

fortify ourselves that we are practically independent, or, if you please, to put ourselves in a position to take the ore from our own mines, transport it in our own vessels, convert it into pig iron in our own furnaces, roll it into steel billets in our own steel mills, roll it into iron rods in our own rod mills, and finish it in our own mills into plain and barbed wire and all the different kinds of wire used not only in the United States, but all other countries where wire is used. In this way we have succeeded, as we own one of the best ore mines in the Mesaba range. We have our own coke mines and coke furnaces; so that you will see that we start at the bottom and have all the profits that there are from ore to finished material. Our business is entirely satisfactory and the company is doing very well."

The trust has a monopoly of the drawn and barb wire business but has considerable competition in woven fence wire. It also does a large business in copper wire and copper electrical goods and in fencing, poultry netting, baling wire and bale tires.

The actual output, in 1898, of all the plants now in the trust was:

Wire rods.....	826,840 net tons.
Drawn wire.....	1,130,124 " "
Barbed wire.....	275,918 " "
Wire nails.....	6,551,737 kegs.
Woven wire fencing.....	10,000 miles.

**Prices.**

The effect of this trust upon prices has been almost marvelous. The following tables of average monthly prices are from the Iron Age of January 4, 1900:

**Chicago (and New York) Wire Nail "Base" Prices.**

Months.	1899	1898	1897	1896	1895	1894	1893
January.....	\$1.59	\$1.55	\$1.50	\$2.42	\$0.95	\$1.17½	\$1.57½
February.....	1.73	1.57	1.45	2.42	0.95	1.20	1.55
March.....	2.09	1.55	1.50	2.57	1.00	1.15	1.65
April.....	2.25	1.47	1.45	2.55	0.95	1.00	1.65
May.....	2.35	1.45	1.42½	2.70	1.10	1.07½	1.60
June.....	2.60	1.43	1.42½	2.70	1.50	1.20	1.50
July.....	2.70	1.33	1.35	2.70	1.95	1.20	1.47½
August.....	2.80	1.33	1.37½	2.70	2.20	1.15	1.47½
September.....	3.10	1.45	1.50	2.70	2.40	1.10	1.47½
October.....	3.20	1.47½	1.52½	2.70	2.40	1.05	1.40
November.....	3.28	1.40	1.50	2.70	2.42½	1.05	1.30
December.....	3.53	1.37½	1.50	1.60	2.42½	1.00	1.27½
Average for year.....	\$2.60	\$1.45	\$1.46	\$2.54	\$1.68¾	1.11¼	\$1.50

**Chicago (and New York) Barbed Wire "Base" Prices.**

Months.	1899	1898	1897	1896	1895	1894	1893
January.....	\$2.05	\$1.90	\$1.90	\$2.02½	\$1.90	\$2.25	\$2.65
February.....	2.25	1.90	1.85	1.97½	1.90	2.25	2.60
March.....	2.62½	1.90	1.90	1.95	1.95	2.30	2.60
April.....	2.80	1.87½	1.80	2.05	1.90	2.20	2.60
May.....	2.95	1.80	1.80	2.15	1.95	2.15	2.60
June.....	3.20	1.80	1.75	2.00	2.10	2.20	2.55
July.....	3.30	1.80	1.75	2.00	2.15	2.25	2.52½
August.....	3.40	1.80	1.65	1.90	5.55	2.25	2.50
September.....	3.66½	1.80	1.80	1.85	2.85	2.20	2.45
October.....	3.77½	1.82½	1.80	1.85	2.85	2.15	2.40
November.....	3.88	1.82½	1.80	1.85	2.85	2.00	2.40
December.....	4.13	1.82½	1.80	1.95	2.00	1.90	2.35
Average per year.....	\$3.17	\$1.85	\$1.80	\$1.96	\$2.25	\$2.18	\$2.55

It should be noticed that these are the base prices of wire nails in carload lots. Because of "extras," due to sizes, the average price per keg is fully 60 cents more than those quoted above. Of course the prices of small lots are still higher and the retail prices, especially in remote districts, very much higher than for carload lots. The base price is fixed at Pittsburg and freights are added to all points of delivery. The Pittsburg price is now 33 cents lower than Chicago and New York prices, which are 5 cents below St. Louis prices. Wire nails have almost entirely replaced out nails, which now sell for about 70 cents per keg less than wire nails.

The duty on wire nails from 1890 to 1894 was from 2 to 4 cents per pound; from 1894 to 1897, 25 per cent; since 1897 ½ to 1 cent per pound.

The duty on barb wire from 1890 to 1894 was 6 10 of a cent per pound; since 1894 4 10 of a cent per pound.

The duties on other products of this trust are generally higher than those on wire nails.

**Trust Profits.**

In April one of the directors estimated the yearly net earnings at \$12,000,000. The statement of the earnings to June 30, 1899, showed a net profit of \$4,892,000, for the first six months. Judging from the prices of wire and wire nails the profits for the second six months should be at least \$8,000,000—the increase in prices being nearly all profit, because the trust owns its own mines and furnaces and the actual cost of making iron, steel and wire is not much greater than when prices were less than half present prices. While it is unlikely that the present excessive profits will

continue for many months it is difficult to see how the profits from July, 1899 to July, 1900, can fall below \$15,000,000.

**Trust Theories.**

It may be noted that when this trust was first formed we heard a great deal from the trust theorists about the economic advantages and savings of great combinations. Thus Mr. Garrit H. Ten Broek, of St. Louis, as counsel for the company announced that "the only effect on the market that I can see, will be a possible slight lowering of prices because of this economy and also a steadiness of prices for the future." There are still numerous pro-trust theorists prating about the blessings of trusts as if nearly all of the trusts had not, in practice, actually demonstrated that they are, under present conditions, all around curses. The blessings, so far, are enjoyed only by those who got into the trusts on the "groundfloor."

If the wire trust lowers prices it will do so only because of the removal or threatened removal of tariff duties or because prices are too high to yield maximum profits. The Iron Age of November 30, 1899, contains six columns of interviews with hardware men in 25 states on "the effect of high prices on the demand for goods." Many dealers say that they expect to sell 25 or 30 per cent less goods in 1900 because of advanced prices. Many farmers are refusing to build fences with wire at high prices. A Maryland farmer said: "The price of wire is prohibitive. I shall go home and put the hands to work and make rail fence." The farmers are deferring the building of houses because of the increased prices of lumber, nails, glass, etc. They are buying nails by the pound instead of by the keg.

**Very Low Export Prices.**

Mr. Gates neglected to tell the Industrial Commission how much export prices were below the home market prices.

It will make these farmers feel happy to know that this same trust which charges them at a "basis" of \$3.53 per keg for nails (about \$4.50 at retail) exports these nails and sells them to Europeans at \$2.14 "basis" per keg and that it exported about 70,000,000 pounds in 1899 to all parts of the earth. The exports for the fiscal years 1893 to 1899 of wire and wire nails were as follows:

**Export of Wire Nails and Wire.**

Fiscal Year.	Wire Nails. Pounds.	Wire. Pounds.
1893.....	2,300,501	42,798,048
1894.....	3,233,776	44,778,268
1895.....	4,367,267	61,063,717
1896.....	8,031,927	70,928,706
1897.....	9,941,714	107,729,155
1898.....	22,894,099	137,054,694
1899.....	51,233,212	215,194,475

All kinds of nails and tacks, except cut nails, were included previous to July 1, 1897.