Gary Interview of January 1925

A ROUNDED PROPOSITION

What do you mean by "a rounded proposition?"

"Self-contained, owning raw materials, controling transportation, having furnaces which will turn out both finished and semi-finished steel, sufficient capacity to produce every form of steel at the lowest cost for steel and deliver to all points of the world. I meant at the start to have ships to carry our products, but it has not been possible until the last five years. We now have a fleet of something like 100(?) vessels. "e had the foreign trade in mind. Carnegie had a trade but it was small, he never had organized to follow it up systematically.

"In his wanting to sell, I think htere was an element of fear of us. He saw that we could command capital. As a matter of fact we had $100,000,000 of unissued stock and the market would have easily absorbed it at a fair price."

Calls my attention to his answer given at a steel investigation in '99 to the question:What protection had the public against these large corporations? He answered, "Publicity, full publicity." (See Bridges' book) I asked him if Judge Read is right in thinking that Frick backed Bridges in writing this book.

"Undoubtedly.Frick gloated over the book, gave me two copies."

Organization of Steel Trust

In Casson's book (p.211-12) Frick says that he offered Jones & McLaughlin $30,000,000 for their plant, and it was refused. Gary says this is not so, that Frick was boasting to Casson. He also denies the story (see Casson) that Frick made the bargain for the Rockefeller ore lands. Frick was not authorized to offer anybody anything. He says that Jones & McLaughlin did come to him (Gary) asking if they

In Casson's book (pp 211-12) he says that at the time of the formation of the Steel Corporation, Frick offered Jones & McLaughlin $30,000,000 for their plant, but it was refused. He also says that Morgan failed to make an arrangement with J.D. R., that the negotiations for the Rockefeller ore mines failed until Frick took hold of them, that Rogers suggested that Frick, who was a better buyer than Morgan, be called in. He quotes Frick as saying "I gave Rockefeller $40,000,000 in preferred stock and $40,000,000 in common for his ore lands and for his ore carrying fleet I paid $8,500,000 in cash." What has Judge Gary to say about this story?

would not take them in. He went to Mr. Morgan who asked, "Do you think we ought to take them in?" And He said, No. "Are they not a good company?" I said, Yes, but we don't need any more capacity and it is better that there should be outside competitors, and it will prevent the public's saying that we are a monopoly."

We talked a little of the number of companies that was shown by the records of the early days of the Corporation to have offered themselves for sale and Gary remarks that he does not think that the lawyers made as much of this point as they should have done. I agree with him on that - it is important.

U.S.SUIT