

Memoranda.

Testimony of Gates - p.1005, V.1 - Industrial Commission.

Probably the best testimony on combination in steel given the Commission.

More interesting than Garys. Gates says (see p.1005):

"We are owners of iron mines, miners of iron ore, owners of coal mines, miners of coal, burners of coke. We operate 8 or 9 blast furnaces, 3 Bessemer steel works; we have, either built or in process of construction, 17 open-hearth furnaces, about 22 to 25 rod-rolling mills, and 20 to 30 wire mills; and our finished product is plain wire of every shape and kind used in America, barbed fence wire, wire nails, and every kindred article in the wire line."

Making 50 to 60 per cent of their product, controlling about 60% of wire business.

Only monopoly that in barbed wire, where they control patents.

No monopoly in nails (p.1010-1011)

Concern claimed monopoly of woven wire fence, had bought patents. Made about 25,000 miles of it.

In 1898 higher price than for barbed wire.

No monopoly in wire-nail machinery.

Explains decline of prices - p.1008.

In 1880 wire for barbed fence cost 8 or 9 cents a pound and was practically all imported.

Output of wire in 1874, 40,000 tons, in 1899, 1,250,000 tons.

Both fence and nails much cheaper to the farmer.

Scale of wages highest ever paid in the country.

Explains reason for fluctuation of prices. Discusses labor relations (p.1011-1012)

Considers tariff necessary to keep men employed. Without it export would fall off.

In 1899 export about 700 tons per day.

Possible to do this because coke is cheaper, also ore, also railroad freights.

Wire combine started in London in 1893 and is now doing an average business of from 15,000 to 20,000 dollars a day.

Interesting discussion on foreign and American conditions.

Ship subsidies.

Syndicates in Germany-favors supervision of business in America like that in Germany. Says that if we had it this would be the only manufacturing concern in wire and steel in ten years and he would be willing to give up large percentage of his stock to have it so (p.1018)

Beginning p.1019, gives fullest history of formation of wire combine.

He and Ellwood bought a number of mills themselves.

Gives value, former corporations, etc.

Full information on relations of various industrial companies.

Methods of buying and fixing prices.

p.1028-29 - reasons for closing plants.

Denies seeking rebates.

More history p.1032 - excellent.

Tells commission that the new combine wanted to be the wire manufacturers of the world.

Not competition caused the combination but because they attended to business.

Sometimes made 28 per cent net a year.

Looked after business, worked 12 hours to 20 hours a day; adopted improved methods; pushed for business; acquired properties.