

Life Story of EDWARD A. RUMELY Man Who Bought the New York Mail for the Kaiser

(Copyright, 1918, U. S. and Canada, the N. Y. Herald Co. All rights reserved.) whatever line of activity he directs his interest, his confidence in himself and his ability to carry the project through is not dimmed by the mere size of the enterprise.

Here at hand lay the nucleus of an enterprise that was not only directly connected with agriculture, but which seemed to offer the opportunity to develop a gigantic industrial enterprise as well—the agricultural implement business that his grandfather had founded and his father and uncles had continued.

Develops Earnings to \$1,000,000. "When I took over the management of the Rumely company it was earning about \$30,000 a year," Dr. Rumely once told me. "I made it earn \$100,000 in my first year, around \$500,000 the second year and above a million the third year."

The Rumely company business had been growing rapidly while Edward A. Rumely was abroad. When he came back he found the family enterprise was building a much larger line of agricultural implements than ever before.

Among his other talents Dr. Rumely has a distinct bent for mechanics. In the course of his life in Germany he had witnessed the astounding development in that country of the internal combustion engine. The steam engine was to his mind antiquated and crude.

What the American farmer needed, he decided, was a tractor operated by an internal combustion engine. To compete with the steam engine it must be simple and rugged in its construction and use fuel readily obtainable anywhere at reasonable cost.

Gasoline was expensive and growing more so, but kerosene, no longer the chief product of the oil refiner, but now an incidental by-product to the manufacture of gasoline, was cheap

and, and the Advance Thresher company of Battle Creek, Mich., had been acquired and absorbed, and that nothing but prosperity lay ahead. There was, apparently, ample ground to justify this optimism.

The Oil-Pull tractor had made a big hit from the start. Dr. Rumely had spent huge sums in advertising it to the farmers and it was proving its superior efficiency wherever tractor trials and plowing contests were held. The new plant was a model factory in every sense of the word.

It went through it soon after it was in full operation. I had seen many big manufacturing plants, but never before one in which every process seemed to be so nearly automatic.

"What did you think of the new plant?" Dr. Rumely asked me after I had inspected it. "Nobody worked hard at plant."

"It is the first plant I ever saw where the men sat in rocking chairs and let the machines do the work," I replied. "The only men I saw doing any work were some fellows out in the shed chipping castings."

"We're putting in a pneumatic machine to do that also," replied Dr. Rumely. Soon the new plant was turning out oil-pull tractors faster than the railroads could carry them away—faster, indeed, as it proved later, than the men on the road could sell them.

Travelers on the Lake Shore railroad in the summer and autumn of 1912 got so that they knew when the train was approaching. La Porte by the literal miles of red-painted threshing machines and Oil-Pull tractors lined up in rows two and three deep in the fields on both sides of the right-of-way for a mile or so in either direction from the town.

Other manufacturers came to see the new plant, and to study the methods by which the business of the M. Rumely company had multiplied so rapidly. One of these visitors was Henry Ford, the automobile manufacturer, whose gigantic success has been built on the application of the soundest methods of quantity production.

Mr. Ford took a liking to the enthusiastic young general manager of the Rumely company, but he shook his head after he had looked into the general scheme of the business. "You are making too many different things," he told Dr. Rumely. "Besides,

your tractor is too expensive. There are not enough farmers who can use or afford to pay for tractors that cost from \$1,500 to \$3,000 each. What you want to do is to make one design of cheap tractor and reach the broader market."

His advice went unheeded. The plant continued to turn out great quantities of high priced tractors until the warehouses and sheds alongside the loading platform overcrowded the fields and the lines of machinery along the railroad tracks grew longer and longer.

Every tractor turned out meant \$1,000 or more tied up in manufacturing cost which could not be realized until the machine was sold. And these machines could not be sold to very many farmers for cash—the farmers had to have long time in which to pay for them.

It became apparent that a great deal more capital would be needed. Dr. Rumely set out to get additional funds. One of the first men he went to was Henry Ford.

"He wanted me to lend him \$100,000," Mr. Ford told me recently, "but I didn't believe his methods were sound, and I did not let him have it. He said that if I did not lend it to him he would get it in Wall street. I told him if he did that it would not be long before Wall street owned his business, and that is exactly what happened."

The first time I ever met Edward A. Rumely was the day he got back from his successful visit to Wall street in search of additional working capital. I had stopped off at La Porte on my way west with a letter of introduction to him, in June, 1912.

He got in on the next train and we had hardly shaken hands before he began to tell me about the wonderful piece of financing he had just put through for the Rumely company.

"I have just placed two billion dollars back of the Rumely company!" he exclaimed. "I have got the backing of the United States Steel corporation and the Standard Oil!" He showed me documents in which New York private bankers agreed to

discount ten millions dollars of the Rumely company notes received by deposits of farmers' notes to the Rumely company. He was as gay and ebullient as a school boy. His troubles were over! There were unlimited millions yet available where these had come from and the Rumely company, with the Oil-Pull tractor was going to show the International Harvester company just where to head in!

(In his next article Mr. Stockbridge will tell the story of the Rumely company's crash and the selection of the general manager of the International Harvester company as president and chief executive of the reorganized Rumely company.) (Continued Tomorrow)

One Minute Store Talk As long as good tailors have not been called from the benches to the trenches, we see no reason for offering you poor tailoring. There are factors in the coming higher prices for clothing, but Greater Nebraska will be last to substitute the machine for human hands in clothes making.



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