

## CHAPTER XI

### THE ABSORPTION OF THE TENNESSEE COAL, IRON AND RAILROAD COMPANY

It is a matter of much regret that space does not permit the introduction of several exhibits on the absorption of the Tennessee Coal, Iron and Railroad Company by the United States Steel Corporation. A large mass of testimony upon that subject is available in the Stanley Investigation. Excerpts from the testimony of Messrs. Schley and Ledyard, Colonel Roosevelt and others would have added much to the book. It is hoped however that the narrative which follows will be sufficient to enable the reader to understand the transaction in its general outlines. It should be added that the other testimony does not corroborate Judge Gary in all points.—Ed.

#### EXHIBIT I

##### NARRATIVE OF JUDGE ELBERT H. GARY <sup>1</sup>

Mr. LITTLETON. I will call your attention to a statement made by Mr. John Moody, and ask you if you dissent from it or agree with it:

The acquisition of this organization—

That is, the Tennessee Coal & Iron Co.—

has added great potential value to the steel organization and has increased the tangible equity of its common-stock issue to a far greater extent than is commonly realized. The Tennessee Coal & Iron properties embrace, besides important manufacturing plants, nearly 450,000 acres of mineral lands in the Birmingham section of Alabama. As shown in the report of the Tennessee Co. in 1904, when an appraisal was made by outside parties, these lands contain approximately 400,000,000 tons of first-class low-grade ore and more than 1,200,000,000 tons of coal, of which about one-half is coking coal. This estimate indicates that the deposits embraced are even in excess of those of the great Lake Superior properties controlled by the corporation, including the Great Northern ore bodies. This entire property was acquired, as is well known, on very favorable terms.

That I do not ask you to assent to, but I wish to ask you about that. The description given there in that article is substantially correct?

<sup>1</sup> Hearings before the Committee on Investigation of United States Steel Corporation, 62nd Cong., 2nd Sess., 1911-1912, pp. 124-143.