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United States Steel Corporation

The United States Steel Corporation was founded in 1901 by some of the greatest businessmen of the 20th century. These men include Andrew Carnegie, Elbert H. Gary, Charles M. Schwab, and J.P. Morgan. Carnegie founded Carnegie Steel Company in Philadelphia, and in 1900, Schwab became the president of Carnegie’s business. Elbert H. Gary, on the other hand, founded the Federal Steel Company in Chicago. Gary came up with a brilliant idea to merge both the Carnegie Steel Company and Gary’s Federal Steel Company. J.P Morgan assisted in the consolidation and Gary bought out Carnegie Steel, which contained an interest of more than $492 million, and made it US Steel.[[1]](#footnote-1) A couple of years later, US Steel was capitalized at $1.4 billion and became the first billion-dollar corporation in the United States. Also, US Steel included 213 manufacturing mills, one thousand miles of railroad, and 21 mines. Likewise in 1901, the companies American Bridge and Lake Superior Consolidated Iron Mines were brought into the US Steel Corporation and the company continued to absorb other companies.[[2]](#footnote-2) By 1906, US Steel based out of southeast Chicago had about 6,500 workers, which grew to 17,000 by the 1910s.[[3]](#footnote-3) However, U.S. Steel took after Andrew Carnegies labor conditions, meaning long work hours, low wages, and repression of any form of unionization. The United States Steel Corporation was accused of being a monopoly in 1912 because it controlled more than half of all steel production in the United States. Therefore, legal action was taken and was dragged out until 1920 when a radical decision took place and the supreme court declared that the US Steel Corporation was not a monopoly because it did not participate in an unreasonable restraint of trade. That is, the company allowed other companies to prosper as well. During this case, the Supreme Court drew a line between big businesses and monopolies.[[4]](#footnote-4) The United States Steel Corporation is still around today and is still one of the largest businesses around.

1. . United States Steel Corporation, “History of U.S. Steel,” United States Steel, last modified 2012, <http://www.ussteel.com/uss/portal/home/aboutus/history>. [↑](#footnote-ref-1)
2. Encyclopedia Britannica Online, s. v. "United States Steel Corporation," accessed September 25, 2012,

   <http://www.britannica.com/EBchecked/topic/620387/United-States-Steel-Corporation>. [↑](#footnote-ref-2)
3. . Encyclopedia of Chicago Online, s. v. “U.S. Steel Corp.” Accessed September 25, 2012, http://www.encyclopedia.chicagohistory.org/pages/2882.html [↑](#footnote-ref-3)
4. . Economics.about.com, “Federal Efforts to Control Monopoly,” About.com, last modified 2012, http://economics.about.com/od/governmenttheeconomy/a/monopoly.htm [↑](#footnote-ref-4)