

in the same way? Each had its own sphere of operations? They did not impinge one upon the other to any great extent?

Mr. GATES. Well, I would have to explain by making a statement. Mr. Morgan, along about 1899 or 1900, organized the National Tube Co. by the acquisition of the stock of the National Tube Co., just out of Pittsburg, and the Riverside Steel Co., near Wheeling, and two or three more tube concerns, and they were making a good deal of money in the manufacture of tubes. Mr. Carnegie took it into his head that he would build a railroad from Lake Erie points—from some point on Lake Erie to his various works around Pittsburg—and that he would also build a tube works; and he proposed to build this tube works, if my memory serves me aright, at Ashtabula, Ohio, where a great deal of the ore is unloaded. Mr. Hill and Mr. Morgan had dined together—James J. Hill—and Mr. Morgan had expressed to Mr. Hill the fear that if Carnegie went into the building of railroads he would demoralize the entire railroad situation as he had demoralized the steel situation, and that if he built a tube works at Ashtabula it would result in a demoralization of the prices of tubes. Mr. Morgan had just put the National Tube Co. together. After considerable talk between Mr. Hill and Mr. Morgan, Mr. Hill suggested to Mr. Morgan that he talk to me. Mr. Morgan said that we were not very friendly, and he asked Mr. Hill to come over to see me and see if I would meet him and talk about the situation, which I agreed to do. I had a talk with Morgan, and he asked me how I would suggest we could stop Carnegie from building this railroad and building this tube works; and I told him in my opinion there was only one man to talk to that had any influence with Mr. Carnegie, and that was Charley Schwab. He wanted to call in Frick. I said, "If you do, you will never make a trade with Mr. Carnegie." Well, he said, "Will you get Schwab on for a conference?" I said I would. I asked him where he wanted the conference, and he said he would prefer to have it at Philadelphia at the Bellevue-Stratford Hotel—no, the Bellevue Hotel. The Stratford was not built. I called Charley up on the telephone from New York and asked him if he would come over to Philadelphia, and intimated to him it was something pretty important. He said he would come over that night.

Next morning was very stormy. It snowed and blew and was very cold, and Mr. Morgan called my son up and asked him to come over.