

ous and fatal accidents throughout all the plants of the Corporation shows a decrease of 43% since 1906. This reduction of serious and fatal accidents, based on the normal number of employes (200,000) means 2,300 less in 1911 than in 1906. Prevention is but the first step in the system of accident and relief work as carried on by the Corporation. Nearly every plant has its emergency hospital equipped to render first aid to any workmen injured. Each mill has its surgeon and nurse to administer promptly the necessary assistance in case of accident, and the company provides efficient hospital treatment, either in its own hospitals or those of the community.

Voluntary Accident Relief Plan

In spite of all precautions taken and all efforts towards prevention, there will occur many accidents in any large industry involving temporary or permanent disability, and sometimes death. To Andrew Carnegie, the steel industry is indebted for the first voluntary relief measures. In 1901, he created a trust of \$4,000,000, the income of which was devoted, within the Carnegie interests to the relief of families from whom the breadwinner had been removed by accidental death, to the temporary relief of those employes meeting with work's accidents, and to the pensioning of superannuated employes, and those permanently disabled. From this fund, there was disbursed in nine years, the sum of \$1,756,955.59 among 9,746 employes. What has been the policy of the corporation in this matter of ameliorating the conditions which accidents often bring to the homes of its employes? In May, 1910, it established a plan of relief whereby it made voluntary provision for the care and benefit of all employes injured and for the families of those killed. In a report of this nature, we cannot discuss the considerable detail of such a system. During the years 1910, 1911, \$3,133,000 was paid in aid of workmen who were injured in the mills, and to the families of those men who were killed in service. In addition to this voluntary relief on the part of the corporation, there exists in some of the subsidiary companies plants employes' beneficial associations for insurance against sickness and death from causes other than mill accidents. To the funds of these both the men and the company contribute, and in their administration there is a similar partnership. That there should be an extension of this form of insurance would seem to us desirable.

Pensions

In addition to voluntary accident relief, the U. S. Steel Corporation appropriated in January, 1911, a fund of \$8,000,000 for pension purposes, which was combined with the fund of \$4,000,000 which had been established in 1901 by Andrew Carnegie for the benefit of the employes of the Carnegie plants. The income from the aggregate amount is now being used for the benefit of all employes of all the subsidiary companies of the corporation. The pension obligations of those subsidiary companies, which had put into operation pension provisions prior to 1911, were assumed by and merged into the new fund. The record of operations of this fund for the year 1911 was as follows:

Total number of pensioners Dec. 31, 1911.....	1,606
Number of pensions granted during 1911.....	565
Total disbursements during 1911.....	\$348,480.37
Average pensions granted per month.....	\$20.75
Average age of employes pensioned.....	66 2/3 yrs.
Average length of service of pensioners.....	30 4/10 yrs.

Sanitation and Welfare

We have found that much attention has been given to the matter of sanitation in many of the mills. Pure drinking-water systems, sanitary lavatories, locker rooms, shower baths, and other like provisions are being established in many of the plants. Not all have traveled as far nor as diligently along this line of improvement as we think they might. Along the line of general welfare work, scattering efforts are being made in the way of providing places of recreation, such as club rooms, playgrounds and other agencies for the families of employes. District nurses have been employed by some of the companies; sanitary engineers by others. Specialists have been employed to investigate and report on all questions affecting social welfare. An educational movement along these lines is now being inaugurated, and when that same energy and uniformity of practice that is characteristic of the safety department shall have been brought to bear upon the question of welfare, either directly or in cooperation with agencies already at work in the towns, much of permanent value can, and, we believe, will be accomplished. With the question of shorter hours of labor, is closely allied this one of providing means and places by and in which the leisure hours gained may be profitably spent. It is not a question

for the Steel Corporation alone. Rather is it one to which society as a whole may well address itself. During the year 1911, the corporation expended \$1,250,000 for this general betterment work.

Stock Distribution

In the year 1903, a plan was inaugurated, under which shares of preferred stock were offered to all employes and which practice has continued yearly since. A premium of \$5 per annum for five years is paid on each share of preferred stock purchased by employes under this plan. As of December 31, 1911, 24,588 employes were stockholders under this plan; their aggregate holdings amounting to 102,245 shares of stock. In response to the 1912 circular concerning employes stock distribution, the following table shows the subscriptions therefore:

	Number of Employes	Number of Shares of Subscribing Stock
Employes receiving less than \$800 a yr.....	15,349	17,233
Employes receiving \$800 to \$2,500 a yr.....	20,096	35,255
Employes receiving over \$2,500 a yr.....	1,501	8,866
TOTAL.....	36,946	61,354

While in the mills, we have made special point to ascertain from the workmen themselves their attitude toward this plan, and we have found most of them well informed as to its provisions. Many with whom we have talked were holders of one or more shares of stock. Our belief that the plan has encouraged thrift and stimulated the men to save was but strengthened by the remark volunteered by several of the men with whom we talked—that they "had never saved any money until they began this way." An impartial examination of all the facts presented in this report will show that much work has already been done by the U. S. Steel Corporation for the betterment of conditions under which their employes work and live.

We believe that there is evidenced a widening sense of social responsibility; an increased willingness to accept the heavier burdens and obligations which have come with the development of modern industry. Yet, not less evident is the fact that there is necessity for still larger accomplishment in the future. Elsewhere in our report we have suggested some of the lines along which that should be wrought. It may not be amiss to say that the resolution passed by our fellow stockholders imposed a task upon this committee re-

quiring much labor, careful investigation, and conscientious consideration. To approach the questions raised by the article under discussion with fair and open minds; to ascertain and present the real facts; to search for the practical, rather than the theoretical; to reach conclusions that should not be affected in any way by opinions gleaned from this or that possibly prejudiced source, whether of employer or employee—in that spirit have we endeavored to do the work entrusted to us. To that high tribunal, that final court of appeal—public opinion—we submit our conclusions and recommendations. The dissatisfaction and unrest which plainly exist in the industrial world today will not be lessened or removed by a policy that limits itself to a fault-finding destructive line of action, but rather by one that will in tangible definite fashion recognize and follow that constructive and conserving leadership of which we believe there is evidence, both in the ranks of employers and employes. There may be those, perhaps, who will accuse us of unwarranted optimism in expressing the hope that the men who, in the manufacture of iron and steel have been so successful in that invention and application of wonderful mechanical appliances, who have won success in the administration of immense enterprises—that these same men will lead and achieve in the just solving of the social and human problems that in this same industry press for answer. The publicity accorded by the Steel Corporation quarterly in its financial statements, and monthly in its tonnage statements, has placed it in this respect far in advance of other corporations, and by doing so, has gained for it the confidence and trust of the public.

In conclusion, we respectfully recommend to the Board of Directors of the Steel Corporation that hereafter, and at stated periods, a statement shall be submitted to the stockholders dealing with the questions discussed in this report, so that correct and reliable information first hand, may be available as to the advancement and betterments being effected in these equally vital and important fields of endeavor.

Respectfully submitted,

Stuyvesant Fish,
Thomas DeWitt Cuyler,
Darius Miller,
Charles A. Painter,
Charles L. Taylor,
Committee of Stockholders.

New York, N. Y., April 15, 1912.