# Charles Michael Schwab Biography

## Charles Michael Schwab

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# Biography

Charles Michael Schwab (1862-1939), American industrialist, became a multimillionaire in the steel industry but died bankrupt.

Charles M. Schwab was born on Feb. 18, 1862, in Williamsburg, Pa. He graduated from high school in 1880 and 2 years later joined the steel enterprise of Andrew Carnegie as an unskilled manual laborer. In 6 months he was an assistant manager. He was appointed superintendent of Carnegie's Homestead Works in 1887. No wonder Carnegie declared about Schwab, "I have never met his equal."

The steel industry at the turn of the 20th century was in the throes of a competitive struggle in which Carnegie was the ruthless competitor and other firms attempted to achieve stability. Schwab served as the intermediary between Carnegie and banker J. P. Morgan, and the sale of Carnegie's company became the main step in organizing the U.S. Steel Corporation in 1901. Morgan chose Schwab as president of the new giant corporation. In 1903 Schwab left because of internal disagreements with his associates.

Schwab acquired control of the Bethlehem Steel Company in 1901. When the concern was merged into the United States Shipbuilding Company, Schwab's stock was exchanged for bonds. When this company failed owing to an improper financial policy, Schwab as the prime creditor became the owner. Bethlehem Steel Corporation, organized in 1904, was his own creation, and he made it a major steel producer and a worthy competitor of U.S. Steel. During World War I Bethlehem Steel became an important producer of materiel for the Allied war effort. He also spurred the American shipbuilding program to new heights after he was appointed director of the Emergency Fleet Corporation in April 1918.

After the war Schwab entered into semiretirement. He continued as the chairman of the board of directors of Bethlehem Steel until his death but delegated the responsibility to the president. During the 1930s Bethlehem was accused of having earned extortionate profits during the war, but the courts upheld the company's actions. Schwab died in London, England, on Sept. 18, 1939.