

Labor

The first reference that I find in regard to labor in the Steel Corporation was a threat for the future in the newspapers. The Scrapbook shows that in February there were rumors that the machinists proposed to strike for nine hours a day as soon as the merger took place. Look into the labor papers. The minutes show that one of the first serious discussions of the executive committee was on labor, and these discussions continued until after the strike was settled. (These minutes are being copied for me)

According to the Scrapbook, page 75, Gary returned on May 25, 1901 from a trip of inspection made with Schwab, and he is reported to have said, "I see no signs of discontent among working men. They are receiving a better wage than ever was paid to workers in their class in the world. Our intention is to have the employees in mind, to see that their interests are cared for. No demands have as yet been made by the Amalgamated Association." A study of the minutes shows that a difference in point of view on labor at once developed, naturally enough. There were at that time union men in the iron and steel industry. The Corporation alone had _____ employees. That is, there was about _____ % of unionism. The discussion in the executive committee from the start was on what they should do about unionism. Roberts claimed that it must be a unified policy. Gary seems to have been uncertain. Ediborn was bitterly opposed. As I understand it, the Carnegie works were all non-union. The general drift seems to have been to let things stand as they are and see what happens. That is, don't force the issue if we can help it. The issue, however, was soon forced by this strike. P. 80 of the Scrapbook reports a meeting in Pittsburgh between Schaffer of the Amalgamated

and the U.S.Steel men. (See from Scrapbook what men) I get the idea from the Scrapbook that Morgan was at a meeting in Pittsburgh or Youngstown. (Verify this)

Page 83 of Scrapbook, August 10, reports that the strikers are losing and there was a revolt in the Amalgamated against Schaeffer who had insisted on expelling men who had refused to break their contracts.

Asked Gary if he had anything to do with the refusal of the Illinois men to go out. On page 84, August 14, report that Gary had kept the Illinois men from going out.

On page 83 comes a report that an agreement had been signed by Schwab, Gary and Morgan with Schaeffer and Williams to present a certain proposition. In connection with this was the report that Schwab told Schaeffer that the Corporation was considering a profit-sharing plan. That this was true is evidenced by the minutes. One of Mr. Roberts' grievances was that this profit-sharing plan had not been carried through, and one of the serious causes of dissatisfaction in the various companies was that some bodies of men were receiving a bonus and others not. It was another case of the lack of uniformity of policy which was bound to cause more and more disaffection in the various companies, so Gary and Roberts both clearly saw. It seems evident to me, however, that one of the difficulties between the finance and the executive committee was over this profit-sharing plan. Did each want the credit of it? There was a discussion in which Roberts insisted that they must stop fighting about who was to be the originating committee. It looks to me as if Perkins and the finance committee were fighting for position in the matter of the profit-sharing, which obviously was under consideration very

soon after the organization.

On September 21, (Scrapbook, page 87) the Amalgamated papers said editorially that the reasons for the failure of the strike were: public opinion, the daily press, the advice of prominent labor leaders. As I understand, it, Gompers and Mitchell were opposed to the strike. Probably there was more or less politics in this, there being rivalry between the organizations and the withdrawal of credit by merchants. Schaeffer gave as one of the chief causes disloyal groups that had refused to come out. As I understand it these refusals came from men who had signed contracts and felt that they should keep them.

On page 91 there is a report of the losses of the Corporation through this strike. (I am having this copied from the minutes, however.)

Page 91 gives account of the dealings of Gompers and Mitchell in the matter, and something of these certainly were with Morgan as he is mentioned in this matter. Gary told me in the April interview that the final agreement with Schaeffer was signed in Morgan's office. What seems to have been at work in the minds of those who saw the merger as a consolidation, where there must be uniform practices and policy, was a notion that now was the time to get away from a labor policy based on the then prevalent idea that the interests of employer and employee, labor and capital were inherently antagonistic, that they could not be reconciled. It looks to me as if the idea then prevalent, that collective bargaining was based not on reason and knowledge, action condition of industry, a sense of the relative worth of contributions to the industry, but on force, that it was done

with drawn swords. The side which realized that the other wielded a sharper sword at the moment or which wielded an equal sword more skillfully, yielded. The essence of the policy which the Corporation seems to have been trying to get at, was whether or no you could find a point of mutual interest. They saw this in some kind of a profit-sharing scheme. If all shared in profits, then all had an interest in making those profits and in avoid what was antagonistic. The point was then, What share of the profits did each contributor have? But, although this idea seems to have been in some form early in the mind of certain members of the executive committee, the contest over the ranking officer, the contest between the committees, prevented progress in working it out. Apparently Mr. Roberts, when he resigned, believed that this, like other policies which he felt essential to the final success of the Corporation, would never be worked out.

In talking of these contests, Gary commented the other day: "Read, Ediborn, Schwab and Converse were all against me, but you should note that R E S and C all went out and Gary staid.

A pertinent question in this matter of labor at the start I think is Gary's experience in the Federal - its policies there. Quote what he said before the Industrial Commission in '99, also, when we come to take up the Safety movement, of what conclusions had his experience as a lawyer led him to.

to be a scramble among banking interests to finance the concern. They first report that a \$70,000,000 N.J. corporation is to be formed and a little later an \$80,000,000 Ill. corporation. Evidently they have no actual knowledge. Editorially the Iron Age is dubious, says that it will change the whole condition of the iron trade. As late as March 10, when, as I understand it, Morgan had withdrawn at least ten days before, the Iron Age announced that the negotiations were still pending and dwelt on the magnitude of the undertaking, that rumors were afloat that one concern, which I suppose to be Washburn & Moen, was holding out because the experts had placed a lower value on their concern than they did. But it notes at the same time that there are many "conflicting statements."