Article in "Cleveland Plain Dealer", Jan. 3, 1903.

STEEL TRUST PROFIT SHARING.

This is a clear business move and as such is likely to vindicate itself. Let it go as that.--Springfield Republican.

It is not the kind of a project that calls for strict analysis, and it is certainly not deserving of exuberant eulogy.--Pittsburg Post.

Perhaps in time the steel trust might be persuaded to share some of its profits with the consumer as well.--Detroit Free Press.

Also by sharing its profits with employes the United States Steel Co. will push its stock sales and prevent strikes.--Detroit Tribune.

So the steel trust has decided to share its profits with its servants. Its prudence in throwing such an anchor out to windward is commendable.--Hartford Courant.

The steel trust sees the point and is going to get and keep on fair and friendly relations with its employes. This is not merely justice--it is wisdom.--Toledo Times.

In this instance the abilities employed to devise and carry out the operation justify an expectation that it will be successful, while the number of those affected would make its success especially significant.--New York Tribune.

It means that the managers desire to avoid strikes and other interruptions, which are more disastrous to a mammouth business than to smaller ones, by making the employes sharers in the profits of the enterprise.--Indianapolis Journal.

It reveals Mr. Morgan as something besides the most successful organizer of trusts and mergers. Behind this comprehensive scheme, carefully worked out as it is in all its details, there is evidently a mind moved by humanitarian impulses. --New York World.

The steel trust's plan of profit sharing among its employes has conditions enough around it to puzzle a corporation lawyer. As the workingmen haven't the means to employ such talent, some of them are decidedly suspicious of the proposition.--Toledo Bee.

A new interest is at once created which can result only in benefits to all concerned. The enormous earnings of the large corporations in the last few years make the time especially opportune for extending the profit sharing plan for selfish reasons, if for no other.--Buffalo Express.

The scheme seems well adapted to its declared aim of attaching to the company its officers and employes and will probably be accepted by most of them, since they risk very little by so doing. It does not bear the character of benevolence of philanthrophy in any sense, and makes no pretentions of that sort. It can be judged only by its results from the business point of view.--New York Evening Post.

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Extract from Article in "New York Times", Nov. 12, 1901.

THE STEEL CORPORATION AND PRICES.

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It is an admitted fact that every concern in the United States with iron or steel to sell could dispose of every ton of its stock at a material advance upon present market prices if the way was clear to declare such an advance and sustain it. This is the temptation.

The situation in the rail market is a case in point. Every rail the mills can roll during the remainder of this year was sold long ago, and the best authorities agree that orders for not less than 1,300,000 tons have been booked for 1902 delivery. To this must be added some 400,000 tons sold for 1901 delivery which cannot be produced this year and must be carried over into 1902. It is also understood that there are important orders not yet placed which will be placed as soon as opportunity for agreements as to deliveries is offered. Under these conditions the eager desire of the outside producers to advance rails $2 a ton, at least, and preferably $3 or $4, is doubtless perfectly natural. Under any conditions previously existing exactly this would have been done.

The United States Steel Corporation, occupying as it does a controlling position, has steadily and persistently refused thus far to lend itself to any scheme to advance prices. It has held rails steadily at $28, when for as large a production as it could conveniently have handled $30, or even more, could have been exacted. In the semi-panic resulting from the cutting off of ore and coke from the furnaces, the policy of the Steel Corporation in maintaining what it considers reasonable prices has checked what might very well have been a great jump in quotations. That its managers are not as well aware as others of the opportunity to increase their earnings which is now offered no one will for a moment imagine. That they have the good judgment to act as a conservative and steadying influence under such exceptional conditions as exist at the moment, is creditable to their business sagacity. Furthermore, it goes further than anything which has yet happened to vindicate the principle of centralized control in the iron and steel industries.

It requires no great imagination to describe what would have happened in the iron and steel markets at any time within the past six months, and especially within the past six days, if the Steel Corporation had not been formed. We should have seen a rapid advance in prices of raw material and finished products, and a great speculative activity in pig iron, billets, sheets, tin plates, and merchant steel. Dealers would have placed all the orders which they could get accepted, and prices to consumers would have taken a rocket flight. Then would have begun a brief era of speculative importations. Meanwhile, consumers would have begun to lose confidence, enterprises predicated upon the use of iron and steel in large quantities would have been postponed, railroads would have delayed purchases, and a feeling of uncertainty would have taken possession of all in interest. This would have checked the advance and perhaps turned the movement in the opposite direction. What would have happened then every one who has been through an iron boom in previous years will know without telling. For those who have not, we need only say that the market would have suddenly and utterly collapsed and for an uncertain period we should have had the "hard sledding" so freely predicted but not yet experienced, nor in sight.

If the Steel Corporation will adhere to its wise and conservative policy and continue to act as a steadying and restraining force, it will furnish a better answer than has yet been given to the question of the duty of Congress to regulate "trusts" for the protection of the public interest. Thus far it has been the greatest boon the iron trades of the United States have known. Whether it will so continue is a matter within the discretion of its managers.

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Extract of Clipping from "New York Journal", February 8, 1901, entitled

Gary, of Federal Steel, Makes Statement--Frightened by Publicity, Pleads it is Not a Trust.

"Messrs. J. P. Morgan & Co. are undoubtedly considering plans for the acquisition of the properties of some of the largest iron and steel companies of this country.

"Presumably they will not make or authorize any official statement until after the plans are perfected.

"It is probable there will be such ownership or control as to SECURE PERFECT AND PERMANENT HARMONY in the larger lines of this industry.

"It is not intended, however, to obtain control of any line of business or to create any monopoly or trust, or in any way ANTAGONIZE any principle or POLICY OF THE LAW.

"The method to be adopted in acquiring properties will not permit any minority stock interest to interfere if such stockholder were so disposed, which is not probable, as his pecuniary interest will influence him otherwise. He will be fully protected in any event.

"The success of the enterprise will result in great benefit to the investor in securities, the consumers and the workingmen or employes. Little, if any, new cash will be required, and therefore the present financial condition will not be disturbed.

"This statement is made solely on my own responsibility."

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"During the summer of 1901 a strike occurred in some of the plants of the newly organized United States Steel Corporation. The dispute was serious, and involved both fundamental issues and a large number of men. The Conciliation Committee of the Civic Federation made several attempts to secure conferences and bring about an agreement. Mr. Hanna was intensely interested. Throughout the summer the strike and the means taken to end it bulked larger than any single subject in his correspondence. After many failures a conference was finally arranged between President Schwab and his associates and a labor committee, consisting of Gompers, Mitchell, Sargeant and others, which reached an agreement. Mr. Hanna had much to do with the arrangements for this decisive consultation, and its successful result convinced him, finally, that the Committee of the Federation was working with immediately fruitful methods. During the fall he publicly associated himself with the work."

Marcus Alonzo Hanna, Page 391

Gary says nothing was done that he remembers

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