

Chapter VII

Find that I misread the newspaper clippings - Morgan did not go to Youngstown, but there were meetings in his office, and it was one of these that the Youngstown reporter talked about.

Gary says not to publish - "just for your information" - that Schwab at this time was always talking largely about having seen Mr. Morgan - quoting what Mr. Morgan said, etc., that he took pains to run these interviews down and found that as a rule they were not with Morgan but with Perkins who evidently at this time was heartily with Schwab.

In the strike of 1901 Schwab took charge. When Schaeffer called out the mills that had signed up, Gary was concerned lest the Illinois Steel would go out. He tells me that there had long been an organization in those mills, that they were a fine set of men and there had never been any trouble with them. They were affiliated with the Amalgamated.

There seems to have been a pretty good system of organization, one of the vice presidents having labor relations as his specialty and being in friendly contact with the representatives of the men. It should be remembered that for over two and a half years the Ill. Steel Co. had been a subsidiary of the Federal Steel Co., of which Judge Gary was the president. He had had a lively interest all this time in labor. One of his boasts had been that the conditions in labor, the wages, the friendly relations had been steadily improving, so he was much concerned lest the men in his own company of the Steel

Digital Image: 2009. The Ida M. Tabbell Collection, 1890-1944. Allegheny College Pellauer Library

Digital Image: 2009. The Ida M. Taft Bell Collection, 1890-1944. Allegheny College Pellauer Library

VII
Interview of 6/24/25

Go over Chapter VII on Labor. Discussion on article brings out several little points. He says, talking of the first year, "It was 'Charlie' and 'George' for quite a while." Thinks that Stetson and Moriwitz influenced Perkins to try to put over several things to which he (Gary) was opposed. Says "I don't know this, but I am a good guesser, Yankee, you know. I let some things go rather than have trouble." And he goes over the story of juggling with salaries, and adds something.

Schwab talked largely about the salary not being anything to him, that it was too small a sum evidently to interest him. Gary said, "Well, I do care. Of course I have some interests but salary does mean something to me." What Schwab was interested in was commissions. The officers were allowed commissions on the first year's business. He says that the first year he got something like \$267,000. He didn't think that was right and he appealed to Schwab, saying these commissions were too much, it was not fair to the stockholders and the public would not stand for it. "I said, 'I propose to tell the directors so.' Schwab said, 'Of course if you do that, I would have to do it.' Their extra compensation now comes in under the bonus system.

He says in talking of this "Schwab can tell the truth, but he is quite likely to tell untruth." He tells me that I am not to use this, but that when he went to Chicago in the strike, Schwab wired Buffington that if the men wanted any concessions they should be made. "I saw the telegram and I immediately wired. "It is not necessary to make any concessions. In my opinion the Illinois Steel will not go out. Keep your hands off. I have matter in charge."

Schaeffer

I am interested in his talk about Schaeffer.

Says he was a good man, meant to do right, that he did not at bottom believe in Gary's judgment in the attempt to unionize all the plants of the Corporation. Said he had several talks with him, and found him reasonable, that he didn't think there should be an extention made at that time. He says that they met Schaeffer in Morgan's office, where he said "The fair thing is for us to stand where we are. We believethis is fair and there we are going to stand. Where there is a contract we will live up to it, where there is no contract we will not make one. Morgan is right to stand by this."

Labor:

6/24 '25
I became interested in Dixon who became vice-president in _____ and went off in _____ and say to the Judge that I think I better see him. "He left," he said, "the Carnegie people - they called him the Anarchist. He believed in booms - to get all you can then drop prices, the loss could be made up when business was good. He didn't believe in union labor but was always strong for no Sunday labor and always against the 12-hour day."