

United States Steel Corporation.

71 Broadway, New York, June 4, 1925.

OFFICE OF THE CHAIRMAN

Miss Ida M. Tarbell,
120 East 19th St.,
New York, N. Y.

My dear Miss Tarbell:

Item No. 1. Referring to the Neville Island incident, you will find attached to this letter a copy of the minutes of the meeting of the Finance Committee April 23, 1918, containing the resolution under which the Chairman and President were given authority to proceed to carry out the urgent request of the War Department. There is also attached a copy of a letter from Benedict Crowell, Acting Secretary of War, dated April 27, 1918.

The entire file of correspondence I think you will find interesting, and it will be made available to you when you call, which I understand will be some time next week.

Item No. 2. In regard to another incident in connection with war activities, I am enclosing a copy of a portion of a newspaper item respecting the saving to the Government of \$18,000,000 by the action of the United States Steel Corporation in accepting the order for material for the Navy program for 1917 at the same low rate as applied during the year 1916. Other clippings and documents on this subject are also available to be shown to you when you call.

Item No. 3. Have you made arrangements with Mr. Brookings to see him either in Washington or New York? I think he comes to New York occasionally. Would you care to have us find out when he will be here again with a view to making an appointment for you?

Very truly yours,


Secretary to Judge Gary.

Enclosures.

Extract of Article in "Journal of Commerce" (?), Apr. 7, 1917.

U. S. GETS STEEL AT LOW FIGURE

Offer saves Navy \$18,000,000 in 1917 Building Program.

Washington, April 6.- A saving of \$18,000,000 in the Navy's bill for steel during 1917, and of more than \$2,000,000 in a single order for torpedoes, is represented in price agreements effected with the manufacturers today by Secretary Daniels.

The schedule of prices for the year's supply of steel, agreed on at a conference between the Secretary and James A. Farrell, president of the United States Steel Corporation, is the same the navy paid for its 1916 consignment and considerably below the current market. Details as to the amount or exact prices were not made public.

* * * * * After the conference Secretary Daniels issued this statement:

"An agreement was reached with respect to prices for material for the shipbuilding programme of the Navy and additions to the naval stations. This agreement provides that there is to be no increase in prices over those paid for material used in the 1916 Navy programme. These prices are substantially lower than the current market prices, and it is estimated that they involve a saving of approximately \$18,000,000 on the tonnage required for 1917 over the prevailing prices."

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WAR DEPARTMENT
Washington

April 27, 1918.

Judge E. H. Gary,
Chairman of the Board, United States Steel Corporation,
71 Broadway,
New York City.

Dear Judge Gary:-

Answering your letter of April 26th, inclosing draft of proposed agreement and copy of your letter to Secretary Baker, I have read these with much interest.

The agreement is perfectly satisfactory from my point of view and I am sending it to the Ordnance Department and instructed them to prepare the contract along these lines and to make it as brief as possible. It will then be submitted to you and I hope will be signed without delay.

I do not know how to thank you for your help in this matter and will not try to do so, but you must know what a relief it is to have the Steel Corporation undertake this work.

Yours very truly,

(Sgd.) Benedict Crowell.

Acting Secretary of War.

FINANCE COMMITTEE MEETING, APRIL 23RD, 1918.

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"The Chairman presented to the Finance Committee an original letter from the Secretary of War, which reads as follows:

WAR DEPARTMENT
Washington

April 20, 1918.

My dear Judge Gary:

Mr. Crowell, the Assistant Secretary of War, will be in New York on Monday morning to take up with you a matter of the very greatest urgency and importance to the Government in the prosecution of the War. The project which he will present to you will involve the immediate and thorough-going co-operation of the Steel Corporation, and perhaps to some extent a departure from its lines of policy as heretofore projected, but the subject has been earnestly studied from every point of view and the conclusion reached that the Government must depend upon the action of the Steel Corporation in this matter, there being no other agency to which we can turn in the emergency.

I am writing this note to ask the favor of an interview with Mr. Crowell at the earliest possible moment on Monday, and to bespeak in advance your favorable consideration of this most important matter.

Cordially yours,
(sgd) Newton D. Baker
Secretary of War.

Hon. E. H. Gary,
United States Steel Corporation,
New York City.

The Chairman stated that Mr. Crowell, the first Assistant Secretary of War, had presented for consideration the desire of the Government in relation to the matter referred to in the letter, and that the Corporation is requested to form an organization to have built a completed plant for the manufacture of large guns and shells, with the necessary accessories, including furnaces, mills, shops, offices, forging equipment, machinery, tools, cranes, tracks, residences for workmen, and other buildings and equipment, and other appliances and facilities incidental to the plant. After careful consideration it was voted that inasmuch as it

was stated in the letter by the Secretary of War that the subject had been earnestly studied from every point of view, and that a conclusion was reached that the Government must depend upon the action of the Steel Corporation in this matter, there being no other agency to which the Government could turn in the emergency, it was the unanimous opinion of the Committee that the Corporation should assume the responsibility of meeting the request of the Government; that the plant should be located on Neville Island, near Pittsburgh; and that the whole subject matter be referred with power to the Chairman and President."