United States Steel Corporation.

71 Broadway, New York,

OFFICE OF THE CHAIRMAN

July 22, 1925.

Miss Ida M. Tarbell,

120 East 19th St.,

New York, N. Y.

My dear Miss Tarbell:

We enclose herewith copies of minutes of Finance Committee and newspaper clippings, as marked by you at this office yesterday.

Very truly yours,

Secretary to Judge Gary.

Enclosures.

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Article in NEW YORK AMERICAN, February 12, 1911.

JUDGE GARY FAVORED THE PUBLIC CONTROL OF CORPORATIONS LONG BEFORE CARNEGIE.

The following extract is taken from Judge Gary's testimony before the Committee of Ways and Means of the House of Representatives on December 18, 1908. It is printed on page 5495 of the Tariff Hearings, and may be accepted as outlining the views of the chairman of the Steel Corporation's Executive Committee on public control of corporations.

Mr. Gary was being cross-examined by Champ Clark.

Mr. Gary--I think the question should be approached from the other standpoint as a matter of opinion; that is, I do not think a manufacturer ought to be allowed, on account of tariff laws or anything else, to charge--or receive more than a fair return on the value of his property and the amount of business done. I think that is where you ought to start. Now, if he does not charge more than that price, then he should not be compelled to sell at less than that price--that is, a fair price--and in that case, if he can keep that price down to a fair basis by exporting the surplus, by dumping the surplus, it seems to me that is good business, and works to the benefit of the domestic user, because it reduces the total cost of production on the part of the mill which runs full, keeps the men employed and, as a total result, is beneficial. I think it is the same argument that every man in every kind of business uses in disposing of his surplus. So I think this tariff question--I speak to you because of your peculiar position, and I am not making any tariff speech--but I think in some way the manufacturer ought to be restricted to fair dealings with the public on the basis I have suggested without the introduction of tariff laws or anything else that might be very harmful to some of the industries and to the working people. That is my theory. I am speaking as an individual, Mr. Clark.

Mr. Clark--Have you any idea how that thing could be accomplished?

Mr. Gary--Personal? Yes, I have.

Mr. Clark--I would like very much to hear it.

Mr. Gary--Now, I am binding myself only.

Mr. Clark--I understand.

Mr. Gary--PUBLICITY AND GOVERNMENT CONTROL.

Mr. Clark--What is that?

Mr. Gary--PUBLICITY AND GOVERNMENT CONTROL.

Mr. Clark--Government control of the railroads and other industries?

Mr. Gary--Yes; governmental control, as distinguished from government manggement. I am not talking about that. I think that would be a failure. I believe in thorough publicity on the part of corporations, railroads and manufacturing concerns, and I believe in the government having some way of controlling the manufacturer within reasonable bounds. I think this tariff question should be determined at the point where real protection leaves off and opportunity to oppress begins. All theories must be alike, it seems to me.

Mr. Clark--Just exactly.

Mr. Gary--Therefore, it is only a question of figures.

Mr. Clark--I agree with you thoroughly in that statement you have made.

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Extract from Article in the "New York Sun", May 10,1911.

STEEL DINNER TABLE TALK.

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Mr. Farrell said that when it came to talking about business conditions and prospects he didn't know whether he was a prophet or a philosopher and that he was reminded of the man who owned two lime kilns but was supposed to be the owner of only one of them. The lime kiln man said that he had acquired a philosophical temperament because it was part of his day's work "to read a large correspondence from the customers of the lime kiln which people suppose I do not own, claiming that the proprietor of that lime kiln is continually cutting my prices." When he could be heard above the laughter and applause, Mr. Farrell said that the moral of the tale was that there is a growing element in the business world today "who can be believed on almost any other subject but the question of prices, competitors' prices especially."

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Extract from Article in "Cleveland Plain Dealer", June 5, 1911.

GARY MAKES PLEA TO KEEP UP WAGES.

New York, June 4.- "Do not forget that the employes of the corporations have more at stake than the employer when questions of reducing prices below what is reasonable and fair.

"You have no right to run the risk of being compelled to put their wages below what they ought to be unless you are driven to it. I hope that whatever may happen as a result of present conditions you will not reduce the wages of your employes until you feel an absolute necessity to do so."

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