

## CHAPTER VI

### FORMATION OF THE UNITED STATES STEEL CORPORATION

#### NOTE

It was only after careful consideration that the editor decided to incorporate in this volume anything in regard to the formation of the United States Steel Corporation. His hesitancy was due to the fact that the organization of this concern has been repeatedly written up: by Bridge in his "Inside History," by Meade in his "Trust Finance," by Berglund in his "United States Steel Corporation," and last, but not least, by the Commissioner of Corporations in his recent report. The circumstances lying back of the formation of this gigantic corporation are therefore well known. Two considerations finally led to the insertion of an account of the organization of the combination. The first was the desire for completeness; the second, the fact that a careful perusal of the somewhat conflicting testimony before the Stanley Committee appeared to afford a more interesting story of the consolidation than has as yet appeared, more especially as it was from the lips of those who were most prominent in the matter.—Ed.

#### EXHIBIT I

##### TESTIMONY OF JOHN W. GATES<sup>1</sup>

The CHAIRMAN. The United States Steel Corporation was formed about 1901, was it not?

Mr. GATES. 1901; yes, sir. It started in 1900 and finished in 1901.

The CHAIRMAN. At that time was there any danger of a second demoralization in prices on account of the attitude of Mr. Carnegie toward the rest of these concerns? I believe up to that time a great many of them had been getting certain products from him, and manufacturing certain products themselves. In other words, along in 1898 or 1899 the Federal Steel Co. had its orbit or its scope of activities pretty well defined, did it not, and the other companies

<sup>1</sup> Hearings before the Committee on Investigation of the United States Steel Corporation, 62nd Cong., 2nd Sess., 1911-1912, pp. 30-32, 40 and 44.