

## Friedrich Thyssen's steel wire company (1832) and the starting up of the Thyssen group (1871)

Today's global player, the Thyssen group, was founded by August Thyssen in April 1871. At the age of 29, he left the Thyssen-Fossoul company as one of its partners with a settlement of 35.000 talers (old German currency). His motivation to leave the company was that he had to consider the interests of his partners and that his firm could only expand to a small extent.

Due to the German-French war and the successful economic development of the German Empire he saw new possibilities. Meanwhile his aim wasn't only to make profit but to become a big industrialist. Very quickly Thyssen saw the advantage of his location in the town Styrum . He could profit from low wages and the rising development of railway links. Because of that, Thyssen acquired about 30.000 m<sup>2</sup> of land for the price of 21.070 talers. He needed all the rest of his money to build a hall. Therefore he needed money from his father Friedrich Thyssen.

In 1832 Friedrich Thyssen took over the management of a wire company in Eschweiler which had been founded in 1822. He made high profits but he never increased his stock capital of 26.400 talers. In 1859 the company had to be closed because of the first big economic crisis. After that he opened a little bank office. He realized that insufficient investments as well as the dependence on the shareholders, who only were interested in the dividends, were the reason for the decline of the enterprise.

F. Thyssen invested in the company to avoid other shareholders. A limited partnership was founded. To save the sheet-metal-rolling-company they signed some contracts and they registered into the register of companies. Because of that, their capital redoubled. August Thyssen turned a barn into an office and a warehouse.

Moreover, he built a hall with railway links for 18.000 talers. He bought his machines from the Beckman and Kettman company. Besides, he bought some parts of the stocks from this company, too. He paid 41.000 talers for the technical plans and on the 18. February in 1872 its value was assessed by the fire insurance to an amount of 62.550 talers. These investments were only possible because of Friedrich Thyssen`s investments. Some time later, August Thyssen married Hedwig Pelzer, who possessed a considerable inheritance. She invested in the company, too. So Thyssen was a pure family company. Soon, Thyssen spent a part of his profit on social purposes. This meant for example that he founded a bank for his poorer workers.