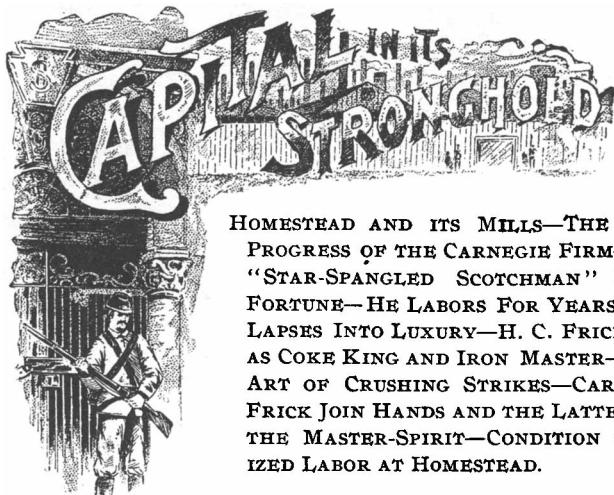


## CHAPTER I.



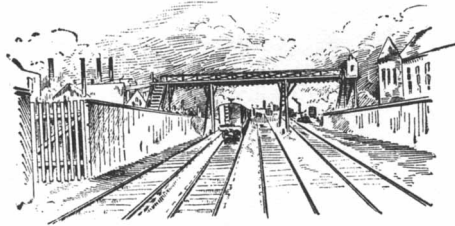
HOMESTEAD AND ITS MILLS—THE RISE AND PROGRESS OF THE CARNEGIE FIRM—HOW THE "STAR-SPANGLED SCOTCHMAN" MADE HIS FORTUNE—HE LABORS FOR YEARS AND THEN LAPSES INTO LUXURY—H. C. FRICK'S CAREER AS COKE KING AND IRON MASTER—THE FINE ART OF CRUSHING STRIKES—CARNEGIE AND FRICK JOIN HANDS AND THE LATTER BECOMES THE MASTER-SPIRIT—CONDITION OF ORGANIZED LABOR AT HOMESTEAD.

**I**N a bend of the south bank of the Monongahela River, eight miles from Pittsburgh, nestles the thriving town of Homestead, a place of about 12,000 inhabitants, built up by the wealth and enterprise of the Carnegie Steel Company and the thrift of the artisans employed by that great manufacturing corporation.

Without the Carnegie mills there would be no Homestead. Like the mushroom towns that sprang up along the Northern Pacific Railroad while the line was in process of construction and that died out as fast as the base of operations was shifted, so Homestead sprang into being when the site now occupied by the town was picked out by Andrew Carnegie as a producing center, and so, too, if the Carnegie firm were to move its works to-morrow, would Homestead be blotted off the map, or, at best, reduced to the rank of an insignificant village.

The interdependence of the works and the town is absolute.

The mill property covers 600 acres, bordering on the river, and includes thirty-seven acres under roof. The products comprise boiler and armor plates, beams and structural iron of various kinds. The manufacture of armor-plate for the United States Navy is conducted on a scale of unparalleled magnitude. From the huge hydraulic cranes lifting and carrying from place to place a weight of 200 tons, yet operated easily by one man, down to the delicate machinery in the finishing department, the equipment of the armor-plate mill is a marvel of



mechanical perfection. The great beam and structural mills, the Bessemer department and the bloom and billet mills are also magnificently equipped and are conducted on a mammoth scale, in comparison with which the operations of other American steel mills are almost insignificant.

Railroad tracks gridiron the yards and nineteen locomotives are required for the transportation of material. The repair shops cut an important figure and an army of blacksmiths, roll-turners, carpenters, tanners and other mechanics is employed to keep every detail of the working equipment in perfect order.

The plant is lighted throughout with electricity.

Within easy reach of the mills are the offices of the mill superintendent and his corps of clerks, draughtsmen and engineers. Eight handsome residences, farther back from the yard, are occupied by the assistant managers. There is also a club house for the use of guests and officers.

The foundation of this immense concern, representing a capital of many millions of dollars, and employing nearly 4,000 men, was laid in 1880, when, according to the census report, Homestead had a population of less than 600. The firm which has made all this possible, which, by virtue of intelligent effort and phenomenal accumulation and utilization of capital has called into being a full-fledged American town, with schools, churches, prosperous mercantile establishments, independent minor industries and a well-organized municipal government, is controlled by two men, whose names have, through the events to be recorded in this volume, been made familiar as household words the world over—Andrew Carnegie and Henry Clay Frick.

Andrew Carnegie is a self-made man, the son of a poor weaver of Dunfermline, Scotland. In 1845, the lad, then 12 years old, emigrated to the United States with his parents and settled in Pittsburgh. He was put to work tending a small stationary engine, and afterwards became a telegraph messenger boy and, in course of time, an operator. The Pennsylvania Railroad Company made him clerk to the superintendent of its Pittsburgh office and manager of its telegraph lines. About this time he met Woodruff, the inventor of the sleeping-car, and took a share in his venture. The enterprise

was profitable and yielded what may be considered the nucleus of Mr. Carnegie's wealth. Again the young man was promoted, securing the superintendency of the Pittsburgh division of the Pennsylvania road. His future was now assured if he chose to continue in the railroad business; but his tastes, or rather his keen foresight led him in another direction. In company with his brother Thomas and others he purchased an established rolling mill, and from this grew the most extensive and profitable system of iron and steel industries in the world.

Mr. Carnegie has frequently challenged public notice by acts of philanthropy. He has given free baths and a free library to his native town of Dunfermline, a histological annex, known as the Carnegie laboratory to Bellevue Hospital, New York; a free library and music hall to Allegheny City; a free library and music hall, costing more than \$1,000,000, to Pittsburgh; a free library to Edinburgh, Scotland, and similar donations to Braddock and other places where he has business interests. He has a fondness for literature, has written several books, of which "Triumphant Democracy; or Fifty Years' March of the Republic" is the most pretentious, and at one time controlled eighteen English newspapers in the Radical interest. Mr. Carnegie married late in life and has since maintained establishments in New York and at Cluny Castle, Scotland, rarely visiting his mills.

Estimates of Andrew Carnegie's character vary widely. To those associated with him in business he is known as a firm and considerate friend, quick to discern ability and generous in rewarding it. As an employer

of labor he bore a high reputation for liberality and sympathetic regard for the well-being of his employees until the occurrence of the trouble at Homestead in 1892. How far he was personally chargeable with responsibility for Mr. Frick's iron-handed policy in that affair has never been positively determined; but it is certain that the relentless spirit shown by Mr. Frick cost Mr. Carnegie much of his popularity.

The connection of Henry Clay Frick with the Carnegie iron and steel industries, did not begin until Andrew Carnegie had reached the zenith of his success. Mr. Frick, however, had already carved his way to wealth along a different line, and was himself a millionaire. His success was gained in coke, and he came to be known as "the Coke King." Coke is indispensable to the manufacture of steel, but for a long time its production remained a separate industry. The Connellsville region, lying about fifty miles south of Pittsburgh, was occupied by a number of small producers, whose cut-throat mode of competition was highly advantageous to the steel men. Starting with small holdings, Mr. Frick gradually increased his territory and the number of his ovens until he obtained a practical monopoly of the Connellsville production and was able to dictate terms to consumers. He further strengthened his grip on the trade by investing heavily in coal lands and thus acquiring an unlimited source of supply for his ovens.

Mr. Carnegie perceived the rich possibilities of a union between the steel and coke industries, and, in 1882, bought a half interest in the Frick Coke Company for \$1,500,000. Six years later, on the death of one of his partners, he induced the coke king to enter the Car-

negie Company, and the interests thus combined have since been, to all intents and purposes, a unit.

The details of Mr. Frick's early career may be recited in very few words. He is the son of a farmer and was born at West Overton, Pa., in 1850. After gaining the rudiments of an education in the common schools of Fayette County, he began business life as a dry goods clerk in Mount Pleasant. Leaving the dry goods business he became book-keeper in his grandfather's distillery at Bradford. He lived economically and with the money which he saved out of his salary he embarked in the coke business with A. O. Tintzman and Joseph Rist. Although barely 21 years old, he was the senior partner of the firm, which began with an equipment of 300 acres of land and 50 ovens. The opening of the Mt. Pleasant and Broad Ford railroad imparted new life to the coke trade about this period and young Frick took advantage of the boom to add to his firm's plant. The firm also built the Henry Clay works of one hundred ovens on the Youghiogheny River near Broad Ford.

In 1876 Mr. Frick bought out his partners and continued the business on his own account. In the following year a depression of trade placed the lease of the Valley coke works at his disposal. The young operator put Thomas Lynch in charge, and despite the dullness of the market, kept the works going every day in the year.

In the fall of 1877 Mr. Frick took into partnership E. M. Ferguson, the owner of a plant of 70 ovens, and the new firm operated as H. C. Frick & Co. A year later the firm leased the Anchor works and the Mullen

works near Mt. Pleasant and admitted Walton Ferguson as a partner.

In 1879 the coke trade revived amazingly, prices advancing from a maximum of \$1.15 a ton to \$4 and \$5 a ton. The Frick Company continued to extend its business until, in 1882, it controlled 3,000 acres of coal land and 1,026 coke ovens. Meanwhile Mr. Frick organized the Morewood Coke Company, limited, and built the Morewood works of 470 ovens, the largest works in the region. Carnegie Bros. & Co., Limited, were admitted into the firm in January, 1882.

The Frick corporation now pushed its operations with such vigor that, in 1890, according to a semi-official statement, it "owned and controlled 35,000 acres of coal land and 42 of the 80 plants in the region, aggregating 10,046 ovens, three water plants with a pumping capacity of 5,000,000 gallons daily, and 35 miles of railroad track and 1,200 railroad cars. 11,000 men were then employed by the company, and for the equipment of its plants it had 23 locomotives, 72 pairs of stationary engines, 172 steam boilers and 816 horses and mules."

Mr. Frick had several serious strikes to contend with. His plan of campaign was always the same—to crush the strikers by main force and make no concessions. The Coal and Iron police, an organization of watchmen maintained under a state law, the drilled and armed watchmen of the Pinkerton detective agency, and the state militia were pressed into service as the occasion demanded, and the shedding of blood and sacrifice of human life resulted on more than one occasion.

Mr. Frick's character need not be analyzed at this

point. It will be illustrated clearly enough as our narrative progresses.

The Homestead mill and the Frick coke works, vast as they are, constitute merely a fraction of the Carnegie Company's interests. In addition to these the Company owns the Edgar Thompson furnaces and the Edgar Thompson steel works at Bessemer, eleven miles from Pittsburgh on the Pennsylvania railroad; the Duquesne steel works, on the same side of the Monongahela river as the Homestead works; the Lucy Furnaces, Pittsburgh; the Keystone Bridge Works, Pittsburgh; the Upper and Lower Union Mills, Pittsburgh; the Beaver Falls mills at Beaver Falls, 32 miles from Pittsburgh on the P. & L. E. railroad; the Carnegie Natural Gas Company; the Scotia ore mines in Center County, Pa.; the American Manganese Company, and interests in several large ore companies in the Lake Superior region. About 13,000 persons are employed in the various concerns operated by the firm, and of these about 3,800 are engaged in the works at Homestead.

In June 1892, Andrew Carnegie, while maintaining the controlling financial interest in the firm, transferred the managing authority to H. C. Frick. At that time the firm was reorganized, the separate enterprises which had previously been conducted under the names of Carnegie Bros. and Company, Carnegie, Phipps & Co., and other independent titles, being merged under the control of a single corporation known as the Carnegie Steel Company, Limited. H. C. Frick was made chairman, the other partners being Andrew Carnegie, Henry Phipps, Jr., George Lauder, H. M. Curry, W. L. Abbott, John G. A. Leishman, F. T. F. Lovejoy, Otis H. Childs



and sundry minor stockholders whose interests were conferred upon them by Mr. Carnegie by way of promotion.

The power of the firm in the iron and steel industries was now dictatorial. On the fiat of the Carnegie Company depended almost entirely the price of steel in the market. Rivalry was dwarfed and competition nullified. Rarely in the industrial history of the world has a similarly powerful monopoly been built up on no other foundation than the combination of brains and capital, with such indirect aid as the protective tariff system affords.

Against this tremendous power,—a power equal to the control of 13,000 men and more than \$25,000,000 of capital, the men of Homestead were destined to pit themselves in a life and death struggle; how destructive and hopeless a struggle will appear from the story told in these pages.

The men of Homestead, on their side, had comparatively limited resources to count upon in a battle against such fearful odds. They reckoned, to begin with, upon that species of *esprit de corps* which prevails among workmen, especially those of the more intelligent class, and which is the solid ground under the feet of organized labor.

Not that the 3,800 workmen in the Homestead mills had a complete and comprehensive organization. On the contrary, out of this number, not more than one thousand were enrolled in the eight lodges of the Amalgamated Association of Iron and Steel Workers maintained in the town. These were the workers known as "tonnage men," because the nature of their employ-

ment permitted the graduation of their wages on a scale determined by the price of billets per ton. Outside the lodges were the mechanics and laborers, working, for the most part, for daily wages. At the same time, the joint influence of fraternity and of confidence in the force of organization was deemed sufficient to inspire all the Homestead workers, in and out of the lodges, to make common cause in the event of a quarrel between the lodges and the Carnegie firm. Should this emergency arise, it was argued, the firm could not find enough non-union steel-workers in the United States to take the places of its army of employees, and as a consequence, if the men went out on strike, the mills would have to be shut down and the heavy loss resulting would force the firm to come to terms.

With this impression ingrained in their minds, the men smiled confidently at the suggestion of a cut in wages, and tacitly defied the new chairman, Mr. Frick, to do his worst.

That the new chairman was liable to make some disagreeable departure had to be admitted by the most confident. Dubious associations hung around the name of this man H. C. Frick. He had acquired unpleasant notoriety by reducing wages in the coke regions, and by crushing the labor insurrections which followed by the employment of Pinkerton detectives and even by calling in the state militia. There was no diletantism or liberally-advertised philanthropy of the Carnegie stripe in Frick's composition. Everybody knew that. He was a man of blood and iron like Bismarck, so the workmen said; cared not a penny whether his underlings loved or hated him, and rather preferred an opportunity to

crush—crush—crush intractable working folk under his heel than not.

Was this man placed in power by Andrew Carnegie in order to carry out at Homestead what he had carried out in the coke regions; to challenge organized labor by the submission of conditions which it could not accept and, on its refusal, try the old game of crushing the unions under foot? Did Carnegie shrink from the task himself and pick out Frick as a willing and capable instrument? Such were the questions discussed in the lodge-room and in the privacy of the domestic circle at Homestead during the time which intervened between the re-organization of the Carnegie interests and the next annual signing of the wage scale. Whatever conclusions might be reached, there was one thing certain at all events, in the not too penetrating judgment of the unionists: Frick might reduce wages, and Frick might fight, but Frick could not repeat in conflict with the 3,800 brawny and intelligent artisans at Homestead the comparatively easy victories which he had gained over his poor coke workers. So said they all, and they believed it, too, as firmly as if it were Holy Writ.

The feeling of ownership had a place in the reasoning of these simple people. Many of them had bought and paid for their homes and were pillars of the borough government. Some were still paying for their dwellings—paying off the mortgages held by the Carnegie Company, which had been in the habit of helping those who cared to build, and which even did a regular banking business for the advantage of its employees. It was clearly impossible that men of substance, heads of families, solid citizens of a prosperous municipality could

be rooted up, as it were, out of the soil in which they were so firmly planted and beaten to earth by the creature of their labor—for without labor, it was argued, capital would be impotent and valueless.

In this mood, with suspicions as to the mission of Chairman Frick, but with impregnable confidence in themselves, the men prepared to settle the scale of wages, which was to be agreed upon in the spring of 1892 and to go into effect on July 1.

They sought no advance in wages, but it was a foregone conclusion that, if wages were to be depressed, they would offer implacable resistance.

There was calmness in all quarters at this time. No smoldering embers of dissatisfaction; no long nourished grievances were in existence to precipitate a sudden outbreak.

Mr. Potter, the superintendent of the Homestead mill, calmly discharged his daily round of duties.

Mr. Frick sat in his comfortable office in Pittsburgh, and calmly mapped out a plan of some, as yet, unheralded campaign.

Mr. Carnegie calmly continued to hob-nob with European celebrities and to indulge his *penchant* for the erection of free libraries.

There was not a cloud the size of a man's hand to mar the serenity of the horizon that bounded the little world of the Carnegie interests.

The gathering of the storm had not yet begun.