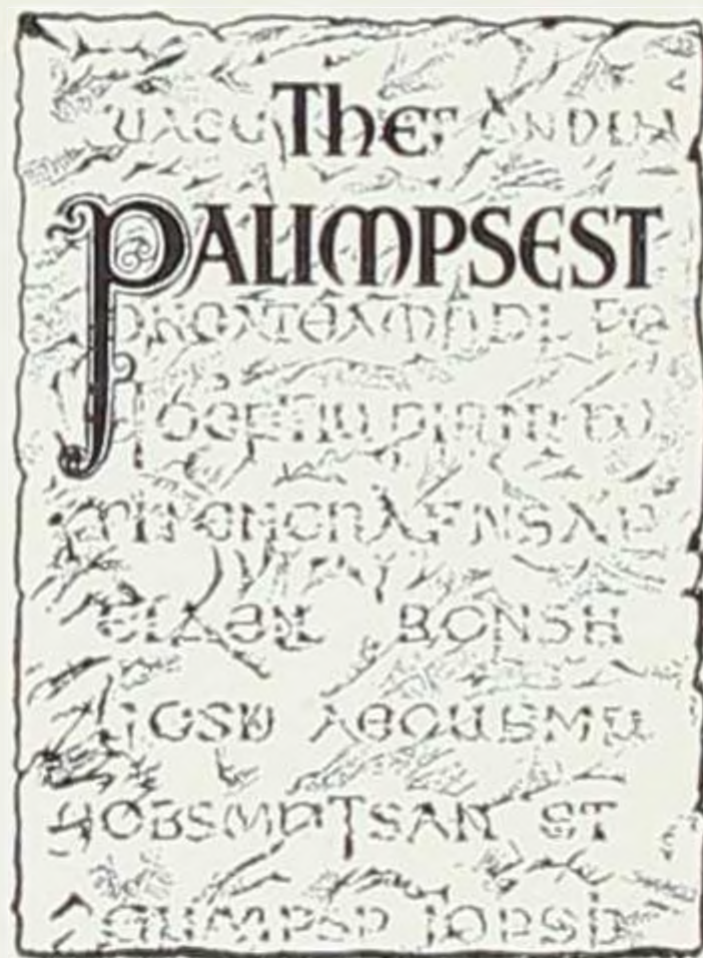


The
PALIMPSEST



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The Meaning of Palimpsest

In early times a palimpsest was a parchment or other material from which one or more writings had been erased to give room for later records. But the erasures were not always complete; and so it became the fascinating task of scholars not only to translate the later records but also to reconstruct the original writings by deciphering the dim fragments of letters partly erased and partly covered by subsequent texts.

The history of Iowa may be likened to a palimpsest which holds the records of successive generations. To decipher these records of the past, reconstruct them, and tell the stories which they contain is the task of those who write history.

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THE W. A. SHEAFFER PEN CO.

WILLIAM J. PETERSEN

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Cover

Front — Corner of the new Sheaffer Pen Co. building at Fort Madison opened for inspection August 28, 29, 1952.

Back —

Outside — Airplane view of new W. A. Sheaffer Pen Co. building at Fort Madison.

Inside — First National advertisement of the W. A. Sheaffer Pen Co. in the *Saturday Evening Post* in 1914.

All photographs were furnished by the W. A. Sheaffer Pen Co.

Author

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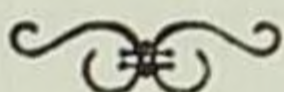
THE PALIMPSEST

EDITED BY WILLIAM J. PETERSEN

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Walter A. Sheaffer

Back of every great enterprise looms a personality. A host of men may contribute of their brain and brawn in the creation and development of this enterprise, but invariably there is one guiding spirit whose ingenuity, strength, and energy lay the foundations of the venture and whose devotion, resourcefulness, and courage insure its successful perpetuation. Such a personality founded and gave his name to the W. A. Sheaffer Pen Company of Fort Madison, the greatest pen manufacturing company in the United States.

Walter A. Sheaffer, the inventor of the first lever self-filling fountain pen, was born in Bloomfield, Iowa, on July 27, 1867. He was one of five children to bless the union of Jacob Royer Sheaffer and Anna Eliza (Walton) Sheaffer. Jacob Sheaffer was born in Lancaster County, Pennsylvania, of sturdy Dutch ancestry. As a young man Jacob migrated westward to seek his fortune in the California gold rush. Returning from California Gulch in 1854, Jacob Sheaffer tarried for a short

time at Ottumwa and then entered the jewelry business in Bloomfield.

Bloomfield was centrally located in Davis County, the land having been entered by James H. Cowles on June 26, 1846, and laid out as the Town of Bloomfield that summer. The first merchant was John Lucas. A year after Walter A. Sheaffer was born a local historian listed J. R. Sheaffer as one of the "most substantial" businessmen in Bloomfield. The business houses were summed up in 1868 as follows:

The town has seven general stores, three drug stores, four family groceries, two hardware stores, two dealers in stoves and tinware, one in agricultural implements, two furniture stores, two merchant tailors, one gunsmith, one bakery, two wagon shops, three blacksmith shops, three boot and shoe establishments, one jeweler, three hotels, one artist, five milliners, three painters, eighteen carpenters, five plasterers, two livery stables, nine lawyers, four physicians, one dentist, four churches, two school houses, one printing office, and one national bank.

It was in Jacob Sheaffer's jewelry store that young Walter learned the fundamentals of merchandizing which later were to play an important part in his successful organization and development of the fountain pen industry. He also learned that hard times could strike the most careful entrepreneur. Thus, Jacob Sheaffer had acquired considerable means from investing in a local insurance business. Unfortunately, the Bloomfield

insurance company was induced to unite with the Great Western Insurance Company of Chicago. Shortly afterwards, the Chicago Fire of 1871 wiped out the company's resources, making stockholders like Sheaffer doubly liable. Then the Panic of 1873 came, forcing Jacob Sheaffer to dispose of his jewelry store in order to pay his debts. His father's misfortunes left an indelible impression on the mind of Walter A. Sheaffer. In later life he related:

These circumstances made it necessary for me to begin work very early in life and I did not completely finish high school. My first job, as a devil in a printing office, paid me one dollar a week. From there, when I was about twelve years of age, I entered a grocery store, earning \$7.20 a month for the summer vacation. Out of the \$21.60 earned during the summer I saved \$19 to buy my clothes for the next winter.

The next summer I started a peanut stand for myself and made in the neighborhood of \$75 a month from it. Having piled up this considerable amount of money, it was my first experience in prosperity. I spent money rather freely the next winter, only to find that my money did not last me through the winter. This was a lesson I never forgot. In the future, after I had this experience, I always managed to save and have something ahead, even if it was ever so small.

Meanwhile, in 1880, Jacob Sheaffer had borrowed money and re-entered the jewelry business. He took a young nephew, who had been orphaned, into the store with him, and young Walter accord-

ingly sought employment elsewhere. First he clerked in a Centerville jewelry store for \$15 per month with board and lodging. His bed was a shelf under the counter in the store. He next worked for his uncle, S. B. Walton, a jeweler in Unionville, Missouri, receiving \$20 per month, plus board and lodging. After learning the retail jewelry business in Centerville and Unionville, Walter became a partner with his father in the Bloomfield store, a partnership which continued until Jacob Sheaffer's death in 1914. The Bloomfield store was sold in 1928.

When Walter joined his father in Bloomfield the store was in debt. Elgin and Waltham watches, Rogers 1847 silver, Seth Thomas clocks, and wedding rings, a close survey revealed, constituted about 70 per cent of their sales, and these were being sold in Sears, Roebuck and in Montgomery Ward mail order catalogs for the same price the Sheaffers could buy them. According to Walter Sheaffer:

As Davis County had only sixteen thousand people in it; as the town of Bloomfield at this time had a population of only two thousand people who were mostly retired farmers; as there were more catalogs in the homes than Bibles (for every home contained one Bible but had two catalogs) . . . It was a rather dismal picture and our chances of success seemed to be very slim.

Fortunately for the Sheaffers, the Hamilton Watch Company had just come out with a splen-

did line of watches which they did not sell to the mail order houses. The Sheaffers determined to take the 17 jewel Hamilton line, priced from \$14 to \$45, and push these watches, at the same time cutting 30 cents off their Elgin and Waltham watches, and their 1847 Rogers silver to undersell the catalog houses.

In thus creating a desire in a customer to own the best watch, the Sheaffers laid the foundation for their future success in merchandizing the finest fountain pens. Their clerks were carefully trained, and given a commission on each expensive watch they sold. They were, however, cautioned against pushing the more expensive watches until the customer himself asked for information. When a young farmer came in and asked for a \$3.95 Elgin 7 jewel watch, a tray containing this watch, as well as the more expensive ones, was lifted out of the show case, placed on the counter, and the \$3.95 watch laid on the plush pad in front of him. The customer naturally inquired about the finer watches, was informed of their price and merits, and, after some hesitation, often succumbed to the argument of "higher" but "probably cheaper in the long run." This argument, coupled with his desire to own a fine watch, would frequently lead the customer to purchase the higher priced watch. With this sales technique, the Bloomfield jewelry store gradually pulled out of the red.

On February 8, 1888, Walter A. Sheaffer mar-

ried Nellie Davis of Pulaski in Davis County. Two children were born to this union: Clementine, who married Harry E. Waldron; and Craig Royer Sheaffer, who was destined to succeed his father as the president of the W. A. Sheaffer Pen Company in 1938. After his marriage, Walter found the expense of supporting "two families" was "quite a strain" on a small jewelry store so he took on the piano and organ business. According to Sheaffer:

We could do so with the same amount of rent and it was really a benefit to both businesses. For instance, people were hesitant about going into a piano store and looking at a piano before they were ready to buy because they knew that the piano man was very anxious to sell and he would come out and bother them about buying before they were ready. By putting the pianos in the center of the store and the jewelry and silverware on the sides, when the customer would come in to look at some jewelry or to have his watch repaired, the family would look at the pianos thinking it wouldn't be noticed; but we had one of the salespeople in the store always taking down their names and what type of piano they liked best.

In those days there were no automobiles, no paved roads, indeed no gravel roads. In the spring, or after heavy rains, the mud was often hub deep on the wagons. When such roads froze in cold weather they were very rough. Frequently Sheaffer did not return from a long trip into the country until after midnight.

I could get out in the country before freezing started at

night, but if I didn't make a sale I had to haul the piano back to town. In order to keep warm, I would walk by the side of the wagon and be sometimes 15 or 20 miles in the country. . . . But by combining the two businesses, one being run in the daytime and the other at night, we were enabled to make the business succeed.

We nearly always found that it was the best psychology to talk to the man and his wife together, for almost invariably the farmer would want more corn, more land, and more livestock, and didn't care for any musical instruments, while the wife and the daughter were very anxious to have a piano or an organ. Therefore, if we talked to the farmer only and allowed him to talk to the family, he could present arguments to them to keep them from urging him to buy it. So we made it a rule to talk to the man and his family together so that we could answer the arguments so far as we could that the farmer put. But before we talked to a farmer, we invariably tried to put him in the right frame of mind.

If we went to a farmer and he was husking corn, we would agree to husk corn for one or two hours if he would agree to talk with us for that same length of time. We would start right in and help him and that would put him in a good frame of mind. If he was harvesting, we would help him harvest.

Sheaffer usually had a fine musician along, John J. Ethell, who could play the type of music that suited the occasion, be it sacred or secular. Frequently Ethell (who in 1920 was elected a state senator in the 39th General Assembly) would have to go into the field and work, while Sheaffer carried on the sales talk.

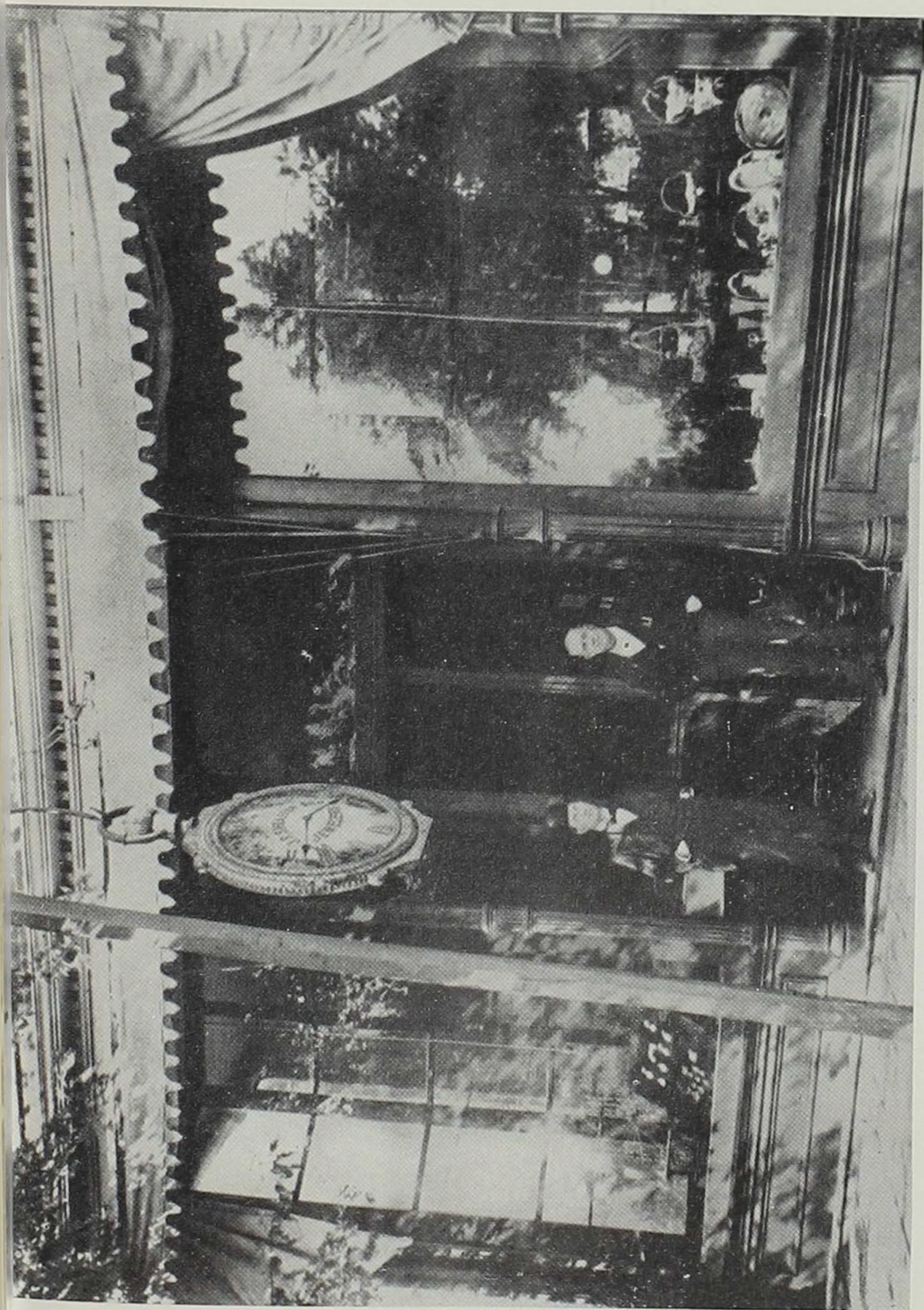
The superb sales psychology of W. A. Sheaffer

was demonstrated when he attempted to sell a piano to a well-to-do farmer, D. Hockersmith, who lived out in the country on a side road with one other farmer named Hartwick. Sheaffer and young Ethell spent an entire evening trying to sell Farmer Hockersmith the organ, only to be told repeatedly — “That organ sounds pretty good, but I guess I won’t buy it.” Sheaffer finally had to cart this organ back to Bloomfield. He firmly resolved, however, that some day he would sell Farmer Hockersmith an organ. According to Sheaffer:

About a year from that time I loaded up a very fine organ, one much higher priced than the one we had had in his house before, and I asked my daughter [Clementine], if she would want to go to the country and if she could keep still and not say anything and wonder at what I was trying to do, and she agreed.

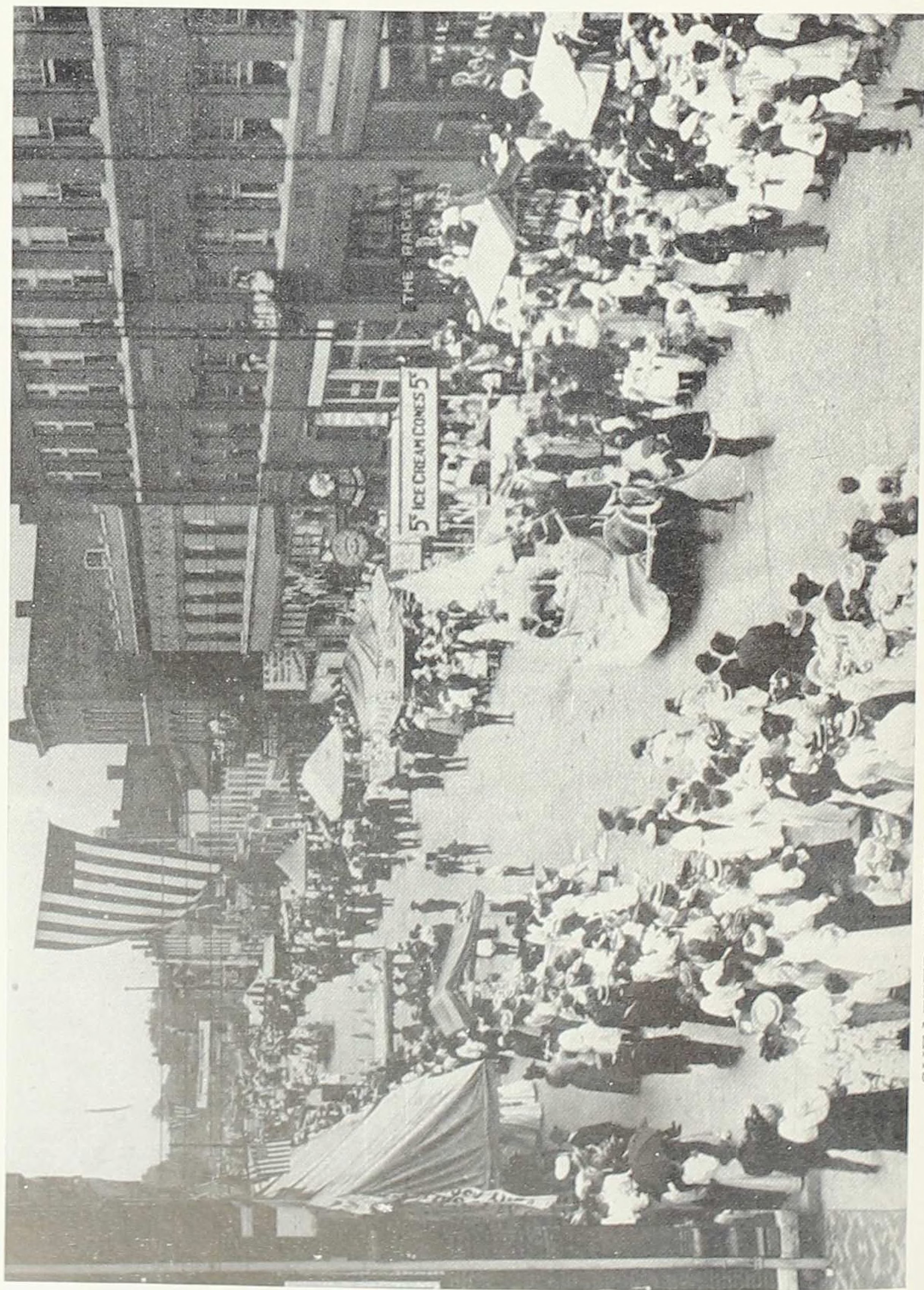
I started up this lane and began to drive very slowly, for there was only one place I could go besides D. Hockersmith’s and that was Hartwick’s. If Hockersmith thought I was coming to sell him this organ, I knew I wouldn’t be able to sell him; and if he didn’t come out to the road as he generally did when I went by, my cake was dough. As I got near the house, there was no sign of Hockersmith or his wife coming to the woodpile and I had pulled the team up so that they were barely moving. My daughter wanted to know what was the matter and I had to remind her of her promise not to say anything. We were just in front of the house and almost past when out came D. Hockersmith and Tillie.

“Hello, Mr. Sheaffer. Where are you going? Up to Hartwick’s?” Hockersmith inquired.



SHEAFFER'S JEWELRY STORE IN BLOOMFIELD ABOUT 1900

W. A. and J. R. Sheaffer standing in doorway



SHEAFFER JEWELRY IN FORT MADISON IN CHAUTAUQUA DAYS
Store in right center at sign of large pocket watch

"I am going in that direction," I replied. He came out in the road and, of course, I willingly stopped to talk to him.

"What kind of organ have you there?" he queried.

I told him it was a very fine one. He and Tillie became interested. He asked me the price of the instrument which was still in the wagon. I told him there was no need to price it, for Mr. Hartwick was the only farmer in the neighborhood able to buy one that fine and I had had an organ in his house much cheaper in price and he wouldn't buy it. He raised up the canvass and saw how beautiful it was and the plush lining in the top and he commented on it to his wife and again asked me to tell him the price. I insisted there was no need. He asked me if I wouldn't set it in the house so that he could see it. I said that it was too fine an instrument to be putting in and out of houses and that if I put it in a house it would be sold. He said he couldn't tell how it would sound. Finally, while Tillie played the pedals on the organ and while he lifted up the canvass and pressed down one key at a time, he suggested to his wife that it sounded pretty good, and she agreed. He insisted again that I tell him the price. I told him it was \$125 and the other I had had in his house was \$75. He and Tillie went into consultation and felt that he didn't want Mr. Hartwick to have the finest organ in the neighborhood. He told me to put it in the house and that he would take it. This was one of the most peculiar sales I have ever made.

As Walter Sheaffer prospered, competitors sought to enter the piano and organ business. Two fine young fellows by the name of Kincartt and O'Neill began placing their pianos in some Davis County homes and Sheaffer would promptly place one of his in the same home. On an ap-

pointed evening the competitors would present their arguments, telling the good qualities of their instruments as against the other. Generally, the music teacher in the neighborhood would be asked to decide the matter and many times expected some remuneration for the decision, or a reward of some kind.

Once, after Kincartt and O'Neill had been beaten eight or ten times in different sales, they laid a trap for Sheaffer. One of the young men had an aunt by the name of Lunsford in the southern part of Davis County. They placed their piano in her home and then had someone tip off Sheaffer, who promptly sent one of their pianos down. Confident of their sale, Kincartt and O'Neill had invited all their friends in to enjoy the discomfiture of their competitors. As W. A. Sheaffer later related:

First one side would have their chance to speak and then the other. We soon noticed, however, that when our competitors made a point, the whole crowd would cheer. They were undoubtedly in the house of their friends and their friends in great numbers had been invited there to help the plan through. They did not even bring their piano wagon, nor were they prepared to take their piano away, but came instead in a buggy. . . . We made our final argument and finally Mr. Lunsford, who was an uncle by marriage . . . got up and announced they had decided to buy the Davenport and Tracy piano. Everybody cheered.

As our team was out in the barn, I said: "Mr. Lunsford, would you be kind enough to help us with our team?"

He graciously said he would. Our thought in that was, if we got him out in the barn we would make a last desperate effort as he would be by himself. . . . We got him out in the barn and showed him how much extra he was paying for his piano when it was no better, and not even as good as ours, just on account of his wife's being a blood relative of one of the salesmen. We put up such a strong argument and made such a good price that before we left the barn we had his note for our piano. When we came into the house and he announced his decision to buy our piano, there was consternation in the opponent's camp. It was not understandable to them, but we graciously loaned the two boys our piano wagon and we rode home in their buggy.

Walter Sheaffer frequently had to take in a horse or other livestock to clinch a sale. He was not always successful in horse trading but whenever a veteran horse trader pulled a fast one, Walter Sheaffer could be depended upon to retaliate.

On one occasion the town liveryman, a man named Doke, traded a moon-eyed horse named "Possum" to Mr. Saunders, a jewelry store employee, for one of Sheaffer's good horses. Walter was absent at the time but promised Saunders to "get even" with Doke, if it took years. An opportunity arose three years later, when Mr. Saunders said he had found a horse that could be bought for \$5.00 but could be fixed up to sell to Doke. Saunders told Mr. Sheaffer: "He is a big fine horse, but he kind of goes on the bias when he runs."

The horse was purchased, and an opportunity to teach Doke a lesson in honest trading came when a Fairfield horse buyer by the name of Wisecarver advertised he intended to visit Bloomfield shortly to buy horses. According to Walter Sheaffer:

We took this horse and put him in "Mac" Wise's livery stable, but instructed "Mac" that he could not sell the horse to Wisecarver, but to get the best price Wisecarver would make, and that we would guarantee the wind of the horse. Doke had seen this horse out in a little lot several times and thought he knew about what he was, but of course he had never looked at him very closely.

Wisecarver came to town and offered us \$130 for this horse, as his wind was good. I told "Mac" Wise to let Doke have an opportunity to make a bid. (Now even the livery barn owner had not noticed a thing wrong with this horse.) He said: "Doke offers only \$130 for this horse and I think we ought to sell him to Wisecarver because he made the first offer." I said: "No, Doke is a home buyer and you let Doke have this horse. Now you know that the bank is only one-half block away from your livery barn. When you guarantee the wind of this horse and Doke will look at him and you won't have to wind him because his wind is good, as soon as Doke writes the check for his horse you hike to the bank and get it cashed because when he backs this horse out of the stall he may fall down." "Mac" Wise made a beeline to the bank and got his \$130. Sure enough, the horse went down when it was backed out of the stall.

As long as I lived there, Doke was one of the best friends I ever had; but he never mentioned the fact that the horse fell down when he backed him out of the stall. I gave some of the money from the sale of the horse to "Mac" Wise and a great portion of it to Saunders. I actu-

ally lost money on the deal, but at least we got even with Doke. It was never my purpose to allow anybody to treat me any better than I would treat them in return. I never did go much for turning the other cheek.

Sheaffer also sold sewing machines, which required him to learn how to "ruffle, tuck, and bind" skillfully. One day he sold a sewing machine to a very religious farmer who owned a 160-acre farm. After the sale he learned the farm was mortgaged for almost as much as it was worth. Not long afterwards the farmer came in, feeling "quite religious" and wanted to pay his debts. As Sheaffer relates:

He told me he had some nice pigs or shoats, and if I would come out to his farm, I could take my choice of them. I got a lumber wagon and hired a team and drove ten miles to his farm. When I got there his religion had cooled off and as he had not expected me to come, all he would give me were four runty pigs. I took the pigs back to town. After feeding them and taking good care of them, and as it was a good year and the price of pork being good, I got the money out of my sewing machine.

Although generous and fair to his friends, Walter A. Sheaffer could be stern to those who dealt unfairly with him. Thus, on one occasion Sheaffer sold a \$95 organ to a farmer, only to find his farm was heavily mortgaged. A close friend, Will J. Steckel, held the mortgage, and when Sheaffer told him of the sale, Steckel declared that he was the only one who could collect, and that he

would give Walter 50 cents on the dollar for the note. There was nothing Walter could do but accept the loss. Later Steckel remarked that he never let friendship interfere with his business.

Shortly afterwards, Sheaffer was prepared to sell another organ, but checked with Steckel about the mortgage, "As you have not sold it," Steckel replied, "I will give you 95 cents on the dollar." Sheaffer sold the organ and cashed the note for 5 per cent discount.

A little later, Walter Sheaffer bought his first home, a five-room house for which he gave \$460 and a colt. Steckel held a mortgage on this house for \$200 bearing 10 per cent semi-annual interest. Sheaffer wanted to pay the mortgage but his friend would cancel it only if he paid the 10 per cent interest for the next two years. Steckel was wealthy, while Sheaffer was "just about as poor as anyone could be" — but he paid it. Once again Steckel remarked: "I never let friendship interfere with business."

Many years later, in the lean times after 1929, Steckel was on the verge of bankruptcy. He and his wife came to Fort Madison where they were given a nice dinner and treated royally in the Sheaffer home. After dinner Steckel told Sheaffer the reason for his visit — he was going broke and could only be saved if Sheaffer would go his security for \$50,000 with a Chicago bank. Sheaffer promptly reminded him that "I never let friendship

interfere with business" and didn't go his security. Throughout his life Sheaffer felt that Steckel's philosophy of friendship in business was scarcely correct and that there should be "some tempering and some justice in all transactions." Happily for Steckel, he weathered the financial storms.

As his family expenses mounted, Sheaffer sold his little home which he had bought for \$460 cash and a colt, for \$750 cash. This money was turned back into the Bloomfield jewelry store although he had earned it personally.

I then bought a home from my grandfather Ira D. Walton, for \$10 monthly payments. I paid this out and traded this property to J. T. Walton for his property of eight acres out on the east side of town. I went into the breeding of pure-bred Light Brahma chickens and was quite successful, winning many prizes and selling some of the chickens for as high as \$20 a piece. My flock had grown so good that when I found out that I either had to give up the jewelry and piano business or the chicken business, I sold my last 200 chickens, or what would be called the culls, for \$2 a piece. While the house was a fair-sized one, still it wasn't modern as I didn't have the money to modernize it. I began to look for a way to get it in shape to trade it for a farm. I bought 1,000 peach trees and as I could not afford to hire them set out, I set most of them out at night by lantern light. When they came into bearing, I traded to a man by the name of James Varner for a 188-acre farm.

The Varner farm contained forty acres of meadow which the indolent farmer had allowed to

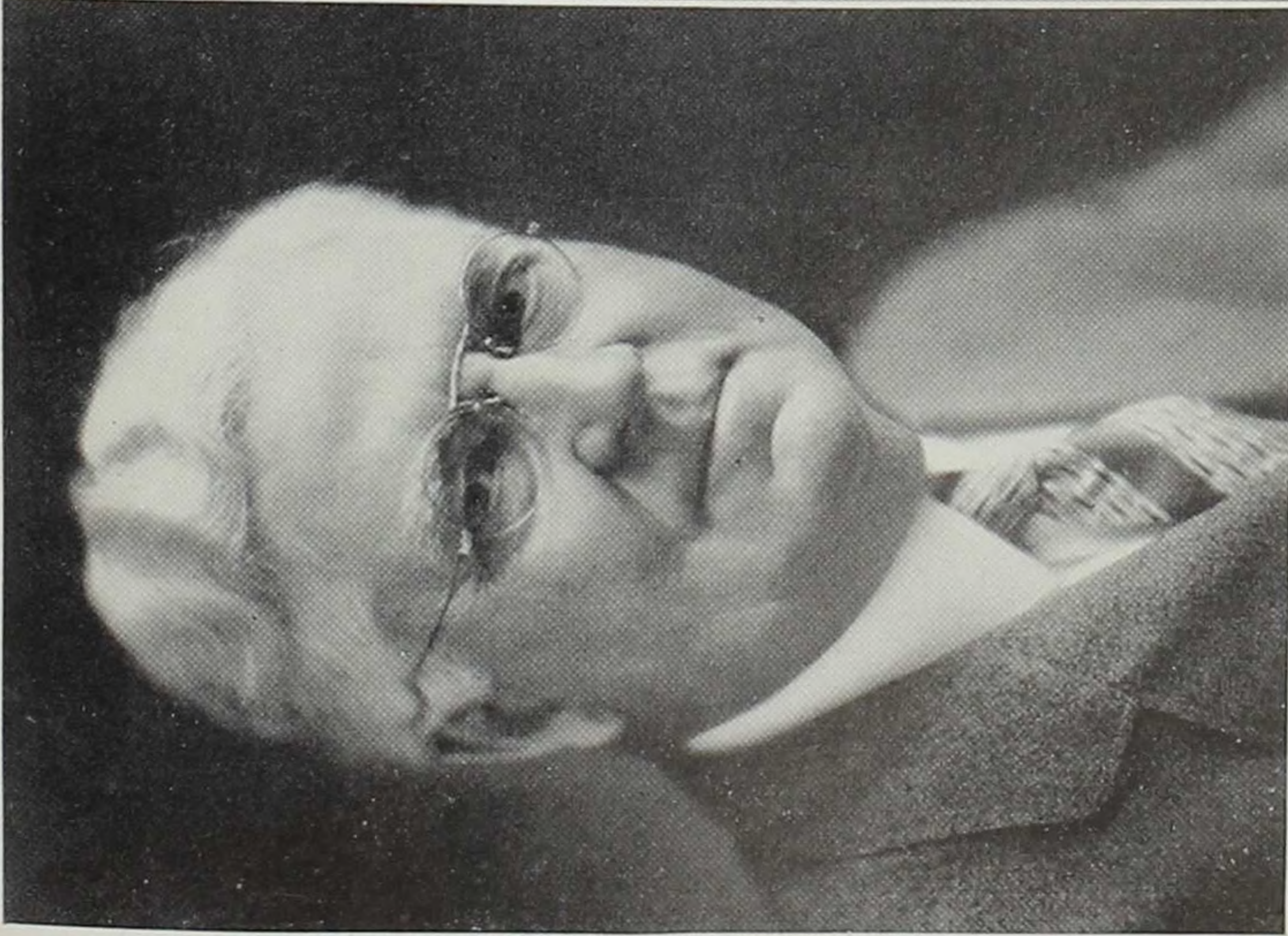
grow into hazelbrush until only about ten acres of it in the center could be mowed.

I took the farm in at \$20 an acre, but by the different trades I had made, the farm had cost me very little. But how to get the farm in shape in order to sell it, was a problem. Having an uncle, J. T. Walton, who knew quite a bit about sheep, I had him go with me to buy a flock of sheep. We fenced this 188-acre farm into 40-acre fields. I hired a young man by the name of Charles Fox who was a hard worker, but had never managed to make any money. I had to buy him two milk cows, a team of horses, and plows and harrows. He would cut this brush off a 40-acre field right down to the ground and then we would turn the entire flock of sheep into the field and they would eat the sprouts as they came up and kill the roots. When this was done several times, the blue grass would come up naturally. After the sheep had eaten the sprouts down pretty closely, we turned them into the pasture and in this way kept them in good shape. By keeping up this process we cleaned all the brush off the farm and had 188 acres of native blue grass pasture. The wool and the lambs in the meantime paid Mr. Fox out and when I sold the farm, he had a flock of sheep, his horses, his cows, and was out of debt.

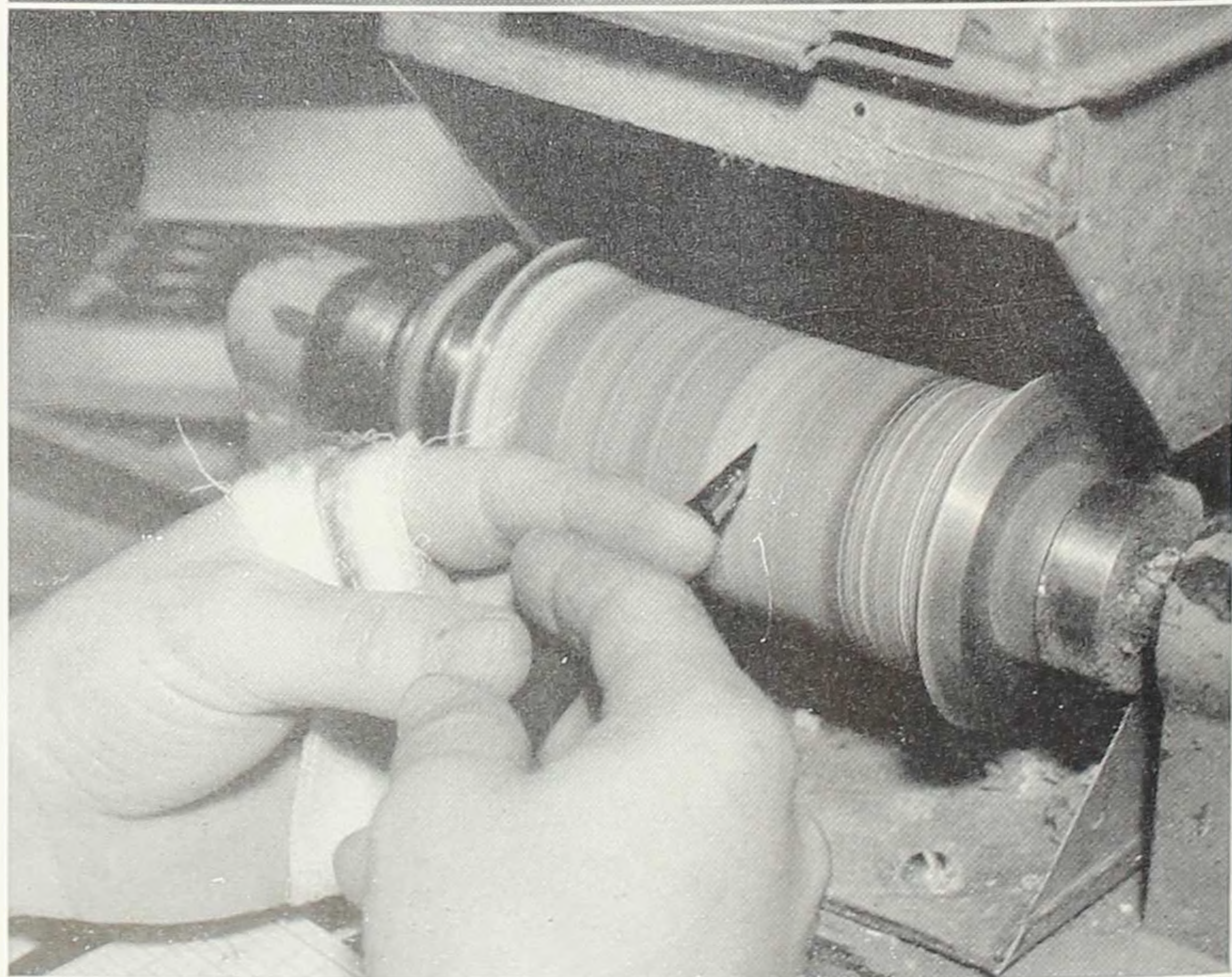
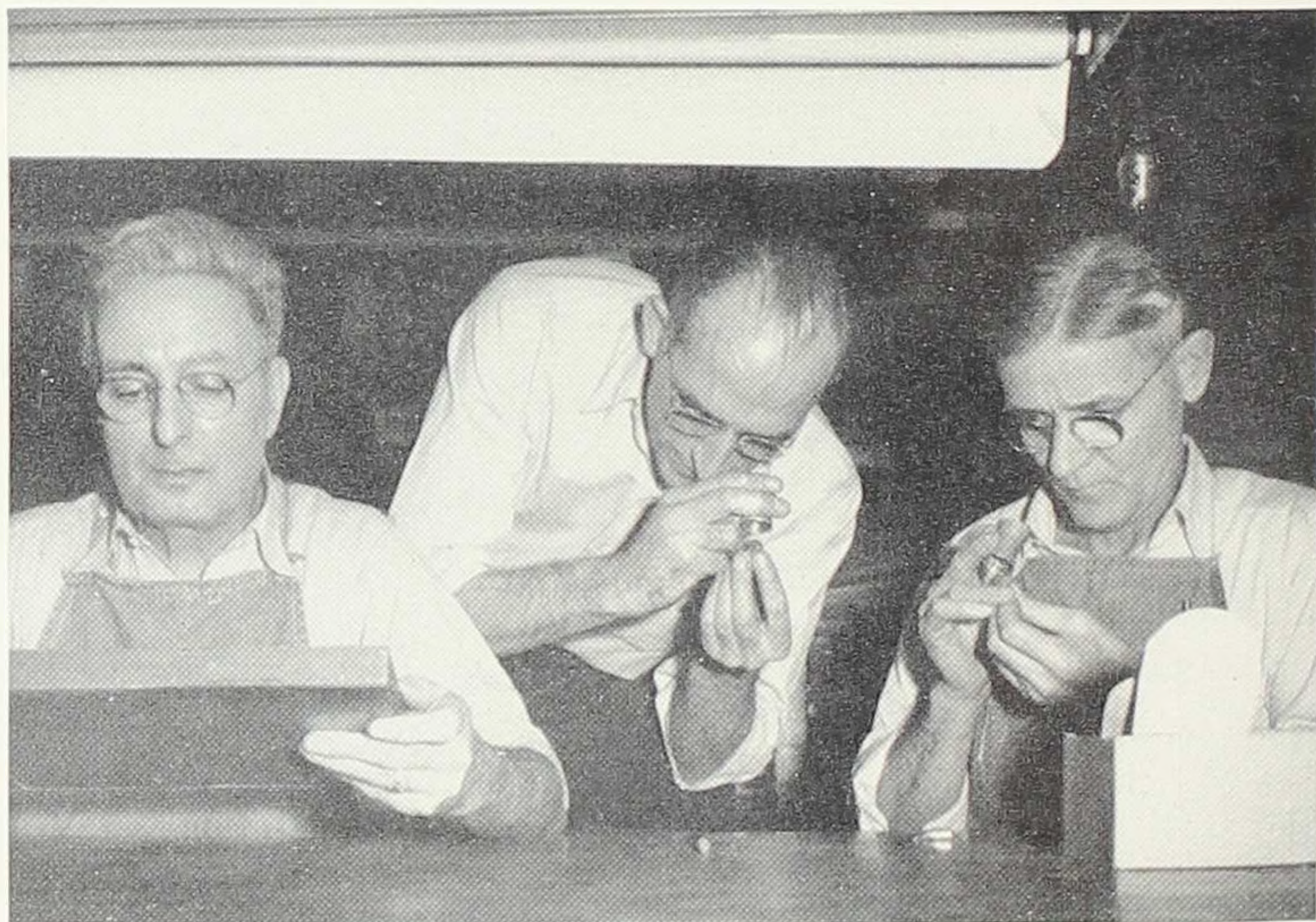
By this time Walter A. Sheaffer was ready to trade his farm for a jewelry store in a larger town. He had seen a Pennsylvania jewelry magazine listing a store for sale and on inquiry learned that it was owned by M. L. Bowen of Fort Madison. Bowen promptly inquired what Sheaffer wanted for his farm. He consulted his friend, Will Steckel, as to what he should ask for it, and was told to



Craig Royer Sheaffer

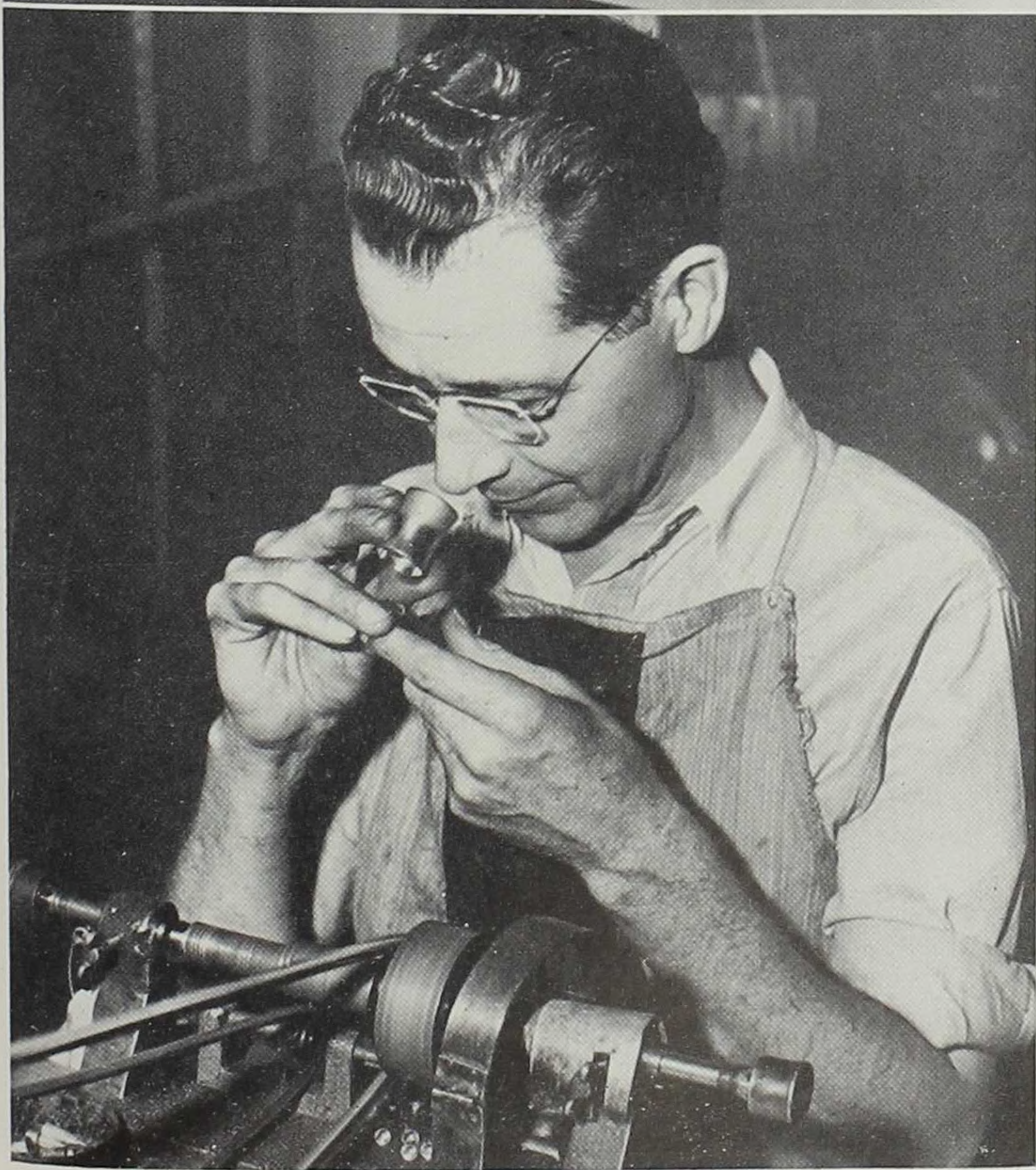
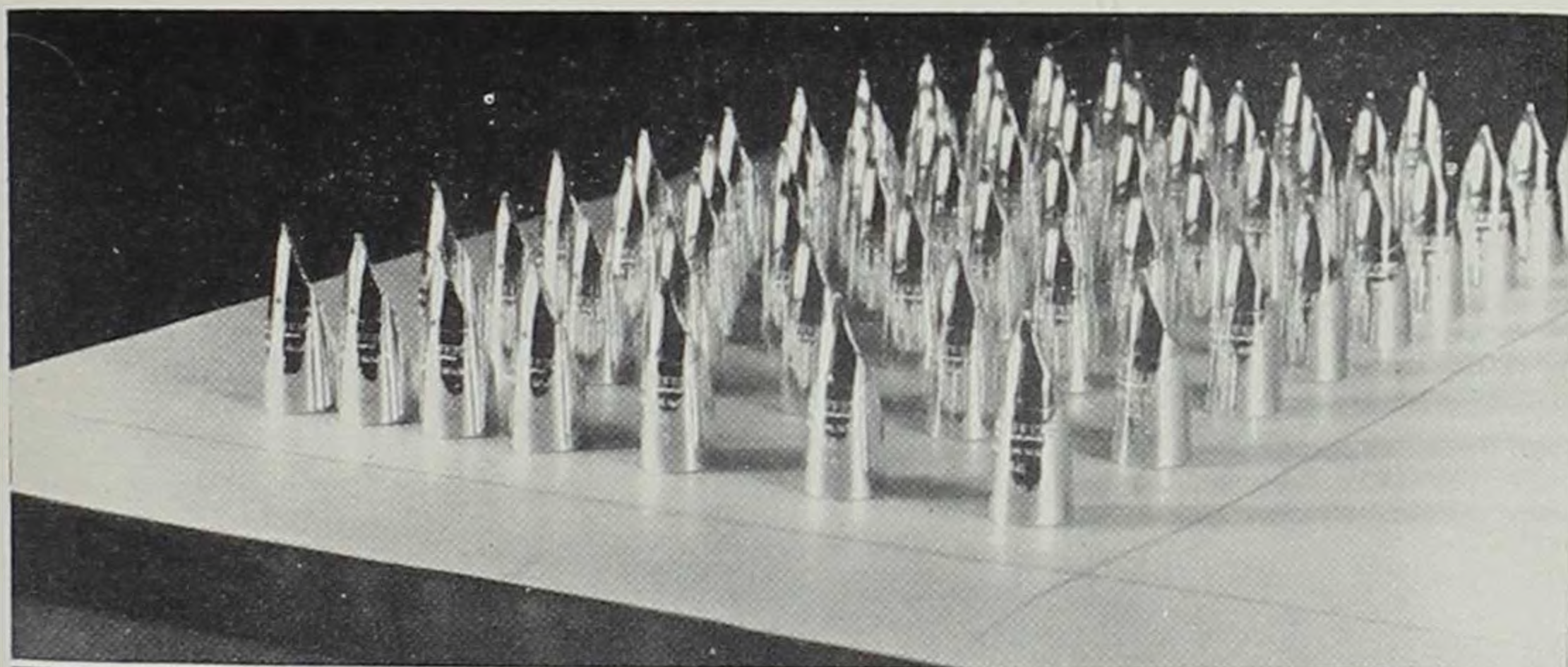


Walter A. Sheaffer



Top: Inspectors check gold processing at every step of the way to catch both human and machine errors in this delicate work.

Bottom: Grinding the point to the desired style takes from 5 to 30 minutes in the hand of an expert nib grinder.



Top: Glamour branch of pen production is the gold point in which the most precious metals and the best efforts of men and machines are combined.

Bottom: Joe Simpson, ace nib grinder, examines custom-ground pen point. In 27 years Joe has produced over 500,000 nibs.



Top: Sheaffer West Coast Sales Representative Fills Pens Used in Signing Japanese Peace Treaty.

Bottom: Secretary of State Dean Acheson Signs Japanese Peace Treaty with Sheaffer Pen.

demand \$75 an acre. Sheaffer remonstrated, saying it wasn't worth that amount. Steckel promptly declared: "You didn't ask me what the farm was worth. You asked me what you should ask for a farm in a trade. You will find if you will trade for a store of jewelry, you will have to pay a plenty good price for a lot of old junk which isn't worth anything and you had better have your farm priced high enough." Sheaffer finally gained enough courage to ask \$65 an acre.

In the negotiations that followed, Sheaffer found the store invoiced at \$12,152, but that Bowen had sold less than \$1,000 in merchandise between January 1 and April 6, 1906. The store was clearly losing money. Sheaffer finally agreed to trade his farm for the store at the equivalent of \$75 an acre, and the deal was closed that day.

Bowen's jewelry store was located in a small building and was so dark that the fine stock did not show up to good advantage. Sheaffer accordingly built a store nearby and moved into it in the fall of 1906. "In the new quarters," Sheaffer recalls, "the business grew very fast and I was able to make very nice money and increase this business many fold. When I sold this store to Mr. Lerche, my watchmaker, and W. L. Saunders, my brother-in-law, in 1913, it invoiced \$45,000. However, I sold it to them for \$35,000, taking \$10,000 off the invoice. They, however, threw out nearly every good thing I had had in the store and in a few

years went broke." The same thing happened when Sheaffer sold the Bloomfield store to his watchmaker in 1928 for \$5,000 less than it was invoiced at by the purchaser. The watchmaker made no money and lost the store in a few years.

Walter A. Sheaffer had one subtle principle of success.

Close application to any business, giving it serious thought almost day and night so that you are able to make the right decisions, is what makes any business successful. If too much of one's thoughts are on other things than your business, there will be many a valuable discovery in your business that is never thought of; whereas if one's business is given close attention and close thought about how you can improve it, many a new discovery and additional sale can be made which are never made otherwise. When you look at the record of industry which shows that only about 10 per cent of the retailers of the United States make money, that 45 per cent just exist, and the other 45 per cent fail, you can see from these figures how necessary it is that those who want to be successful must be very alert, setting an example of working fast and accurately for all their employees and giving a great part of their thought and attention to their business. It is the only way that anyone can signally succeed.

Whether as a jeweler, a piano salesman, or a farmer, Walter A. Sheaffer always concentrated on his work with enthusiasm and zeal. This quality insured the success of his greatest enterprise.

WILLIAM J. PETERSEN

An Idea Is Born

One evening in the fall of 1908, as Walter A. Sheaffer sat at home reading an advertisement of the Conklin pen, he was struck by the clumsy hump, or crescent, protruding on one side. Surely, he thought, some one ought to think of a filling device that was neater and more practical. That night Sheaffer scarcely slept, but by morning he had thought out a lever bar which could be operated so as to press or be released from pressing on a rubber sac held in the pen barrel. He patented his lever bar that very year. Walter Sheaffer made the world's first practical, streamlined self-filling fountain pen in his 12x14 workshop in the rear of his jewelry store. An idea was born!

Sheaffer's first lever was not as practical as it might have been. It required the expansion of the rubber sac to close the lever, and, when the sac deteriorated, the lever might not snap shut. Subsequently Sheaffer invented a lever bar that operated and held the lever in an open or closed position irrespective of the rubber reservoir. This was a great improvement over the first pen, and he accordingly took out a second patent, securing the services of a splendid patent attorney in Chicago named Frank Brown.

Walter Sheaffer was now in a dilemma. True, he had a good idea, but he also had a profitable jewelry store.

I was afraid to put my patent on the market. I had built up the jewelry business in Fort Madison until I had an income of ten or twelve thousand a year and it seemed to me at the age of 45, which I was when I went into the fountain pen business, that I would be foolish to risk what I had worked so hard to build up at that time in life knowing that the other big companies which were worth millions would begin patent litigation and I probably would lose everything I had — so I waited five years. I was afraid of the selling end; I wasn't afraid of what we could manufacture, but I was very afraid that we could not sell the pens against such great competitors. One company [Waterman] at that time had about 85 per cent of all the fountain pen business and was very powerful, and I had very little money outside of the jewelry store.

One day George Kraker, who had traveled for the Conklin Pen Company, convinced Sheaffer that he and Ben Coulson, another former Conklin salesman, could sell all the pens that Sheaffer could manufacture. A contract was entered into whereby Kraker and Coulson would do all the selling for 33 $\frac{1}{3}$ per cent while Sheaffer would get all the rest. An office was opened in Kansas City and the first sale made to the Missouri Store Company at Columbia, Missouri, in June, 1912.

It was not long before Sheaffer pens were selling faster than they could be manufactured. Sheaffer's difficulty at the start was to find a drill

sturdy enough to penetrate the Monel metal out of which the levers were made. They also had trouble making a pencil clutch that would hold an over-sized lead and then take an under-sized lead. Both these problems were finally overcome.

From the start, the Sheaffer pen was popular. Indeed, the success of the pen was so widespread that Kraker and Coulson became interested in its manufacture. On January 1, 1913, the W. A. Sheaffer Pen Co. was incorporated for \$35,000, with Walter A. Sheaffer owning 51 per cent of the stock, Kraker and Coulson 40 per cent, and James C. Brewster, a Fort Madison banker, the remainder. The earnings of the company its first year were around \$17,000, or almost 50 per cent profit on the capital invested. Furthermore, the business was increasing so rapidly that more capital was needed. Kraker withdrew from the company, and Sheaffer and Brewster increased their holdings.

By 1914 the firm was strong enough to advertise nationally, placing a full page ad in the *Saturday Evening Post* with bold words stating that:

BIG BUSINESS DEMANDS SHEAFFER'S PEN
SELF FILLING—SELF CLEANING—NON LEAKABLE.

The whole country was beginning to hear of the Sheaffer pen!

Competitors naturally began to stir uneasily, and Walter A. Sheaffer soon was confronted with

patent litigation — an old trick to wreck an opponent. Fortunately, Sheaffer had in Mr. Brown one of the finest patent lawyers in the country. Brown's aid, coupled with his own intelligence, resourcefulness, and courage that had been tested many times in Davis County, allowed Sheaffer to fight his adversaries successfully. It was a crucial period in the young company's life, however, a time in which most budding enterprises fall in ruin. One of the most crucial moments arrived when Brown and Bigelow of St. Paul sued for one million dollars. According to Sheaffer:

We had no idea or notice in the world of this suit and it naturally scared the bankers nearly to death, especially Mr. Brewster and Mr. Joe Pollard. I called Frank Brown over the phone and had him go to Washington, D. C., at once and make a thorough search of pencil patents, which he did. As soon as he made it, he cataloged it and sent it to me and told me we had them licked to a standstill. Brown and Bigelow were probably worth twenty million dollars and I knew that even if we won the suit, it would be a terrible strain and would cost us a lot of money and time away from the business.

Sheaffer promptly decided to go to St. Paul and attempt to avoid a costly legal battle. Many of his friends thought he was "crazy," but Sheaffer was convinced he could save both companies a "lot of time and money" if Brown and Bigelow could be persuaded to drop the suit. After several rebuffs by underlings, Sheaffer finally was ushered into

the presence of Mr. Bigelow, and after a strenuous battle succeeded in having the case dropped.

Meanwhile, the Sheaffer pen was being steadily improved. During the weeks following the invention of his pen a few dozen were made up and passed around to close friends and relatives for testing. These tests proved the pen was successful. In 1920 the first LIFE TIME pen with the white dot was introduced, the lowest priced one selling at \$8.75. The idea that had motivated the Sheaffers when they sold Hamilton watches had taken root. And the white dot has become a symbol of quality and durability in millions of American homes and offices. In later years Sheaffer declared:

No one has had to buy our product, but we have continually preached for the public to buy the best they could afford to buy. . . . The man who can afford to buy only a dollar pen is entitled to the best he can buy for one dollar. Under the system our employees worked, they would receive a smaller wage for making the dollar pen. We therefore felt that it would be better for us to take a loss rather than have them work for less money on the dollar pen.

Let us see what happened when we sold the dollar pen. Our wages were lower, the volume of our sales was lower, the salesman who sold the pen received less wages, the salespeople of the dealer who was operating on the profit-sharing plan received less wages because they did not get a bonus for selling a dollar pen, and the customer who bought the dollar pen got the best dollar pen he was able to buy and which he was entitled to.

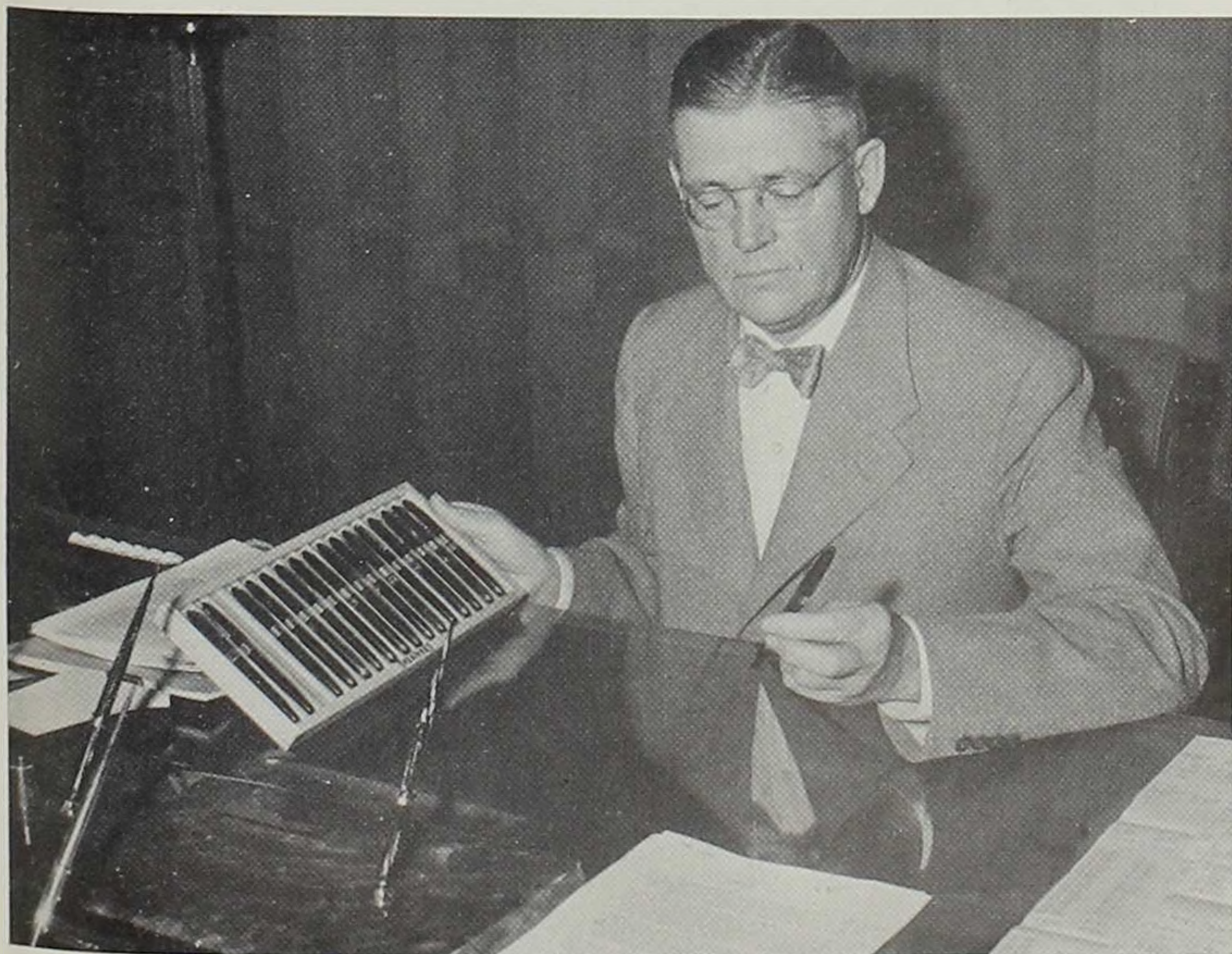
No one had to buy the \$10 pen. When a desire was created in the customer's mind to buy a \$10 pen, and he could afford to pay \$10 for a pen, immediately the wages in the factory were raised, the wages of the salesmen were raised, the dollar volume of our Company increased, the dollar volume of our retailer increased, if the dealer was operating on a profit-sharing plan the salaries of his salespeople increased. Now, was it fair to the customer who paid \$10 for his pen? We maintain that it was, for the \$10 pen would outlast ten \$1 pens; and instead of having ten cheap pens, the customer would always have the best pen there was to use. If we made only \$1 pens, we wouldn't expand employment because wages would be too low. But when we made \$10 pens, our factory workers make high wages so that they are able to spend more money; and the spending of more money makes it necessary for more people to be employed to make the articles that the higher wages allowed our workers to buy. Therefore, in making the higher-unit sale, you not only raise wages but you expand employment — which is an endless chain.

In 1938 Walter A. Sheaffer resigned as president and became chairman of the Board of Directors. He was succeeded as president by his son — Craig Royer Sheaffer — who happily possessed his father's wisdom, energy, resourcefulness, and courage. Under such leadership the company has continued to prosper. Sales have soared from \$3,359,327 in 1936, to \$15,187,399 in 1943, to an all-time high of \$24,122,774 in 1951. Until his death in 1946, however, W. A. Sheaffer continued to expound his philosophy of business enterprise.

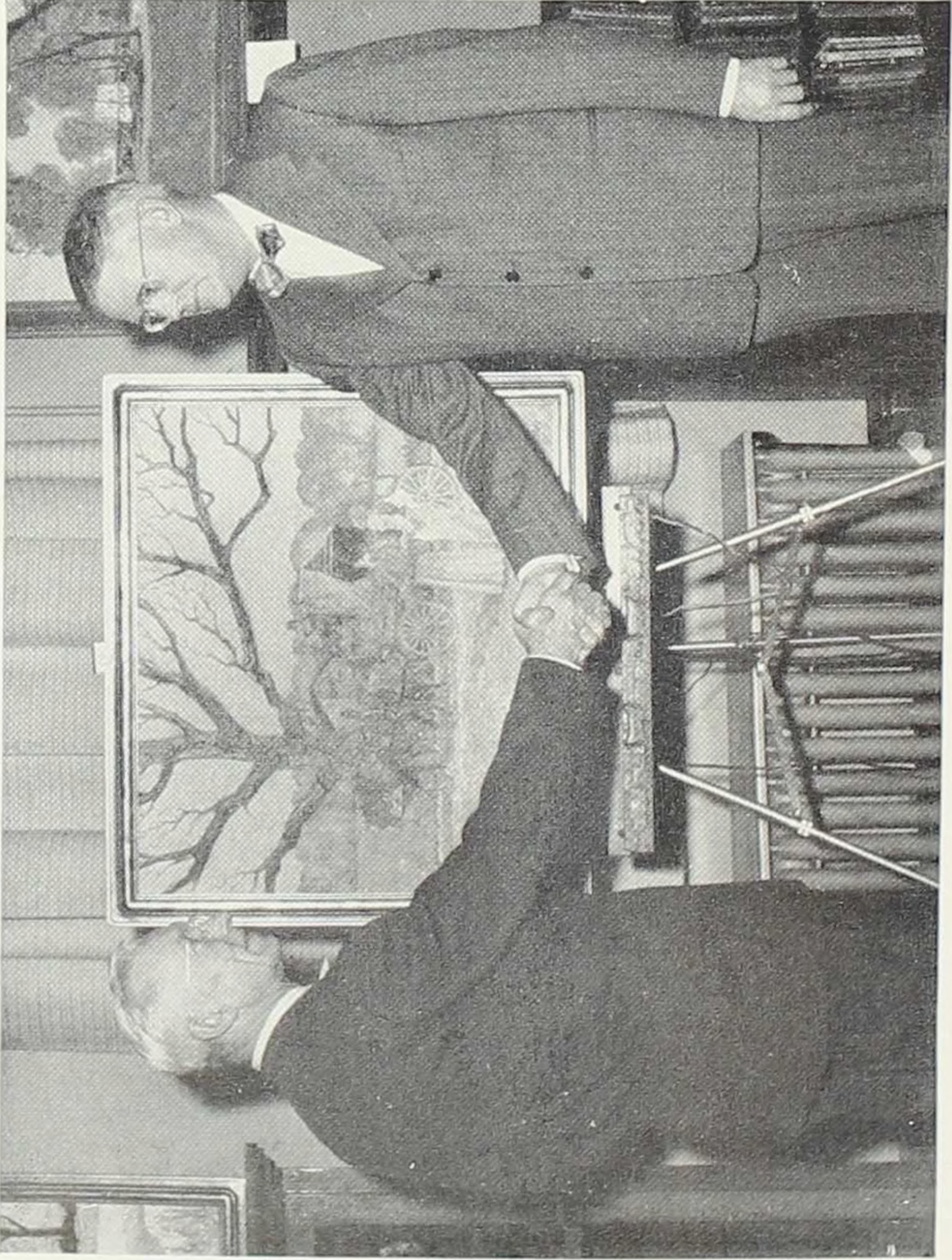
QUALITY WORK REQUIRES CLOSE PERSONAL ATTENTION



W. A. Sheaffer Inspects Pen in His Office.



C. R. Sheaffer Checks Japanese Peace Pens.



W. A. SHEAFFER SELLING PIANO TO D. HOCKERSMITH
Craig R. Sheaffer (right) Greets Artist Lane K. Newberry.

He had the merits of his theory driven home on a visit to California. According to Sheaffer:

After nearly fifty years of merchandising and working to increase the unit sale and to sell the better merchandise which cost the customer more, I became very interested in an investigation. About five years ago when I was in California for the winter, I went to an annual Iowa picnic that was held in Lincoln Park. They had each county of the State of Iowa laid out in the same position that it is located on the map. I took Mrs. Sheaffer with me and went to Davis County. As there were over 100,000 people at this picnic — almost all of them were retired Iowa farmers — I no more arrived in Davis County than some retired farmer would come up and say to me: "Are you Walter Sheaffer?" I would say: "Yes." He would say: "Here's a Hamilton watch I bought from you 45 years ago. It is still running perfectly." As I stayed there for quite a long time, one retired farmer after another would come up and make the same inquiry and invariably would pull out a Hamilton watch and tell the same story that it had been running perfectly for 45 years. While selling them a watch from \$14 to \$25, instead of selling them a \$3.95 watch on which we would lose 30 cents, we not only paid the mortgage off on the jewelry store but we also benefited the farmer and sold him a watch which would last him a lifetime and would keep good time during the entire period. It proved conclusively that constructive merchandising is just as beneficial to the purchaser as it is to the merchant. We had filled this county full of good watches on which we made a fair margin of profit. In the other counties the jewelers tried to compete with Montgomery Ward and sold the people watches which were cheap, and as a result of doing this they were put out of business and their customers were not benefited.

The passing of Walter A. Sheaffer on June 19, 1946, was recorded with deep sorrow by all who knew him. Newspapers and magazines throughout the country carried lengthy obituaries and many editorials were penned concerning his contributions to mankind. An editorial in the Fort Madison *Democrat* declared:

Fort Madison and America lost an outstanding citizen when W. A. Sheaffer, founder of the fountain pen firm which bears his name, died Wednesday morning. . . .

The Sheaffer pen company no doubt has contributed much to the city of Fort Madison since it was established here in 1912 as a seven-man business in a small store building.

The company and its founder have provided employment for thousands in the years since 1912; the product made in the firm's plants has made this city known throughout the world. . . .

In his business, Mr. Sheaffer advanced far, and he attempted and did many things that enabled the people who worked with and for him to share in his success. Employee profit-sharing and a savings plan under which the firm augments deposits made by employees are two of the outstanding achievements of the Sheaffer labor plan, both staunchly supported by the founder of the business.

The W. A. Sheaffer Pen company will remain in competent hands, but no matter what its future success, the company, the city, and the Fort Madison community always will owe much to the man responsible for its beginning.

Few Iowans have contributed more to the advancement of their community, state, and nation,

than did Walter A. Sheaffer. A rugged individualist with intense ambition and almost boundless energy, he drove himself relentlessly throughout a long and exciting life. His goals were always high, but he never attempted to violate the rules of law or human decency in order to attain them. The splendid industrial plant that bears his name is a living monument to his greatness. The supremely fine products that are produced by his highly-skilled, well-paid workers are the best testimony we have of the honesty, ideals, and quality of one of Iowa's truly great men.

WILLIAM J. PETERSEN

Then and Now

The growth of the W. A. Sheaffer Pen Co. is an almost magical story in Iowa history. In comparison with it, the tale of Aladdin and his wonderful lamp pales into insignificance. In the whole realm of Iowa industrial history, few firms can equal and none can surpass this colorful story.

Forty years ago, in 1912, seven men manufactured the pen in a little 12x14 workshop in the rear of Sheaffer's Jewelry Store in Fort Madison. In 1952, 1,600 workers were employed in a new \$3,250,000 air-conditioned factory-office building covering 165,000 square feet of factory space and 40,000 square feet of office space. In addition, 400 were employed at the ballpoint pen plant at Mount Pleasant. The company also operated a subsidiary in Canada and in 1951 had acquired a controlling interest in a subsidiary in Melbourne, Australia.

Forty years ago, in 1912, four men owned a budding pen company incorporated at \$35,000. In 1952 a total of 2,831 stockholders held 811,775 shares which sold at between 23 and 31½ on the New York Stock Exchange in 1951. Almost one-third of these stockholders, 859 to be exact, lived in Iowa.

In 1912 the enterprise netted a profit of only about \$17,000. For the fiscal year ending February 29, 1952, a profit of \$2,336,096.12 (after taxes) was made, or \$2.88 per share. This fine return was earned despite the fact that the government took \$4.51 per share in taxes in 1951 compared with \$3.15 per share in 1950.

Forty years ago the sales of the budding Sheaffer Pen Company were negligible, and the company was unknown to its competitors. In 1951 sales reached an all-time high of \$24,122,774.09, accomplished without price increases, but rather through "better work" and "harder work" on the part of both management and employees.

Forty years ago most Americans wrote laboriously with steel pens dipped in a bottle of ink. The mode of writing did not differ greatly in 1908 from the goose quill, reed, or steel pen used in Colonial days. Since the invention of the LIFE TIME Sheaffer Pen the average American citizen has seen fountain pens used to sign many great documents of American history. Thus, on September 8, 1951, forty million citizens watched Secretary of State Dean Acheson sign the Japanese Peace Treaty at San Francisco with Sheaffer's new THIN MODEL pen, seventy-five of which had been donated by the Company for the signing. Each pen bore a $\frac{3}{8}$ inch gold band engraved with the words: "Japanese Peace Treaty, 1951."

Forty years ago it took relatively few materials

and processes to make a Sheaffer pen. Today the making of a Sheaffer THIN MODEL pen requires more than 300 individual manufacturing operations. The raw materials that go into the pens include gold, silver, copper, plastic, brass, and osmium-iridium, second hardest known metal in the world. To maintain a consistently high quality (which had always been the objective of W. A. Sheaffer) 25 per cent of all manufacturing operations are inspections.

The gold nib, tipped with an alloy of osmium and iridium, is the heart of the Sheaffer pen. These are split on a copper wheel and then ground to any size from fine accountant's points to broad stubs by nib grinders, the most skilled of Sheaffer craftsmen.

Materials used in the manufacture of Sheaffer products are obtained from all over the world. Approximately 15,000 different types and sizes of raw materials are imported by the Sheaffer plant for production of the complete Sheaffer line of fountain pens, mechanical pencils, ballpoints, desk sets, Skrip, and leads.

Since 1932 Sheaffer employees have benefited from the company's profit-sharing plan. These have ranged from 4 per cent in 1934 to 50 per cent in the March, 1950, quarter. In 1951 employees received four quarterly profit-sharing payments averaging $26\frac{1}{2}$ per cent of their earnings. More than \$10,500,000 has been paid in extra profit-

sharing payments to employees since 1934. Small wonder that employee turn-over is only 3 per cent a year, less than one-third of the United States industrial average. Under Craig Sheaffer's inspiring leadership the company continues to prosper. An able administrator, Sheaffer has no secrets from his employees, and their faith in him has been demonstrated by their work. In his report to stockholders on February 29, 1952, Craig Sheaffer pointed out a serious danger that lay ahead for all such firms.

A year ago, taxes amounted to \$3.15 per share. This year they're \$4.51. So you can see that the extra 15¢ dividend paid last year was siphoned off this year by the additional \$1.36 per share the Government took. In fact, the tax collector walked off with over twice as much of our money as the shareholders received in dividends. And he will be walking off with even more after he gets through collecting the shareholders' individual income taxes.

This double taxation of corporate income — once when received by the corporation and again when received by the shareholders — is so grossly unfair that the need for relief should be obvious to everyone. Certainly, Congress should be urged to provide a remedy — either by giving the corporation a credit for dividends paid or by giving the shareholders a credit for the tax already paid by the corporation. . . .

I don't suppose many tears will be shed — in Washington — over this tax-produced inequality, but I do think it is disturbing to note that we took a 42% drop in the amount that was left to be plowed back into the business.

For every dollar of profit we set aside last year for future needs, we have this year set aside only 58¢.

This situation faces almost every corporation and it is one that should be of deep concern to our government officials, our workers, and to every man and woman in America. Funds for further investment must come either from shareholders or from retained corporate earnings. The present system of double taxation and excessive taxation is drying up both sources to the point where it is extremely difficult for a new enterprise to start or for a small established company to grow. In 1950, for example, business "births" in the United States only barely exceeded business "deaths." In 1945, on the other hand, new businesses outnumbered discontinuances 2 to 1. The number of new enterprises starting in this country today is about a third less than six or seven years ago.

The Sheaffer Pen Company is fortunate that it continues to make progress under such able and sound leadership. The citizens of Iowa are equally proud that their state gave birth to such a dynamic industry that has kindled the respect and won the admiration of the nation.

WILLIAM J. PETERSEN

Big Business Demands SHEAFFER'S PEN

Self Filling Self Cleaning Non Leakable

—because it embodies *all* the essential features of a perfect Fountain Pen. Instant service. Steady, reliable ink flow. Speed and ease from start to finish. Absolute freedom from ink-spilling—carried in any position.

SHEAFFER'S Pen puts *brains* in your hand. It is built for the man or woman who has no time to waste. It is the pen of Big Business. And the pen of Big Business is the pen for Everybody.

SHEAFFER'S Fountain Pen fills instantly from any well, with one touch of the finger. Cleans automatically when filling. Has a smooth, clear surface without humps or buttons. *SHEAFFER'S Pen is your pen—without a doubt.*

A. Sheaffer Pen Co., Fort Madison, Iowa.



Sold by all Leading Dealers \$2.50 Up.

SHEAFFER'S GUARANTEE

Have your dealer *fit your hand* with SHEAFFER'S Fountain Pen. If it fails to suit you, he will refund your money without question.

Self Filling
Self Cleaning
Non Leakable

New York

Chicago

Kansas City

Fort Madison

