

The Chairman of the Board, ~~Judge Gary~~, at once opposed adoption of the resolution. He made a long, earnest argument to the directors. He told them that the present unprofitable business of the corporation would not last many months, in his opinion, and that it was the duty of the directors to try to improve conditons, to relieve distress, to keep up employment and wages even if the stockholders were forced temporarily to suspend dividends. The directors of the corporation, as you know, include nearly a score of the ablest business men in the country. But they could not see the situation as Judge Gary did. A majority of them were in favor of reducing wages. italico

“Judge Gary realized that, if the matter came to a vote, it would be decided against him. After a long, earnest, tactful plea, in vain, he suddenly asked the directors if they would do him a favor. Would they agree to postpone the whole question for thirty days? They could not deny such a request from such an executive as Judge Gary. One or two of the most important directors were absent from the city. ^{The three directors whose opinions and the result I bear all the day} One of these, if I remember rightly, was Henry C. Frick, and one or two of the partners of J. P. Morgan & Company, who were in Europe. It afterwards transpired that Judge Gary sent long dispatches or cables to all the absent directors, asking them to stand by him at the next meeting. At the next meeting of the Board the industrial situation had not changed for the better, but a majority of the Board had been won over by Judge Gary by personal, individual appeals.

The directors voted to suspend dividends on the \$500,000,000 of common stock. They did not reduce wages. Mr. Perkins, telling the story years afterwards, said that in his judgment this action at a crucial time changed the attitude of the public towards the Steel Corporation from one of doubt or open hostility to a feeling of confidence and approval. That public sentiment, Mr. Perkins thought, sustained and justified, if it did not fully explain, the decision of the United States Supreme Court when it later decided in favor of the Corporation ~~in~~ the government suit to dissolve the Corporation.

Incident told in The Life of Elbert H. Gary

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