The Lord only knew what he would do next. Says his impression is that Gary was rather lukewarm. Thinks price not excessive. Tells story of Morgan's discovery, that he had no papers

