

Signs of Revived Demand Appear

Buying Movement in Pig Iron and Slight Gain in Inquiry for Steel Suggest Turning Point Is Near—Rate of Ingot Production Is Maintained—Imports in April Are High

DEVELOPMENTS in the past few days have crystallized the belief that the low point in iron and steel market activity either has been reached or is near at hand. Pig iron buying has been resumed on an encouraging basis and while the revival of demand for finished steel is not pronounced, the volume and character of inquiries have produced an unmistakable improvement in sentiment.

In spite of the fact most mills and furnaces are operating on what practically amounts to a jobbing basis, the rate of production is holding its own. The slight loss in ingot capacity reported in the Youngstown district is more than balanced by slight gains in Pittsburgh and Chicago steelworks. The average rate of steelmaking for the industry still is in excess of 60 per cent of capacity.

Price Trend Studied

The heavy buying of pig iron generally is interpreted as an indication that large consumers believe the bottom has been reached in pig iron prices.

That this feeling also is shared in the finished steel market is evidenced by the resistance to further cutting reflected in current transactions. While shading is being done on some finished products, the tendency among many producers is to adhere more closely to the established prices. In the case of a number of mills it is doubtful whether outstanding low quotations will continue in force much longer.

Requirements for railroad bridges and construction work mark an otherwise inactive structural steel market. Inquiries for 1300 tons for a bridge for the Central of New Jersey railroad and 1000 tons for a Chesapeake & Ohio bridge are before fabricators. An award of 3800 tons for a building for a Chicago printing company has been made. An Illinois builder has received a contract for 220 cars for the Florida East Coast railroad. It is evident that car awards for May will fall considerably below the record of April. The Bethlehem Steel Co. has booked 50,000 boxes of tin plate for the Nippon Oil Co. of Japan.

IRON TRADE REVIEW composite of 14 leading iron and steel products this week again reflects the further concessions in the prices of pig iron, the figure being \$41.14 as compared with \$41.22 last week. The aver-

age for May is \$41.38, which is in sharp contrast with the \$47.52 level recorded in the corresponding month a year ago.

Iron Buying Resumed

Iron buying has been resumed on a large scale, transactions during the past few days totaling well over 100,000 tons. The American Radiator Co. is reported to have purchased 60,000 tons, the United States Cast Iron Pipe Co. bought 25,000 tons, the American Brake Shoe & Foundry Co. 7000 tons and the Ingersoll-Rand Co. 4800 tons. Smaller sales mount up to a fair tonnage. The volume of inquiry is encouraging, numerous consumers being in the market for lots ranging from several hundred up to 5000 tons. This buying has been attended by a further softening in iron prices. The range for Buffalo iron now is \$19.50 to \$20. and reductions of 50 cents have been made in quotations in some of the other markets. Most of the week's purchases have involved foundry iron, but inquiry on steelmaking grades has appeared in several markets. Consumers' stocks are low. In Buffalo only 11 blast furnaces are active. This is the lowest rate of operations in that district since the depression in 1922.

Interest in wages is centered on the negotiations with the Amalgamated Association of Iron, Steel and Tin Workers, which has demanded advances averaging 25 per cent, and on the Connellsville coke region where wage reductions amounting to from 20 to 33 1/3 per cent put in effect by two cokemakers undoubtedly will be adopted by other producers between now and July 1.

Import More Steel

Imports of iron and steel products into the United States in April amounted to 50,964 tons, the highest monthly tonnage recorded since July, 1923. Exports in April totaled 134,627 tons as compared with 120,596 tons in March, 1924, and 179,159 tons in April, 1923. The sale of European products to American consumers continues, the French correspondent of IRON TRADE REVIEW reporting that the Pont-a-Mousson works has disposed of 3000 tons of cast iron pipe to a New Jersey public service corporation. Several thousand tons of hematite iron has been sold to American buyers.

The Reader's Page

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Convention Season in Full Progress

EIGHT conventions of interest in the metalworking industries are reported in this issue of IRON TRADE REVIEW. This indicates the broadening scope of associational activities, and how thoroughly this publication responds to the needs of its readers for information concerning them. Staff correspondents



A group from one of the eight conventions held in the past week

attend the conventions, and in some instances a number of editorial representatives are in attendance. A point to be emphasized in this connection is that the work of these correspondents is not merely to present a volume of written material in which the reader has difficulty in finding the really new and interesting developments. The length of a convention report is never the true criterion of its value; it is how well the subject matter has been studied and put in readable form. This point should appeal to many busy readers.

Do You Know That—

There are 607 manufacturers of wire products, 931 manufacturers of sheet metal products, and 1296 stamping and drawing departments among subscribers to IRON TRADE REVIEW. Quite a market for punches and dies, presses and sheet metal working machinery!

Steel Industry Escaped Peril

Government Officials Planned To Nationalize Business During War—Owners' Insistence on Management, While Serving Efficiently, Avoided Critical Situation—Record Is Made Clear

BY E. H. GARY

THE greatest and most destructive of all wars, to be known as the World war of 1914-18, had been raging for more than two and one-half years with extraordinary and surprising success to the central powers, when the congress of the United States, with practical unanimity, endorsed the declaration of the President that the time had arrived for our government to mobilize all the military forces and facilities of the country and to utilize them in supporting the allied armies of the eastern hemisphere in their contest for the defense and preservation of civilization. Conditions were critical and possible results to the whole world uncertain.

Soon after the United States entered the war, Bernard Baruch, by appointment and at the direction of the council of National Defense, called upon the president of the American Iron and Steel institute and requested him to act as chairman and to organize a committee of iron and steel masters to represent and to mobilize the iron and steel industry of the United States in co-operating with the Council of National Defense in supplying and utilizing the iron and steel necessary for war purposes up to the full limit of productive capacity. This request was fortified by letters from the secretary of war and the secretary of the navy.

In accordance with the request, the committee was immediately organized, established subcommittees, commenced active operations, met frequently and remained in office until after the armistice was signed. At first it was designated as a part of the Council of National Defense, but a little later, because of legal questions which were raised, the committee was dissolved, and, at the instance of the government, its members were promptly organized into a new, independent committee representing only the iron and steel industry of the country.

How much hard work was done by the general committee and by subcommittees need not be detailed. A large part of the hard work was performed by the committee on distribution, composed of James A. Farrell, E. A. S. Clarke and J. A. Topping, and their skill, patience, fairness and success are

deserving of the highest praise and most generous commendation.

Still later, the war industries board was organized by and for the government, and its meetings were held in

What Steel Did For Government

THE iron and steel industry would not like to go through another war, but if it became necessary, would again offer its services and its facilities in defense of home and country. By resolution of the institute, lately adopted, it is pledged to do this.

What did the iron and steel industry do or furnish to the United States government and its associates for military purposes during the late war?

A single industrial concern of this country furnished for the military necessities of the United States and associates in the war, finished steel aggregating approximately 18,500,000 tons valued at \$1,400,000,000. It purchased government Liberty and Victory loan issues amounting to about \$112,000,000; expended for extensions to producing plants and other property in order to enable it to meet the demands for steel and proprietary products a total of about \$350,000,000. We rightly assume that other business concerns engaged in the same line of industry together supplied steel to relatively the same extent and made proportionate expenditures and investments; and therefore there was furnished by the industry as a whole at least 35,000,000 tons of steel of a value of \$2,600,000,000, and an outlay for expenditures and investments of \$750,000,000 or more.—E. H. GARY.

Washington. This board had charge for the government of many questions, including allocations, production, distribution and especially, because most important, the fixing of selling prices for commodities included. It was this board with whom the general committee of the steel interests usually had contact, discussion and arrangement concerning the

steel sold to the government for war use.

In the earlier months there were different men at short periods acting as chairman of the war industries board, all good men, but finally Mr. Baruch became permanent chairman of the board, with Robert S. Brookings permanent chairman of the price fixing committee, and J. Leonard Replogle, director of steel supply. There were other subcommittees, but not so active concerning the steel business. The number on the war industries board was large and their names are well known. They were able, fair and conscientious.

It is only fair to say that, after a long experience with the war industries board, all in all the steel committee could not, nor had any inclination to, challenge the wisdom, fairness and intentions of this board, from Mr. Baruch down. We did not always agree with them. Quite the contrary. Some of us thought at the time some decisions were wrong and unjust, but considering everything, we now believe they were justified in their conclusions.

Prices on all iron and steel commodities were fixed about every three months.

The general committee stood for what its members believed was fair, no more and no less. At some meetings of the entire industry there were many manufacturers who seemed to think the steel committee was not reasonable in respect to giving advice, particularly toward producers whose costs were high. In several such cases certain members of the steel committee purchased from the complaining producer and personally paid for his or its commodity at prices materially larger than the government prices.

The difficulties surrounding the steel committee were not ended with the adjournments of the large meetings of the steel industrials. The subject matter was referred with power to the committee for action, and composing this committee were 10 members. They were hardly ever entirely in accord at the beginning. There were many discussions and occasionally wide differences. Often decisions were not reached in time to meet the War Industries board in Washington, as notified, and further time to consider and report was asked and granted. More than once, the general committee, without having agreed, met the industries board, and different

Abstract of address delivered by president of American Iron and Steel Institute, at banquet of institute, New York, May 23.

schedules were presented and discussed. In such cases the industries board had to adjust the existing differences. Having said this much, only for the purpose of hinting at the difficulties which perplexed the steel committee, it is proper to say that there is no good ground for finding fault with any member of the committee. All were fair, well-intentioned and intelligent. Perhaps everyone was right from his own viewpoint. There was never any ill-feeling among the members of the general committee. The chairman has reason to be grateful for the splendid assistance rendered by every other member of the committee.

Nor did the members of the war industries board always agree at the start, judging by their remarks and discussions. They had their troubles. However, at the end of every hearing, after much discussion, wide differences, consideration of what seemed insurmountable obstacles, both sides, the board and the general steel committee, unaniously agreed upon prices for three months, and the President approved and published the prices fixed. This also was largely influenced by a spirit of patriotism.

As to profits based on these prices, they were nil in some cases, small in many cases, substantial in other cases and liberal in a few. This was because the only practical and legal thing to do was to fix one price for each commodity, and as no two producers had exactly the same costs, these difficulties were overcome, so far as practicable, by discriminations concerning allotments, by accommodating so far as possible the higher cost mills, and by assumption of certain burdens by those who were better able financially to carry them, and by purchases, as already mentioned.

Without any demand or request from the government or from the workmen, it increased the wage rates from time to time, commencing with an average daily earnings per employe of about \$2.85 in 1914, until they amounted to an average of \$6.20 in December, 1918, an increase of 116 per cent.

It furnished to the government, without charge or recompense, large numbers of experts in various lines of the nation's military activities.

It extended its capacity to produce finished steel products by about 10,000,000 tons, in many cases for works that could not be utilized in times of peace and therefore were nearly a total loss.

It never refused nor neglected to honor any requisition of the government for any expenditures deemed essential to carrying on the war.

It expended for experimentation millions of dollars in order to assist the

government in its endeavor to perfect its facilities for military defense.

It never failed to make deliveries of steel or finished products demanded for war purposes and, on the contrary, met every demand, and without any delay that was injurious to the government or materially interfered with its war program.

In every respect it gave its unlimited, unqualified support to the government

Tells of Industry's Patriotism

AS THE result of frequent representative steel meetings during the war, it is believed that, without exception, it was, before final adjournment of each meeting, unaniously resolved that the whole subject matter be submitted with full power to the general committee. This was not only creditable, it was astonishing, for arguments in favor of prices lower than some that were demanded were made by members of this general steel committee. Among the arguments advanced by those who advocated the lower prices, the most telling and convincing related to patriotism, love of country and duty.

Not a man in the whole steel industry who attended the meetings ever did or ever could ignore or resist the influence of appeals to his spirit of loyalty. Looking back to these meetings of excitement, sometimes of apparent temper, deep-seated and well expressed sentiments of dissatisfaction and injured feelings, allow your president to say that the grandest and most satisfying experiences in his life were to see large numbers of steel magnates stand upon their feet again and again as an expression of assent to resolutions in favor of subordinating personal interest to the public weal. All credit and honor to these men.—E. H. GARY.

and its associates in their military campaigns up to the full measure of the capacity which it possessed at the beginning or could secure by prompt and efficient effort and expenditure. And everything it did was done cheerfully and promptly.

At one of the meetings in Washington, probably during the fall of 1917 or the early part of 1918, it was stated by Mr. Willard, the then acting chairman of the war industries board, that the government was seriously considering the desirability of taking over the control and management of the total iron and steel industry of the United

States as a guaranty of full production and distribution. This provoked expressions of surprise and objection, whereupon Mr. Willard, for his board, promised that before action of this kind should be decided upon, the steel committee would be duly notified and given a full hearing. Subsequently the steel committee received notice to appear before the board in Washington, for consideration and decision of the subject of taking over the iron and steel business.

The committee appeared and a somewhat lengthy discussion took place. Several members of the board argued in favor, and members of the steel committee against. The chairman, with earnestness and considerable feeling, though with no show of anger, spoke at length. Perhaps the same is true of other members of the committee. After referring, considerably in detail, to what the steel industry, under existing management, had done and was doing toward supplying steel for the military necessities of the United States and its associates, the argument of the chairman of the committee closed with substantially these words:

"If you think, under government management, better service will be rendered and you believe you can legally do it, you may undertake to forcibly secure the management of the steel business. You will never do it with the consent or approval of the owners of these properties and you will be held responsible, morally at least."

Mr. Baruch at this time was chairman of the board and through Mr. Brookings, who had never advocated the proposed procedure, the board then took the matter to the President, who, after reading the proceedings written up, decided to let the matter rest temporarily at least. The subject was never again broached to the steel committee.

It has been reported that the secretary of the treasury had urged the President to take over the steel industry, though the steel committee does not claim to have knowledge of this action on the part of the secretary. It is believed that the war industries board or the Council of National Defense did not originate or advocate the proposed governmental management. That the President was urged by some one and was partly committed to the scheme, and that the war industries board was honestly advocating the course suggested under instructions from the President, there can be little doubt. Imagine what would have been the consequences if the steel business had been taken over. It is believed this, together with certain labor questions, not including rates of compensation, were the only serious matters concerning which the steel industry was opposed to requests made by any governmental agency during the war.