U.S.
SUIT

Int. of Jan. 28/'25 17

See copies of letters to & from Wickersham

I asked the Judge when he first saw the suit coming. He said in March, 1911. Mr. Wickersham, who was then Attorney-General, invited him to dine with him in Washington. After dinner, he said "My people are going to the theatre, I have sent them off, I want to talk to you."

We talked two or three hours - we talked of various things - the make up of the Supreme Court, the appointment of Justices of the Court of Appeals and U.S. District Courts - he asked many questions about men. Finally he said, "We are more or less anxious about the industrial situation. There are things that are not proper, that ought to be corrected."

"I made the same statement substantially to him that I made to Roosevelt, and then I asked him what their intentions were."

"He said, 'I hope you don't think there is any reference to your Corporation.' He gave me to understand that they thought our methods were all right. In May of 1911 came the Stanley Investigation. I was on the stand for 2 or 3 days and cross examined by different members. They would not allow our partners to cross-examine. At that time there was an International Convention of patent lawyers in session in Washington which I was invited to address at their dinner. The president was a man that I had met in Brussells. I was seated next to Wickersham and he said to me, "I have something on my mind which I think I ought to tell you. You know there is a good deal of investigation going on in regard to the Steel Corporation - the Stanley investigation. There is much excitement and hostility. The charge had been going up and down that the present Administration is favoring the Steel Corporation, and there is a feeling growing that we ought to proceed to make a searching examination, look into everything - anything.' I said, Do you mean grand jury - detectives, and so on? 'I mean everything,' he said.

"Well, Mr. Wickersham," I said, 'this is so different from what you have given me to understand that I am overwhelmed. By whom are the charges made that the Steel Corporation is favored - the Standard Oil Co., - the Tobacco Trust? 'You will have to make your own decision and take your own course.'

"This was my first intimation," Judge Gary says. He suggested that it would be proper for me to see Wickersham and talk with him. "He will be frank," he says, "but not quite exact." Says he thinks there were political purposes, which no doubt was true, that it was made in the interest of Taft.

~~There-is-no-question~~

Another incident he gives in connection with the Stanley investigation was a rumor of an international steel and iron convention which was to be or had been held in Brussels, of which Judge Gary was the instigator, I think. Stanley said, 'I do not hesitate to tell you that I have been alarmed at this proposed convention, and it was that that led me to propose my investigation." This is not true, Judge Gary says. The investigation was first proposed by Lamar, the 'Wolf of Wall Street,'who tried to black-mail different individuals in the Street. (See the testimony and the suit against Lamar about this thing.)

Gary ways 'I have told the Department of Justice that if there was anything in our methods to which they objected, I would correct it - carry out any of their suggestion." It seems certain that he did this more than once. He calls my attention to certain letters between him and the various departments which I am to see.

"Wickersham and Taft didn't treat me very well," he says, "but that was no reason why I should not treat them well, at least I don't think so."

Gary
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Speaks very earnestly about my relation to this work." He says the point of this U.S.Steel story is this. I have a dominant position in the steel industry; that has come without asking consideration from anybody, by persisting in standing for the securing and maintaing of standards logically and morally right. You cannot do less than to connect me with what you are undertaking as I see it. Do not misjudge me. wrongly at all (?) I want your judgment - thatis much more important to me than anything else. I was honest enough to do whatever was justified."

Morgan

All of this was said with a good deal of earnestness. He repeated, "I don't want you to set down anything that you are not sure is true, for which you don't feel you have the documents. This story is all written in the evidence. I suppose if J.P.Morgan was alive and some one should ask him if I had as asmuch to do as he in forming the U.S.Steel Corporation, he would probably say, No. Bacon's testimony, however, you know. He says that I directed everything. Bacon was Morgan's pet - everyone loved him. Also he was the most truthful of men. He ought to have a place in this story. He gave this testimony when Morgan was alive and so far as I know Morgan never criticized it. When we were working on the organization I saw Morgan every day. Bacon represented Morgan. Morgan was naturally honest, but he was not the kind of an honest man that Bacon was, however. Morgan's deep interestin a thing ws to make it succeed. He got his reward Larger than not in money but in the success of an undertaking, and his desire for success would influence him sometimes to blink when Bacon could not be persuaded to blink."

Morgan

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"Somebody asked Mr. Morgan once to do a thing in my presence, and he said, without hesitation, that would not be right. I would not like my house to be associated with that kind of thing. Another time he sent for me. There was some of the biggest men in town there, with a proposition for consideration. He put the proposition to me. 'I don't think you ought to do that, Mr. Morgan,' I said. "I don't think it would stand before the courts. I don't think the name of Morgan & Co. ought to be associated with the enterprise.' He just dropped back, didn't say a word. But he did not go into it. Morgan liked money, was often harsh, but he was honest."

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VI.

I asked him if the majority of the Board were with him that first year in keeping prices down. He said the Carnegie men believed, and some of them still believe that when a chance comes to make money you ought to make it, make all you can because the time is coming when you cannot make it. They did not believe in 1901 in the stability of prices, and if you consider who they were, you can see that would be natural, - Read, Ederborn, Schwab, Converse. You ought to note that they all went out and Gary stayed."

Schwab President: Says that he ~~did tell~~ told Morgan that Carnegie would not sell unless he was made president.

Perkins: Perkins came in just after the organization of the Steel Cprporation had been finished. He sent for Gary and told him that Morgan had asked him to take up the question of salaries. Schwab was there and said that salary didn't amount to much to him. Perkins suggested that Schwab should have $100,000 and Gary $75,000.

"No," said Gary, "Schwab and I discussed salaries this morning, and we agreed on $100,000." But Schwab wanted to be considered chief officer; and I think he influenced Perkins to give him the larger amount as a symbol. I said, 'Mr. Perkins, that won't go. We cannot put it through.' But Perkins was insistent. Mr Morgan was in a side office and heard the row and came in, 'Anything wrong? Anything I can do about it?' I said, 'Yes, Mr. Morgan, something is wrong & there is something you can do' and I told him the situation. He said, "Mr Gary is right. He should have $125,000 and Schwab $100,000.' I said, 'I agreed this morning with Mr. Schwab

$100,000.' I said, 'I agreed this morning with Mr. Schwab that our salaries should be equal. Suppose we make it $112,000 apiece.' But, as a matter of fact, Perkins got me on the books at the start $100,000 and Schwab $75,000. I took the matter to Mr. Morgan and it was made right. The truth of the matter was that Perkins at the start was trying to play tricks on me. He, like Steele, over-sized Schwab. They thought Schwab was even a great financier, a great man. They thought he was the only one that could make the Corporation go."

Tells me what he says is the real reason for Roberts' getting out. Gary heard that Schwab had arranged

Schwab

See Summary

with the plate manufacturers outside of the Corporation to make a new combination, he (Schwab) to have a substantial interest. He told Mr. Roberts and said, 'You better keep your eyes open and see what is going on.' At the next meeting of the Executive Committee after this Schwab brought up the combination, said it was going through and he thought he could arrange to make an agreement on prices with them. Roberts then asked him'How much, if any interest, Mr. Schwab, are you to have in this combination?'

"'None of your _____ business,' shouted Schwab. 'You haven't done anything since we have been on this Board but oppose me, and we will just settle it here and now,' and sprang to his feet.

"Roberts said, 'Mr Schwab, even if I were a fighting man, I think I would be too much of a gentleman to knock you down in the presence of this Board.' Schwab continued to be abusive - I never heard a man talk so. Roberts resigned after that. Morgan didn't want Schwab to go, though he resigned several times.

Hill

Look up Hill lease. He tells me that he did not approve of it, and that he would not consent to it unless a provision was put in that they could cancel it. This is the ore lease that Jim Hill got them to take off the hands of the Great Northern. See testimony. See notes

When Bacon resigned as chairman of the Finance Committee, Morgan was persuaded to put Perkins on. Soon after that, he went to Washington and dinedwith Senator Aldrich, and several other Senators. When he came back he sent for Gary. He said, 'I learned a lot of things in Washington about you and Perkins. Those Senators talked a good deal about you. Perkins will have to resign as chairman of the Finance Committee. You would be surprised to see how much those Senators think of you. They say Roosevelt thinks more of you than any man alive.' I said, 'Now, Mr. Morgan, that is nonsense.' But Perkins did have to go and Gary took his place.

Roosevelt:

Gary Interview 5/16/23

No records, he said, of one of the most important things that happened in the early meetings of the Finance Committee. This was the resolution that Frick made - though he says "You must not mention his name," to the effect that hereafter the chairman of the Committee should be directed to give no interviews to the public, make no visits to the President at Washington, without the consent of the Committee. Gary says that he made a dramatic speech. He was desperately in earnest because he felt that the life of the Corporation depended upon the attitude it took towards the Government. Perkins, Read, Rogers, Bacon, Widener, Gary and Frick were present. At the end of his talk, Rogers said, "Gentlemen, I move that this resolution be laid on the table, that to date Judge Gary has managed this Corporation very well, we better let him alone."

"This was fine in him," Gary says, "because he did not believe in my policies. He didn't believe in Roosevelt, he hated him. He didn't believe we should talk for publication, that we should publish our reports, and yet he stood by me."