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**J. P. Morgan and U.S. Steel – Part II**

**Lead: In 1901 financier J. P. Morgan negotiated the “deal of the century,” the formation of U. S. Steel, the world’s first billion dollar corporation.**

**Intro.: *A Moment in Time* with Dan Roberts.**

**Text: By the turn of the last century, John Pierpont Morgan had become one of the world’s dominant financial figures by successfully financing and consolidating U.S. industries. During the 1880s he had concentrated primarily on railroad mergers. By the turn of the century**

**seven of the major railroad lines controlled two thirds of the trackage. Morgan himself owned one of them.**

**He then shifted his attention to the steel industry. He financed the formation of Federal Steel Company and became a competitor of Carnegie Steel, the world's second largest industrial company. Morgan was not fond of competition. Instead, he favored forging alliances that would eliminate it. In 1901 Morgan bought Carnegie Steel Company for Andrew Carnegie's asking price of \$480 million dollars. Morgan admitted he "very likely" would have paid \$100 million more if Carnegie had asked. With Carnegie in his pocket, Morgan bought metal ore reserves and**

**steamship properties from John D. Rockefeller for another \$88.5 million. Before it was over, Morgan had created a master trust – United States Steel, the world’s largest and first billion-dollar corporation. The corporation employed 168,000 people and locked up 60 percent of the U.S. steel business. J. P. Morgan remained a dominant figure in private and government financing until his death in 1913. He and other financial capitalists acquired the assets of and shifted the economic power of industrial capitalists to investors and those involved in the banking business.**

**Morgan bequeathed a majority of his extensive art collection to the**

**Metropolitan Museum of Art, and his private literary collection became a public reference library in New York City in 1924. Perhaps J. P. Morgan's familiar quip about yachting gives insight into his philosophy on business and pleasure, "If you have to ask how much it costs, you can't afford it."**

**At the University of Richmond, this is Dan Roberts.**

**Resources**

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