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try to succeed the Ill. Wire & Steel. Says that Morgan dropped this because of the Spanish-American War and that Gates still benefited by all that he had done in the way of organization and made the N.J. Corporation.

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He says that he put together the Consolidated in 1893 on exactly the same basis that the put together the Federal and the Steel Corporation. He says he thinks it was the first one of the kind. Does not remember the exact names of the firms that went into the Consolidated combination - an example of how men after a period of years do not remember exactly. I tell him that the names are given in the suit testimony, and he says they will be right there if they are not challenged. What they did, he said, as in the case of the Consolidated, was to make capital stock ¹ issue of \$3,000,000 - a very large sum for the time. Having agreed on the amount of stock to issue, they agreed by negotiation what each should have and exchanged their shares of the old for the shares of the new. The complete block issued was distributed among the five firms going in. I told him what Clark says about the fee for that Corporation being the largest received at Springfield to that date. He said he doesn't know.

We revert to Gates. He says that Elwood gave up fighting Gates, said there was no use, he was too slippery, so he made arrangements about the patent. When I say that I really want to know more about Gates, he tells Sites to telephone to J. W. Scott, who was with Gates from the start. Gary very peevish this morning with Sites. Sites said over the telephone, "Will you please come over to Judge Gary's room, see Mr. Scott? he would like to talk to you?"

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- we were in the Directors' room - the Judge calls out, "I didn't tell you to say that, I told you to tell him to come over." Sites flushed sometimes at these outbursts but is very courteous, "I beg your pardon, Judge." These signs of irritability are increasing.

Scott comes. A hard, round, rosy, Wall St. proposition. The Judge raises the question of Gates' factory at St. Louis and he chuckles and says, "Moon shine." Remarks that Gates took the raw wire from Elwood and says "There was always a difference in weight when we got it." He tells how they bought rods in Germany at that time and how brittle they were, because of too much carbon, the Judge says. Later they bought their rods at Beaver Falls.

They speak of the consolidation and Scott tells how John W. used to come back from his trips so hoarse he could scarcely speak. He says that the reason they asked him to become president of the Ill. Steel Co. was because in his dealings with that company from whom he bought many billets, he always managed to get the very lowest price. They got such an impression of his skill as a bargainer that they wanted him. I think I have already put down that Gary remarked that he became president because he played poker so much with the former president.

Scott says everybody knew Gates in Chicago. He tells of once when they bought pig iron at a low price from the Carnegie people, I understand, turned it into rails and sold to Carnegie at a high price. He was famous for this kind of operation. Scott says he had a supernatural business genius, that he was always kind and considerate to people that were in trouble. He lived the life of a hundred men. Tells how much he disliked giving up his stock in the

Tenn.Coal & Iron, that he owned the stock; that is, he paid cash for it and he wanted to keep it, but Schwab and the ^{Sales} others who had bought their stock with borrowed money, forced him into it. He was on the ocean at the time. Scott says it was arranged by wireless - think there was no wireless in 1907. Scott is very weak on dates.