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January 17,1925

Conversation with Judge Reed.

Schawb went into the company with the idea of running it. Had Hypotnic influence. He was to be head. Carnegie told him don't have a chairman. Be top. On the other side G was close to Morgan. He had the idea that the Federal was buying Carnegie. Morgan had his own time. Schawb made mistake in buying on his own the Shipbuilding Company. M. made him turn over the stock.

Asked about the Simmons dinner. C was getting old. Federal had no faith in Frick. Each was too big a man. C. brought in Leishman. He was a failure. Tried Schawb. Men thought a great deal of him. Carnegie thought he filled the bill. Speaks of the iron clade between F and C. Tells me I'll find a copy in Ridge's book, which he tells me is unfair to ~~same~~ H was secretary. They had a row . Book was the result. F paid the expenses.

Calls my attenton to C's testimony before the standing committee. I went down there with him. They couldn't hold him. Gardner got peevish. C never answered a question directly in his life. Just gassed away. Read of one of his article twice in to the testimony. I told G that if he would work with me that I thought we could get something out of him, so I thok to answering the questions. Finally one of the members suggested that I be sworn in.

Says that C got the names of all the partners to a paper asking F for his interest. Then says Reed he put his little Derby hat on and walked down to F and asked him for it. It was refused. Finally F filed a bill and there was an answer to the Carnegie Steel Company. We wont take either side and F got Knox . The trouble was complicated by F being a rich man outside of Carnegie. Controlled Frick Coke Company andthere was trouble allthe time over prices. C was no fool, realized Frick's attitude. Finally settlement worked out. C testimony.

Competition severe F.& Phipps tried to buy interest. This was the more Frick undertaking. Says Moore was patient, smooth , but perfectly straight.

Tells of starting tube works at Conneaut, then must have a railroad to the East. Asked Reed to lay out a line to seaboard. This was done and he assessed everybody in Carnegie Company a certain percentage of stock to furnish capital. These railroad enterprises stirred up the financial interest. Nobody could tell what Carnegie would do when started. He had no bonds out, no debts, made Federal afraid of him.

Tells story of Simmon's dinner, but it is better done in testimony.

Says Morgan has been much worried about aggressiveness of Carnegie. The Lord only knew what he would do next. Says his impression is that Gary was rather lukewarm. Thinks price not excessive. Tells story of Morgan's discovery, that he had no papers

showing that C had sold. "Do you know what I have done. I have sold myself short. I have agreed to take over and am taking over the stocks of allthese companies and I have not a line from Carnegie to show he has sold C. testimony then.

Says C remarked "Pierpoint ought to have a letter." says Morgan always winced when C called him Pierpoint.

C. boasted that he never saw his bonds. The fact that he had never seen a Carnegie Co. bond until he sold. "Now I am safe." This is when they delivered the papers. "If C had dropped dead I could have never carried out the company." Think Morgan had not a desire to deminate industry, but to carry out what Schwb had pictured. Big foreign trade.

Tells of Carnegie coming in to his office along in 1896 and telling him that the Bessemer which ran through their works was discriminating in rates. Said I am going to put myself at the head of my men and tear up the tracks. "Do you know what would happen then Mr. C. You would put in a patrol wagon and go to jail. Tells story of Col. Dick's purchase. Nothing but the tale of the bird. Says that in spite of the trouble between F and C they worked together when it was a question of getting rates. C would go out and beat the drums threatening what he would do if they didn't come down then F would come around and say I can't do anything with that man but drop 10¢ in the price and I will calm him down. We had great trouble. When we built the Bessemer the railroads told us we were breaking up the rate schedules of the country, but every road into Pittsburgh has built up its own business and has hurt no other road.

Says he first saw Gary and at the time they tried to form the steel rail pool of 1898. C. testimony for this. He says "after we got the Empire done Carnegie kicked it over!" It must have been after this that Carnegie and Gary had their interview. See notes.

Coroborates my impression about C policy. Credits publicity to him, says that it had to be done. It saves steel corporation.

Speaks of changed attitude toward competitors. Says you can't create a trust in steel and iron any more than in bread. Can't create a trust in baking bread as long as every woman has a cook stove.

Thinks C perfectly sincere. Says he has recently discovered the bible. Says that we can get anything done in the corporation easily by New York if we can tie it up to safety.

Thinks Union would be accepted if it would be run as the corporation is today. Says the excessives of the Homestead strike still lingered. Thinks the railroad unions responsible.

Shilling Speaker of Ind

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