

# Forty Years of Progress

That's What You See As You Skip Back Through The Pages  
Of The Gates Rubber Company History Since October, 1911

Artist's conception of the Gates Rubber Company's plant and office buildings in Denver, looking northwest across a panorama of 30 inter-connected buildings in an area of 53 acres. Compare this with the way the plant layout was envisioned back in 1919 (see picture top of page 12).

"Life begins at 40," they say. But that's no sign there wasn't much life before that—at least not in the case of the Gates Rubber Company, which commemorates its 40th anniversary this month. A careful review shows that there was "hardly a dull moment" in all the years up to 40. There was lots of life—even from the year 1.

The year 1, oddly enough, actually had three figure "1's" in it, since it all started back in 1911. That same date, even now, is reflected in our telephone number, SHerman 1911.

It was then that a certain young mining engineer named Charles C. Gates was growing weary of the constant travel required by his job. Besides he had more or less agreed with his wife that soon he would look into the matter of settling down in some pleasant community. You see, a "blessed event" was on the way—and what would be more desirable than settling down.

### Starts With \$1000 and A Loan

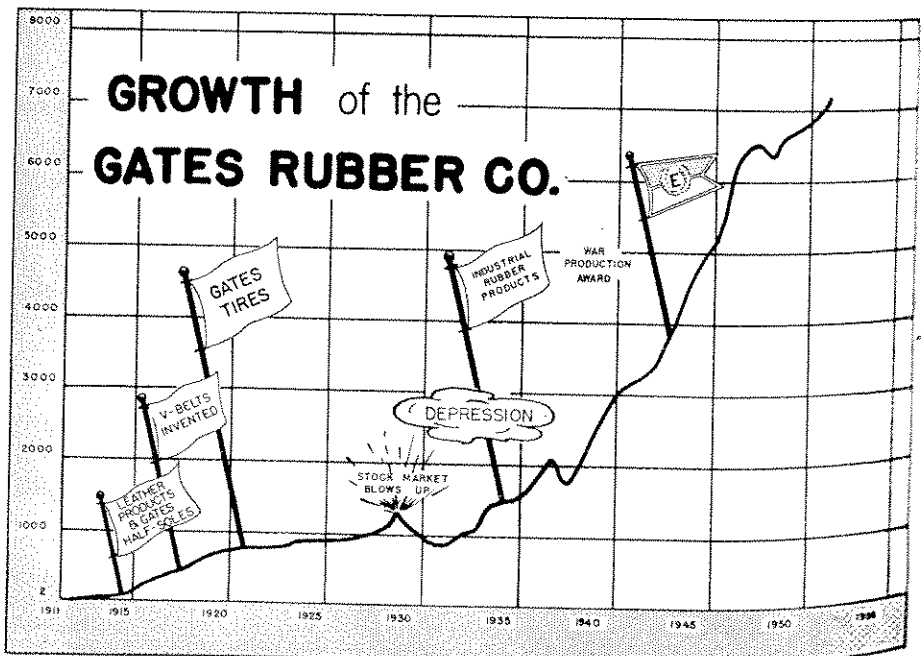
After careful study of possibilities, the two agreed to invest their total savings of \$1,000 in a small shop at 1025 Broadway, known as the Colorado Tire & Leather Company. It was to supplement earnings from the mining engineering. And here is where the whole thing could have ended—even before it really got started.

When Mr. Gates approached the man selling the shop on how much business the place was doing, the man whipped out a stack of envelopes from his desk . . . "Orders for business," he said.

The two opened them. Sure enough! Out of the envelopes came orders, lots of

orders, with checks attached. It looked like a nice bit of business for a day's mail, so, partly on the strength of that, Mr. Gates purchased the place for \$3,500, paying \$1,000 cash down, giving a note for the balance in hopes that the profits would pay it off.

A month or so later, when he actually "took over," he discovered to his dismay that the daily mail wasn't bringing in as much business as expected. Near as any one could tell, the man selling the place had apparently saved up about a week's supply of daily mail for opening at the strategic moment when the first likely customer walked in. That was Mr. Gates. At the moment, after discovery of what must have happened, things looked rather



The 40 years of progress at Gates are mirrored quite clearly in terms of jobs for employees reflected by this chart showing total employment through the years. The chart tells the story by five year periods and, naturally, cannot show the minute dips and rises year by year. But it does show the trend and is accurate by five year periods. From the beginning, with two employees, it came to an all time high in July of this year when 7,337 persons were employed by Gates. It is interesting to note that even during the depression years, after a slight reversal, there has been a steady growth.

Orders weren't rolling in as had indicated. But it only served to sharpen the burning desire of both Charles Gates and his brother, John (who now had joined the firm), to make the new enterprise succeed, despite the month's disappointment. It would require more than desire, however. Here was a small factory in Denver, halfway up the mountains in the west." Furthermore, everyone of that day, by this time, had agreed, "you can't start a manufacturing firm that far west and make it succeed." After all, hadn't several firms tried it? There was the paper mill! And the cotton mill! Both had failed!

"It Can't Be Done!" "No sir," folks of that day agreed. "It can't be done—you can't make a manufacturing plant succeed this far west!" But that only served as a daring challenge to Mr. Gates. It made the pioneer spirit within him ask, "Why can't it be done?"

True, the little plant on Broadway was making the "Durable Tread," a steel-reinforced band of leather which could be stretched over the flimsy auto tires of that day to increase mileage—something which did have some demand. (3500 miles top mileage for tires in 1911.) But Mr. Gates knew he couldn't count on much local support for sales—there weren't many autos in Denver at that time.

He knew that to make a manufacturing business succeed in the Mile-High City would have to build up a sales organization. He would have to enter the national field and meet, on equal terms, some of the keenest competition of that day—a competition that was backed by almost limitless capital in the East. It did look hopeless.

**Accent On The Positive**

But Mr. Gates didn't look only at the negatives. There was a positive in the picture. That was *Direct Mail* selling! There was a way out. Through the mails, the Company and its product could get in direct touch with the "Tread" user. It wouldn't require large financing or a lot of salesmen.

Since both Mr. Charles Gates and Mr. John Gates were trained engineers. (and were engineers, by nature, have a disregard for set precedent) it was logical for them to approach their manufacturing business problems with a fresh, unclouded point of view.

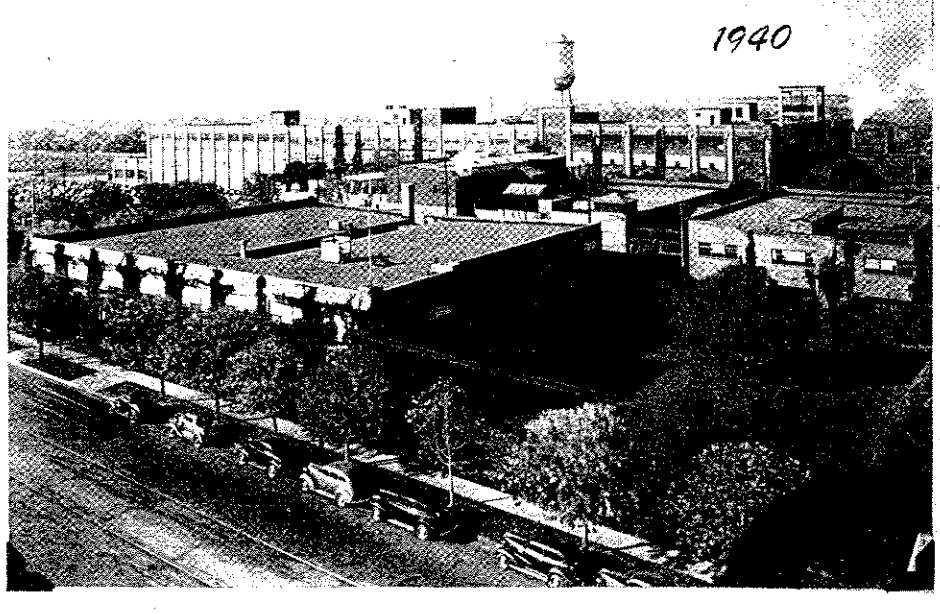
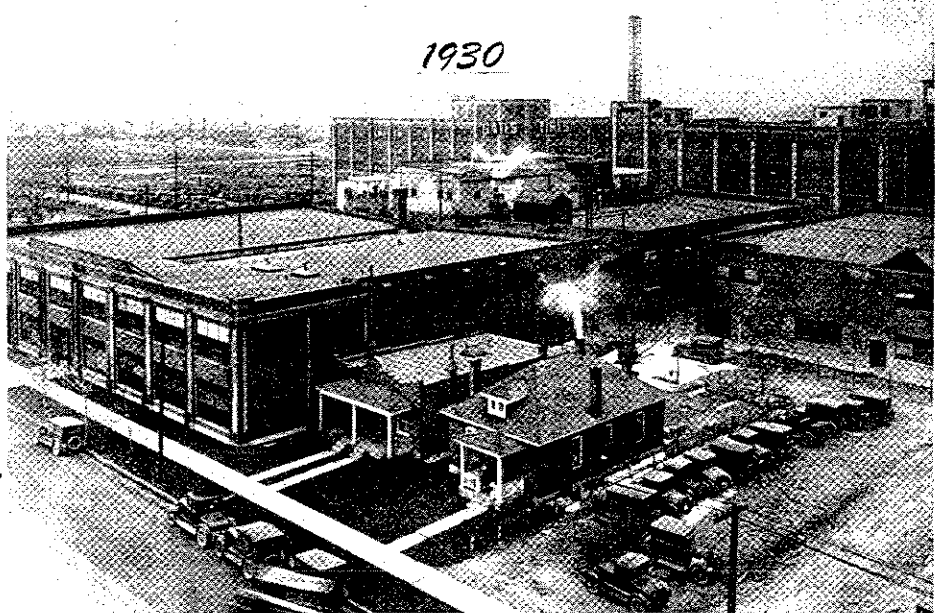
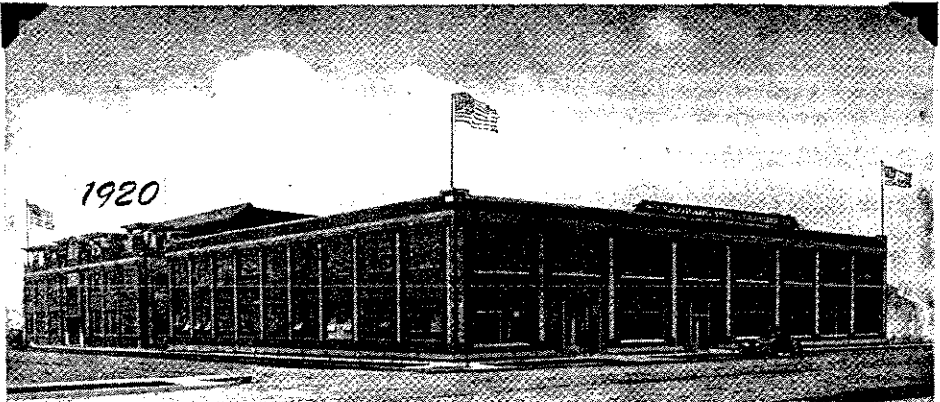
Many ads were answered in magazines. Mr. Gates studied how other direct-mailing men did it. With their own hands they tested the "Durable Treads" on tires, learning first hand how and why they wore—and how they could improve them.

**Growth Gets Good Start**

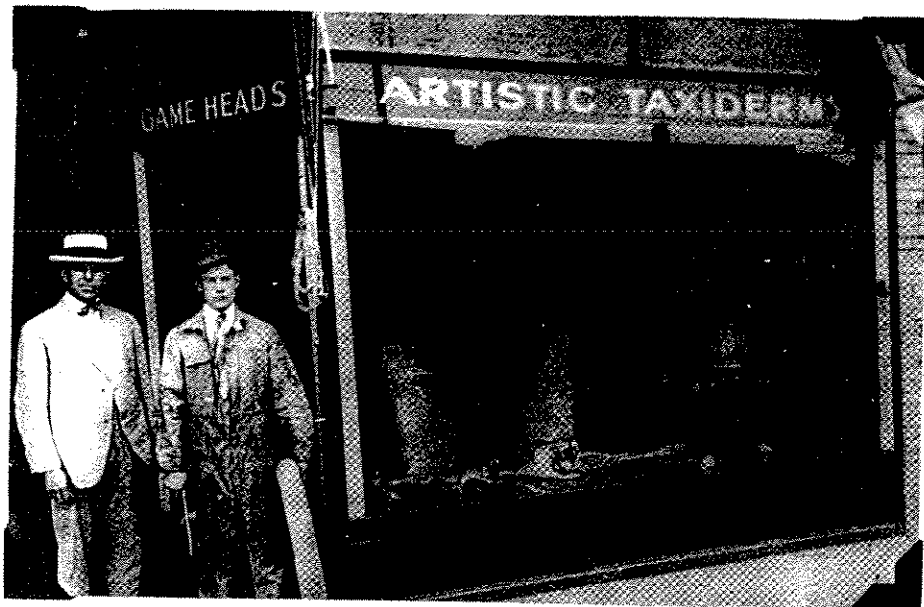
That's the kind of business it was at the start.

But within three months, there were leather cutters (and a stenographer) working where there had been only one. Leather scraps piled high with 17 per cent cutting leather for the "Treads" all day long. It seemed a shame to haul scraps off as waste. Couldn't something be made of the scraps? They were varying widths and lengths—just about suitable for leather halters for horses.

There was an idea—and a good one! The Company started manufacturing halters out of scraps. And they were stronger than other halters of that day because the scraps came from good, chrome leather—elk hide—of the best. It made exceptionally strong halters. Thanks to



DANCE OF THE DECADES . . . That might be the caption of these three pictures. Note how, in the top one, progress already was underway after only nine years of operation! The lone automobile, being accompanied at the curb by a lone bicycle, is parked in front of what is now the Administration building—then it was both factory and office. At extreme left one can see some of the adornments of the old Roof Garden which had national recognition. Comparison of the 1940 with the 1930 picture shows more advancement with the factory sprouting a water tower and its main building extending southward (to the left).



Here is what may be the only remaining photograph of the original Company's first storefront, when it was the Colorado Tire & Leather Company, located at 1025 Broadway. Standing in front of the entrance is Mr. C. C. Gates, left, and the first employee of the Company, Mr. Paul Steel. Although the Company first opened its doors in 1911, this photograph was taken at a later date, when Jonas Brothers, taxidermists, who had been located next door, took over the former Gates company headquarters—hence the signs.

## Drama, Adventure, Humor—in Forty Years' Progress

(Continued from page 5)

persistent effort and events, such as the Buffalo Bill incident (see page 8), the Company soon became known as the largest manufacturer of halters in the country under the name, Leather Products Co.

### Machine Hums, Baby Sleeps

"There was—and always has been—another employee, never on the payroll of that day," C. F. Wooley, Gates Advertising executive, wrote in a historical review in 1922. "That was, is, and shall be, Mrs. C. C. Gates. Afternoons, in those first weeks, she lent a hand at the factory sewing machine, sewing the fabric linings for the leather treads. There was one wee Miss Gates in those days—and she was always carefully placed on a pile of soft scrap leather, where she snoozed comfortably, just as long as the sewing machine hummed. Let the machine stop, and the baby would awaken!"

As time went on, however, the superiority of rubber as material for tire treads soon led to discarding of these leather

products, and with them went the manufacture of leather halters.

In 1914 the steel-studded "Durable Tread" gave way to a new product—the "Gates Half-Sole." This had a rubber tread on a fabric carcass which could be cemented to the worn tire. It would give extra mileage. "You half-sole your shoes," the advertising read; "why not your tires?"

### So—The Name Changes

For a while, the "Half-Sole" proved a popular item. And the Company, manufacturing products out of rubber instead of leather, switched names to "The International Rubber Company." When advertising interests pointed up the fact that "It doesn't sound right to have a product

known as 'Gates Half-Sole' made by an International Rubber Company, the name was changed to the Gates Rubber Company. That was in 1919.

Up to 1928, all Gates' products had been accessories for automobiles, but in that year, the Company built a braided hose plant and went into the garden hose business. This, quite naturally, evolved into a line of industrial types of hose, at a later date, just as the V-belts led to the development of the Gates Vulco Ropes—a line of heavy duty belts. Another natural step was that of entering the market of moulded and extruded products made from rubber and textile materials.

### Familiar Names Appear

During those early days, some familiar names of today appear on the records. Jack Crary, Bill Button, and Clem K. B.—all members of the Board of Management now—were there almost from the start. They witnessed the remarkable growth of the business during the years of 1914-15-16 and can still recall the romance of those early mail-order days.

They saw the Company move from its first small location on Broadway to the larger place at 1320-40 Acoma street, near Civic Center. They saw the business mushroom to the point where it again had to have added space in 1914. Then it was that the first building of the present address at 999 S. Broadway was erected—Unit 1, first unit of the present Administration building, still in use today.

(In the years that followed, the other familiar names of today, honored as "Over 30-Year Employees" in this issue, saw the same romance continue.)

### Needed: All-Out Effort

That initial building cost \$15,000 to build, and when plans were made, it appeared it would be necessary to borrow \$10,000 of the amount. In arranging the loan, a condition of the deal was that Mr. C. C. Gates would have to insure his life for \$20,000. The premium came to \$244 per year. It turned out that the loan was never needed, because the business prospered enough to pay for the building itself.

"But the insurance is still in effect," a historical account of 1922 relates, "and it's likely that everytime the annual premium comes due, Mr. Gates gets a vision of the kind of all-out effort it required to get business rolling in those early days."

That there were plenty of rough spots



Back in 1912, when this picture was taken by John Gates of the first group of employees with C. C. Gates, seated left, and a "Durable Tread", as the only product, the whole plant force could get into one picture. Today, with around 7,200 employees this would be an impossibility, especially since about 1,200 of these employees are located in various parts of the country—in warehouses, sales offices and in the field.

Arrow, left, points to Paul Steel, the first employee of the Company. In front of him is the lady who today is the wife of Charlie Combs, whose first job was that of running a riveting machine. Later he became Raw Materials warehouse manager. Today he is Zone Tires Manager in Portland. Arrow, right, points to William Button, who is today head of Traffic and a member of the Board of Management.

cross is clear from the early records. There was a time in the "leather" days when a shipment of leather would arrive in town. It was shipped on sight draft with a bill of lading. That meant that the shipment had to be paid for when it arrived.

In order to get the needed funds, the company, on several occasions, had to open the morning's mail, take the checks which came in with the orders, put them in the bank and get a cashier's check. This check, then, would "bail out" the shipment of leather which would soon be made into products to fill the orders for which the checks were in payment.

#### John Goes to Alliance

There was a time, later, when rubberized fabric came into use, that the Company was having its material processed at Alliance, Ohio, near Akron. After the plan of hiring several chemists to handle the processing at that end didn't work out so well, John Gates, himself, went to Alliance. While there, learning and studying rubber plants of that day, he would order the rubber his Company needed for the next month's processing at the Alliance plant. The rubber broker there used to get a kick out of the incident as John would debate whether to order 1 or 2 bales at \$300 per bale of 250 lbs. The broker, of course, was accustomed to selling rubber in carload lots to other companies.

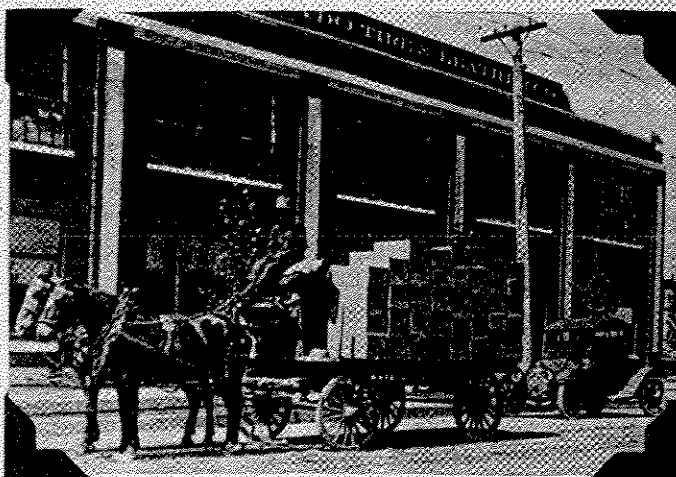
During this time, the business had prospered enough to process its own materials. And so, one calender and two mills were ordered and installed at the Gates plant in Denver, and John returned to the plant. The first Akron man hired to run the calender changed his mind at the last minute, and so John rolled up his sleeves and became the plant's first calender operator. Bill Bradtke, now retired, was the first helper.

#### More and More Buildings

As the business grew through the years, more and more buildings were added to meet the pressing need for more space. When the Company first moved to 999 S. Broadway, only a third of the space was devoted to office. The rest was factory. It

### Here's Unit 1, Back in the Days of Old

First building to be erected at the present address, 999 So. Broadway, was what is today known as Unit 1, or the Administration Building. This unit was occupied by both factory and offices and was completed and dedicated in 1914. Note the horse-drawn vehicle in front with a load of Gates "Never-break" halters on the wagon. Already you can see progress creeping in—note car behind the wagon.



wasn't long, however, until the factory building floor space doubled—even trebled—as each year rolled around.

From such a beginning, the Gates Rubber Company grew steadily until in the early 1920's it already had earned the reputation as the "largest manufacturer of automobile fan belts in the world." Today it still holds that honor in the form of "the largest manufacturer of V-belts in the world."

#### "Ready to Go!"

Back in 1922, Mr. Wooley, in writing the historical account up to that day declared:

"After all is said and done, we are just now starting out to do things. . . We are on our toes, set and ready to go as never before!"

Today, on the Company's 40th anniversary, the same enthusiasm, if not even more, holds sway in the organization. There is still sincere conviction in many hearts that, "It's still only the beginning."

On all sides, there is evidence today that the initial pioneering spirit of the first four decades has not lost its zest for pushing onward and upward. In all divisions and departments of the firm, the persistent

search for improvement in every sphere of activity, makes itself felt day after day.

Under the continued guidance of the same industrious leaders who first planted the seeds of healthy growth and nurtured the new business through its 40 years of advancement, the same firm today gives even more promise of continuing to progress in the years to come.

#### Pride Lies in Reputation

And just as there was no regret over the size of business when it was small, but rather a sense of pride in the accomplishment of that day, so there is no glittering or boastful pride in the Company and its employees today because the business has grown to large proportions.

Rather, our glory today, as in yesterday, is in the favorable acceptance, by customers the world over, which the products of Gates employees' hands and talents and Gates machines have received. Our pride today lies in the good reputation those products of quality have earned with the sound business methods throughout the years; it lies in the fact that there has been 40 years of service to our fellowmen—40 years of progress for all.

The "Durable Tread" was the first product which the Company manufactured back in the beginning. Here is a rare, early-day photo showing the factory in operation, making the steel-studded leather bands which were attached over the auto tires of that day to bring out more mileage. Scene at left is the production area. It was located on the 1st floor

of Unit 1 where the Cost department now is. Photo, right, shows the Cutting department, located on the 2nd floor of Unit 1 where Accounts Receivable, Credit and Billing departments are now located. Notice those leather scraps at the right? They were made into halters for horses!

