The Story of Events and Changes in My Lifetime of 86 Years

Clement Hey

My father, John Philip Hey, was married to Elizabeth Baer in February, 1878, and started farming on a farm in Jordan Township which was bought about 1857 by grandfather Jacob Hey. Forty acres of it was bought during the Civil War sometime in the early 1860's and the crop of wheat at war prices paid for the extra 40 acres the first years.

My memory of operations starts about 1887 when I was about five years old. The grain then was cut by a binder that tied wheat on oats in bundles. These were picked up by hand and stood upright with numbers of bundles in a shock. A local farmer owned a threshing machine run by horse power. The horses went in a circle turning gears and shafts running to the thresher. About 20 neighborhood men constituted the gang. Some went into the fields with hay-rack wagons and brought in loads of bundles. They pitched the bundles (both sides) into the front platform or table where the band-cutters quickly cut the twine. A vigorous man in the middle stirred up the sheaves and whirled them into the jaws of the thresher, and round they went thru, beating out the grain. The straw was blown or elevated out to a stack in the yard or in the barn, to be used for bedding the cattle and often to gill the bed mattresses in the house.

The corn was husked by hand and it was often Christmas before it was all husked. Many farm boys went to school only after the corn was all husked and then quit about April for the spring work. The plowing took much longer then with a team hooked to a single-share plow.

Soon the thresher was run by a little steam engine, which was quite an awesome thing to me at age 9 or 10. Long after my days on the farm ended, the threshers gave way to combines and the crew of 20 neighbors was a thing of the past. Later the mechanical corn picker picked the corn much faster and elevators put the corn in the cribs instead of hand shoveling ears. Now they can have picker-shellers put the grain in trucks ready for bins on market, drying out excess moisture, if any.

One time when I was about 10 years old it rained enough to stop work and some men sat around talking. I listened as one told about a friend who had his farm mortgaged. He went to pay the interest, but the creditor told him there was no rush if he needed the money for other use, so he let it accumulate. Suddenly hard times set in and he was well behind and could not pay. The mortgage was foreclosed and he lost the farm. This impressed me all my life and I resolved there should not be a mortgage on my farm if I had one. I bought my first farm when I was 31 subject to owner mortgage and paid it off so that there was no mortgage on it from 1915 to 1967 when I sold it for cash. From time to time in expanding I have been in debt for quite short times, always using all speed to settle up, usually, however, having cash for expansion as needed. I got a good start before I was married at age 36. Of course, I would not have waited that long if it had worked out all around before that.

I went to a single room country school with one teacher for 8 grades. These classes were cut down perhaps to about 5 by holding some back so that when I was 12 ½ years old I would judge I was about 2 or 3 years behind in classes by grades, but for several years I eagerly listened to the upper classes recite. I looked at and studied some in their books so that in September when vacation was over and there was no change in my books I rebelled. I wrote the teacher a letter saying I was tired of being consolidated backwards always, and that I knew more of the upper classes lessons without studying than some of them knew when they recited. In a few weeks I was put into the top class. Passed the examination among the pupils of the whole township. Our school had the top 4 in a bunch of about 20. I was Rank 4 in March. In April we had the County Final Exam. I pushed up to No. 2 of the 5 in our school. Mary and I went in the top section.

I can remember going to the county seat in Morrison where all the diplomas were given out. Each one was to recite a verse of his selection. I was one of the small ones, but I decided to talk loud and clear. I got by far the most applause by this:

> In battle or business, whatever the game,
> In law or in love it is ever the same,
> In tie struggle for power or the scramble for pelf,
> Let this be your motto, "Rely on yourself."
> For whether the prize be a ribbon or throne,
> The real victor is he who can go it alone.

As a boy my appetite was poor. Henry ate twice as much as I. After I was 8, until age 15, Dad was away at his factory or later as a carpenter 99% of the time, so Henry and I roamed around the countryside and the creeks freely. At 8 we moved to a smaller house on the farm and a tenant had the large one. We children were all born at home, sometimes without a doctor. In the smaller home in winter most of the heat came from the cooking stove with wood and corn cobs. We set up, for a short spell, a base-burner that burned hard coal. We had candles and kerosene lamps for lighting, and in the cold bedroom in winter we had to cover with feather-beds to keep warm. We walked 1 ¼ miles to school and carried our lunch.

On the farm there were manure piles from the barns, and flies were very numerous. We had outhouses or little huts, instead of indoor plumbing of any kind and flies were there too.

While Dad was farming we had two fine black horses and a doon-top buggy to ride in. Dad had about 20 hives of bees and harvested honey 2 or 3 years. At the foot of Broadway in Sterling there was a watering stand where our horses could reach up to drink from running water.

When Dad was in the road-cart factory, in the summer, a couple of times, Henry and I walked six miles to town to look it over. The Market for road-carts dropped suddenly and Dad was away with carpenters, etc.

When I was 6, starting to school, there was one very heavy snow. Dad took the one-seat sleigh and took us to school. The sleigh upset and I was dumped in a snow bank, to my surprise, unhurt. In winter the wheels were often taken off the wagons and sled runner put on. There were 8 shcools in our township and in 3 or 4 winters the pupils in our school visited, in bob-sleds, one of the other schools, or their gang visited us. One time certain parts of the road were drifted and we drove over a hard crust of snow (horses, sled and us) right over the fence around a big snow bank. Damp snow had built up and formed a hard frozen crust. Snow banks often built up behind big hedge fences which have now disappeared.

One time when I was a little boy my dad asked me a question, and looking at me, said, "Now don't you tell a lie." I had no thought of lying, but later in a reader I was impressed by the story of Washington's hatchet followed by a verse:

Never tell a lie my boy,
Always speak the truth.

If your life you would enjoy,
Always speak the truth.

Be the matter what it may,
Always speak the truth.

If at work or if at play,
Always speak the truth.

In starting, out to earn a living, I was a very quiet lad without much to say, mild and timid about pushing. I took an excellent magazine called "Success" which had many articles about different qualities, so that helped some in many things, though I never talked as much as the average. I did a lot of thinking and studying.

In business college I had commercial law. When I was working at age 18 or 19 I took several units of a correspondence law course which gave me more insight on other sides of law. I read a lot of historical biographies from the library. One 2 volume set of "Cosmic Philosophy" showed the second volume I got was just like it was new and unused comparatively. In later business career I will cite several legal battles I fought and won, probably because I had a clearer view of my rights at law.

Being out of business 1914-1915-1916 in Sterling, I went to University of Wisconsin 2 ½ years as an adult special student, not working for a degree. I studied farm subjects, bacteriology, biology, chemistry (3 or 4 kinds) physics, trigonometry, thermodynamics, refrigeration, and all the sciences I could, which proved useful when I got back into business. I had no high school credits. Got very good marks.

I feel that it makes a tremendous difference if a student is eager to learn and greatly interested as compared to those who do only what they must. The little country school interested me in all the classes above me. I was far from robust and if I had not been eager I would have graduated 2 years later. I never had much work to do as my father quit farming and was a partner making road-carts. We lived on the farm, however, till I was 15, when I was sent to business college and Dad moved to town.

I was a very quiet boy weighting about 110 lbs. And for several years was a bookkeeper at poor wages in Sterling. I went to Chicago and worked twice for three months, both times for what was later part of International Harvester.

I went for 6 weeks to West Plains, Missouri, in the office of a very small iron mine. They had men with wagons and picks to dig chunks of iron one out of the ground and ship to St. Louis area blast furnace.

I went home to Sterling to take a job as bookkeeper for a newspaper. In a few months I caught the manager in two acts of taking, secretly, some painting jobs and pocketing the money. The owner of 90% of the stock got rid of this many. I was manager and took over his stock which was in ho hock at the bank on notes signed by the Boss and him. I was to pay $75 per month till the stock was mine. The Boss was signed up responsible for payment and all of his stock was and had been, held by the bank as collateral. He later got a newspaper man from Rochester, New York, to take some of his stock. He was postmaster drawing what was then a good salary. He lost that job and immediately he was in bankruptcy. With his stock in bankruptcy he was no longer a director or officer under the bylaws. I was elected president and Richmond, treasurer. About September, 1906, his stock was sold at sheriff's sale for $1 and Richmond and another man took it and became responsible for the bank debt. Before the sale Mr. Haglock, the milk dealer, told me he was ready to sell so I told him I expected to settle up at the newspaper and would see him.

On December 1, 1906, I started in the milk business. I borrowed from my mother and owed Haglock $1000 due in one year. The previous winter there had been a thaw that took the ice out of the river. There was such a shortage that keeping the milk sweet was a big problem. At that same time the U.S.A. and Illinois passed Pure Food Laws to go into effect. I had no worry over that as I wanted sell pure milk and was sure it would keep if farmers had cold water and I had ice to cool it.

Mary stayed a while at the newspaper as bookkeeper and Abe was there as a "painter's devil" learning. Soon I had him on the milk route and he had saved up $200 and wanted to invest in the business. Mary later put in $50 or $100 and Ira, who went to high school, took our money to the bank after school (banks closed at 4 pm then) and he also worked summers. He invested $50 out of his earnings.

In December 1910, I bought out 2 ice cream plants in Sterling and the others had a larger interest, and the firm became Hey Brothers. We moved into a new building, built in the winter at 212-214 E. 3rd St. in 1911

We had no hardening room. Ice and salt in a brine box circulated brine at about 0 degrees F. thru the ice cream batch freeze. The cans of ice cream were packed in a vat, covered with ice and salt, delivered in tubs packed in ice and salt. A one-horse dray delivered to city customers who packed ice cream cans in the fountains in ice and salt. Shipment out of town went by express, costing 50 cents and 15 cents for empty tubs and cans coming back (for 5 gal. Cans).

The owner of Woodland farm just west of town entered the milk business in 1911 and the ice cream business in 1912. In the summer of 1913 he slyly approached me about consolidation and we signed contract that we incorporate and unite November1. Our side was to have 50% of the stock and their side 50%. I was to be absolute manager and control the directors and operations. If either group was not satisfied they could tell the other, "Buy or sell," and name the price. If we bought, the price was to be $5000 less. If they bought, we were to get $5000 more. Their milk wagons were high up and ours were low down short turn. When we bought out Jackson's Ice Cream business in December, 1910, he remained in the candy wholesale manufacturing and later went bankrupt. In 1913 he found a milk business in Marshall town, Iowa, and he wanted to buy and asked if I would back him. Father was in California loose, so I told him we would incorporate, if we owned the control, Dad would come into towrk for the same wages he got. He would have to buy out Burke and partner who had got into ice cream there, so we would have both milk and ice cream. Dad would build the hardening room.

Just before November 1st consolidation in Sterling, a couple of the Marshalltown milk wagons were destroyed by fire. I wanted to take the Woodlawn high wagons at once before November 1st, buy they refused, saying, "Not by _____________ will you take the best." The answer was, "Buy or sell." We expected finances would not be easy and they would sell, but fortunately for future events, they bought. We still owned the building with contract the corporation was to pay a liberal rent. Burke and Leinbach in Marshalltown and Jackson are the same two we bought out at once in December, 1910, when we went into the ice cream business in Sterling. In after years we again bought out Burke and Partner in Dixon in 1919, and DeKalb in 1922.

After several months Abe went to Marshalltown and took a milk route. He built it up far ahead of the others by delivering before breakfast.

We shipped our homogenizer to Marshalltown as Woodlawn had one also. During the next summer Jackson sold the homogenizer instead of using it to smooth the ice cream mix. I told him that he would have to buy us out or we would throw him out. He would rather use cream that was ripe and use solids to sweeten it for a bigger overrun. I believed in the sweetest possible cream homogenized and he had not consulted me on the sale. So we sold out. I guess he made a bare living in future years. I was in Madison when we got the money.

In November, 1916, Mr. Williams (Woodlawn man) came up to Madison to make a deal with me and we bought back the Sterling business to be in effect December 26, 1916. I left Mary and Abe to manage till the end of the semester in college, about February. While I was at college that winter the dome of the University Administration Building caught fire and burned up. The flag at the top waved serenely above the flames. As I watched with the flames lapping closer, the dome crashed to one side and the flag made one grand leap in safety to the ground. We were near to getting into the World War so I thought, "We'll get in and the flag will come out on the winning side."

I got my first car in 1914 when the best roads were gravel and before the days of cement highways. When I was 6 years old and before, most of the roads were dirt roads. The roads past our farm were very deep mud when the frost came out of the ground and there was some rain just then. I had got new pair of little rubber boots, I suppose, if I was 6 then, to wear to school. Probably I was 5. I went out in the deep stuff mud in the road wearing my boots. I did not get far till I was stuck. However my mother saw me and pulled me out safely. Soon after that the farmers joined to haul gravel from a nearby pit and we had a gravel road North and South to Sterling, Penrose, etc. The gravel coast 10 cents a load and the farmers applied their work on the township poll tax, I believe.

In 1914 when we were interested in the Marshalltown business, I drove out there on roads mostly dirt, sometimes muddy. In hot day weather the roads were very dusty. If I drove over 20 mph, I burned out the engine bearings. One day on the road some young folks passed me and the dust flew terrifically after them. They had a car they could drive faster. They stopped at a place up the road. Soon they started up again to pass me. A Sterling young lad was with me and watched them approach to pass again and kept me informed. Just at they were ready to pass I blocked them and dusted them in two attempts. The girls screamed.

When I was going to college I took the car up after spring vacation. Before I went to college I had got a Wisconsin University correspondence course in bacteriology. There was a very nice schoolteacher near us that looked like a very worthy young lady. I wanted to meet her so a schoolteacher friend next door was persuaded by my sister to ask them both to go riding with us and I had a man in the front seat with me, so I was introduced and acquainted. This was just before school was to start in September, but I was told that she was not going to teach, but was going to the University of Wisconsin. I suddenly wished to go to college, so I went up to see and found in the catalog that on adult without credits might be admitted, but was to write a letter telling on his knowledge and education and I was admitted and a little less than 4 years thereafter married that wonderful girl. I, in the meantime, having got back in business and she having graduated and taught one year in high school. I certainly enjoyed my studies and a few dates with her at college from time to time. She was a tip top student and very busy so even a few dates were looked forward to.

When I got back in business, Abe was in the post office service and Henry was rounding out years of service in the post office. We incorporated under the name of Hey Brothers. The next spring the U.S.A. was in the war against Germany. In March, 1918, Ira was called into the army. Abe was exempted, as well as Henry. Later those my age were registered but I was then married, addexempted as Head of an Essential Business. Just as I was married, June 29, 1918, we were entirely free of debt, business, farm and all.

Henry left the post office just about as the war ended, to take a job at a Joliet steel mill. It turned out that steel for a few months hit a slump and Henry had nothing much to do and I was informed. Just then Burke and Leinbach wanted to sell out in Dixon, so I called Henry to Dixon. Almost the same time Ira came home from the army- January 24 and January 31, 1919.

Taxes in 1918 were very high on account of the war and on corporations they piled on top an excess prifits tax, so we dissolved the corporation and operated as partners.

In March, 1920, we had a silent partner buy out Homer Light's Sterling Ice Cream Company and operate under that name in Sterling. This was J.L. McKinney. We made the ice cream mix for all plants. On November 5, 1921, we bought the DeKalb ice cream business of Burke and Charles, and Glenn Herrick was local manager.

In the winter of 1924 we heard of electric ice cream cabinets and decided they would be a big advantage, a saving in the end and a great convenience. Fortunately I did not go to the state Ice Cream Makers Convention in Chicago about February where they discussed cabinets and condemned as unethical furnishing electric cabinets to take the place of ice and salt in tubs and packing soda fountains. So we were the first in Illinois to put in cabinets (March 1924) starting with the largest customers and working down to the smaller ones. It seemed to strike terror into some competitors who wanted to sell out to us, but the next year they all got in as fast as they could, In order to get cabinets we had to have a service man, so Abe learned the service in Detroit and some others picked it up from him.

When we started installing cabinets there were household units but they were practically unheard of. We heard of one in Sterling. Immediately the sale of household units boomed, so by now it would be hard to find a household without electric refrigeration. We received a plaque as "Pioneers in the Field" and profits increased.

We delivered milk using horses probably till 1930 or near there. We did not turn to trucks at once because the horses would follow the driver to the right spot if he went to the customers at the other end of the block. When we did buy trucks it was found they were just as fast if not a little faster. One driver was a real pal to his horse. The horse got lame and we swapped with a farmer where he would not have city pavement work. In a couple weeks the horse got loose and as the driver had left our barn for the route, the horse, on arriving at the barn, found the wagon gone and went around the route till he found the driver. We swapped back.

About 1926 the state passed a bill to set up the giving of approval certificates to milk plants and authorized the head of the department to make such rules as he chose. We ran our milk thru a flannel bag (to remove sediment) into a 500 gallon vat in which it was pasteurized at 143 degrees or more for 30 minutes. Big city plants heated the milk to about 90 degrees then filtered it, and ran it into a second vat to pasteurize at 143 degrees to 145 degrees. They ordered us to do as they did. We refused, saying we would not heat in two vats if we never got their approval. As a matter of fact, we made tests and took about 5 gallons of skim milk, threw dirt in it and filtered half at the temperature of 50 degrees, then heated it to 90 degrees and got no more dirt of at 90 degrees. Then we took another half and filtered it at 90 degrees first, then cooled back to 50 degrees and re-filtered and got considerable dirt out, proving dirt comes out better filtered at farm temperatures of 50 + or – than at 90. Further we did not have suitable room for two vats.

We operated without the certificate, leaving it up to officials to go to court. Another plant in the area with their OK had the heating coils in their vat coated all over with dried-on hard milk solids looking like lime. After several years one of the leading dairy machinery companies exploded in their face, a cold milk filter advertised as taking out dirt much better than warm milk filtration. Then we beat the city of Rockford in a licensing case we took to the Illinois supreme court and beat them. They decided we were

OK for their certificate. Probably I should have advertised their mistake earlier and challenged them to scientific tests and exposed their inspectors.

The case with Rockford was then they passed an ordinance for licensing ice cream manufacturers selling in Rockford, with provision that we must not only have a state license, which we had, but a city license subject "first" to approval of our plant by the city inspector, and stating that IF he was satisfied and we paid the fee we could get a city license. We did not take out a license because it was dependent on the man's being satisfied and it might take $10,000 to satisfy him. The lawyer thought he could beat them on other grounds, but the court ruled the ordinance word on my grounds.

Later we had another case in the supreme court and won. The state employment tax required us to itemize our pay roll by names with the amount of wages. It exempted fathers or sons of owners on their wages. All of our owners (partners) were from the same father and we did not pay on Dad, though we paid for him on social security tax. That started an argument and the inspector came to look at our pay role. We showed it to him. He asked to see the ledger. He had the cash book then. I took the cash book, put it in the safe and looked it. He said, "I'll have to subpoena your ledger and books. I suppose you won't comply with a subpoena." I told him we would not. Soon he had an order from the county judge to have the books at the clerk's office of Sterling city court. On the date set I called up and asked my cousin, Roy Baer, the city clerk, if Mr. Meiske was there, and I said, "Tell him we won't be there with the books." The supreme court ruled that they had not shown cause for asking for books, other than payroll books. The county judge evidently confused the required books with utility books in rate cases and overreached requirements here.

Now, a word of some changes in milk handling. In our early days the milk was milked by hand. The cow's teats were cleaned dry or not at all. There was some sediment in the milk. It was put in 10 gallon cans and placed in one section of the watering tank for cooling. Windmills pumped the cool well water (probably 52 degrees to 55 degrees) but if there was not enough wind, and the farmer did not pump by hand, the milk was apt to be 60 degrees or above when delivered. At 40 degrees or lower bacteria multiply very little, but at 60 degrees they multiply too fast and above 70 degrees very fast and milk sours rapidly.

There was an improvement when there was electricity on the farms to pump water. There was a big improvement as milking machines replaced hand milking. When we learned that massaging the cow's teats and bag with warm water made the milk glands start secreting faster so that more time was gained that lost, we offered a premium of 10 cents for milk that showed no sediment whatever. We were way ahead of the others in this.

Then International Harvester Co. sold us electric milk coolers to cool the water down so the milk was probably 45 degrees. We bought them and paid a little premium to the farmers so the coolers would pay for themselves in two or three years, way ahead of the others here.

Some years later along came bulk milk tanks from which tank trucks picked up the milk and cans were abolished. The bulk milk tanks cooled the milk immediately to 38 degrees and the hauler checked the temperature of the milk each trip. We then had the best modern way. We bought the tanks and premiums paid for them and we changed for the hauling.

In reciting my legal cases I must report the first clash with officials. In 1906, before I bought the business, in the summer, because the ice harvest was so short, the city health doctor discovered some of the milk was preserved with formaldehyde, a chemical used by undertakers in embalming. Some supply houses listed lime water for sale, a harmless neutralizer against sour milk that year. The health officer had a small practice which then improved. On May 1st, 5 months after I took over the milk business, a new health officer took over. Whether he wanted to make a name for himself or graft was a question. At any rate, he met me on the street and said, "I tested your milk and found it under the state law of 3% butterfat." I said we never found any that low. He said the next time he tested a sample he would call me to his office. He had a hand operated tester and said one sample was mine and one was another dealer's milk and he showed me the butterfat in the tubes with no proof of whose milk or whether he turned the right speed. He said mine was 2.8. He said, "Now I don't care a lot for this job. It only pays $50 a year If I can't get any more I don't think I'll keep it." He seemed to turn around with his hands out behind his back. I told him I was sure our mild was OK. He would have to do his job as he saw it.

He reported the test in the newspaper. I challenged his testing. I stated that he should gather his samples of the dealers in the presence of witnesses and test them with witnesses if he reports them.

In January, 1908, he came to the office with the chief of police and took a sample pint of milk. He took some out and put it in a brown bottle, closed it and put wax on top to seal it. I said, "Now There's some left in the bottle. Let's go down stairs and test it on our steam propelled tester." So he, the police chief, an employee and I tested it at 3.2.

I was arrested and in February the trial came up. Our attorney moved in such a manner as to get his record book entered as evidence. It showed an entry of 3.2 and one of 2.5. They then asked him how he got the 2.5. Mr. Dye had said in court that 2.5 was his figure. The next morning Mr. Dye was across the street in my lawyer's office and was called to testify. The city attorney objected, claiming it was too late as he had been dismissed yesterday, but we showed he could be called back even later. My lawyer asked Dye what he id with the milk left after he made the test and he said he dumped it into the sink and returned the bottle. This was a contradiction of the health officer's testimony that the man brought back to him what was left and he tested it at 2.5 for that entry. It did not take long for the jury to say "not guilty". Every farmer testified they did not water the milk and our men likewise.

In as short time the health officer went bankrupt and left town. He was married to a daughter of our once county judge. We had painted her wedding invitations when I was manager at the printing company. Later he died, and his wife married my first cousin after his first wife died, (the cousin who was then clerk of city court.)

When I was about 18 or 19 I invested $10 for stock in a oil well where there were gushers coming in near Beaumont, Texas, at Spindle Top. This one gushed, but I think an earthquake, at least temporarily, spoiled the whole field. Then some local people got interested in a copper deposit in an almost inaccessible Oregon region. Dad bought stock. I read the prospectus and put $100 of hard earned money into it. They built a boat to get to the mine and it was wrecked in the Snake River rapids, over 60 years ago.

Dad invested $1000 in Rex zinc mine about 15 miles below West Plains, Missouri, where I later worked 6 weeks in the office of the iron mine. The superintendent there was interested also in the zinc mine. He had lived near Coleta, Illinois. As I left West Plains for home, I went down to look at the zinc mine, which had been dug out like an old fashioned cistern of fair size and our lead hole close by. These could not be run profitable hauling 20 miles to the railroad and that was the third loss for me. Total $210. Dad lived in St. Louis at that time.

I went to the St. Louis World's Fair in 1904. Stayed at Dad's. Also went down town to the library. Walked 5 miles back to his home because the street cars made me car-sick. On the trains I sometimes stood on the open air platform, with the cinders flying, to avoid car-sickness.

After the depression of 1921 I bought some stocks. In those days before the laws to prevent crooked manipulations were passed many stocks were manipulated much more than a once. During the first World War 1917 to 1918 and after, the costs of operation went up and utilities did not get higher rates promptly and needed money for growth. There were holding companies that had subsidiaries in several different states. They needed money and were being re-organized for getting credit and sounder finances. I bought cheap, one after another to show good profits. I searched the books of stock records and found one more just coming true. I bought stock in Northern Ohio electric for $5 when first monthly reports of the new corporation were issued. I figured that by the time a year rolled by, and the report covered 12 months instead of 1 or 2 months, I could sell for about $25 the months rolled by, the more it showed to be working true. I bought a total of 1000 shares. The stock would make a rapid gain and eased back, repeat, and repeat, a little higher each time. At the end of the year on a Friday it started another bulge so I went to Chicago and watched the ticker tape Monday all day. On Tuesday A.M. (1926), every other sale was NO on the tape so I decided it was still going hot and I would have it all sold the last 5 minutes. Utilities were by far my best profit makers. I was out before the October-December 1929 crash.

In those days there was a lot of ballyhoo about one stock after another with suggestions that some stock selling for a couple dollars might go to 100 or more. Many stocks were worthless. A world wide depression was shaping up. Stocks crashed in about 3 days in October, 1929, to lose 15% to 30% for the whole market. Those who had stocks bought on margin deposits were wiped out immediately. There were many declines with partial rebounds as the market sawed its way down till July 1932. Then it sawed its way up sometimes.

The Democratic Congress would not pass any laws asked by Republican President Hoover to alleviate the financial situation. As soon as Roosevelt got in, March 4, 1933, they passed many of Hoover's ideas. There were some banks that had uncollectable loans. Roosevelt, as soon as inaugurated, closed all banks for inspection and the liquidation of those insolvent. Bank stockholders were personally responsible to pay up to the original par value of their shares, at that time. Now, banks must have deposit insurance.

Laws were passed that stocks bought on margin must have much greater margin payments. Laws regulated short sales and certain manipulations of operators. When I invested in stocks, I paid for them and had the stock certificates. Before the 1929 crash I had made profits on utility holding company stocks based on earning power stability.

About 1934 the Wheeler-Rayburn Act was passed requiring interstate holding companies controlling operation utilities in many states to break up. Units were to be confined to one state or to such small sections in other adjoining states as to facilitate operation there.

The holding company stocks went very low, and their bonds mostly went below 50 cents on the dollar. I started investing in utilities again by buying the bonds. As I figured that busting up holding companies would in no way reduce the earnings of the state regulated subsidiary companies, and as things were going all right, I bought a lot of preferred stock at very low prices. The holding companies were a long time distributing operation stocks to their stockholders and mostly took till up to 1950, going on after World War II was over. All the 15 years (more or less) the operating companies grew and grew and the preferred stock holders and bondholders accumulated great assets. Since then they have kept growing tremendously, averaging gains of 6 to 8% more each year for the 17 or 18 years. Part of the money for vast construction is raised by bonds. The interest has been higher this year (1968) so the margin earned on borrowed money is less now, but not too bad.

During the last 35 years wages have multiplied to 5 times what they were in 1932. Consequently it costs much more to buy goods, but electricity and power are even cheaper thru the tremendous growth of utilities.

I have always believed that in investing one should use mathematical facts and not go by hunches or be over enthused by tips. Get the facts and figures. I doubt if even the officers always feel sure of the ups and downs of many companies.

An example was the electric refrigeration in the 1920's. About 1925 and 1926 it was growing into a new era and earnings should have boomed but it took two or three years of changes, new competition, elimination, before it settled down to more dependable solvency or profits.

Our Mother died February 9, 1921 of cancer of the breast. We settled her estate by reporting that each one of us owed her a note for 1/6 of her assets. Mary and Verna, if not at some time before, then at that time invested in Hey Brothers or increased their investment.

Our partnership agreement stated that if any partner died, the others could take their investment by signing notes for the amount, dated as of the day before the death, and the notes would be his asset in probate. Ira died September 22, 1932, in Mobile, Alabama. He broke his neck when loose gravel on the road threw his car and blew a tire at Citronelle, Alabama, on his way to visit an army pal. He was taken about 40 miles to Mobile, saw his pal, and died the next morning. He usually had more fun with young boys than other social activities. He always liked to make puns about people's names and maybe some were not enthusiastic about his use of theirs. As a boy he once hatched out some chicken eggs. Later he once talked about raising goats in the Ozarks. He was a very active worker. I had started playing a little golf, but I never played again after he died and left our office.

Abe was very ill with streptococci throat and was confined in bed for about 6 months for heart infection in 1934. In 1950 he had a severe heart attack and was laid up again for several months. We incorporated with preferred stock won by Mary, Abram and Clement for the amount of our investment, and common stock without very much value per share. Kenneth Pentland and Charles Mellinger were given stock along with the other employees. All of the profits were used for retiring the preferred stock, and no dividends were paid on the common stock. Thus we sold out the milk business to the employees and sold the ice cream department to Hey Brothers of Dixon. Mellinger went to DeKalb to work for the bank he had left when he and Pentland came to work at Sterling. He first went to Dekalb as manager of Hey Brothers when Herrick and Diffenback left. He went to work at that bank first when Verna and the boys took the DeKalb plant (1949) and went out of Hey Brothers in Sterling. After World War II, Dale, Paul, Gene, Derrill and John had investments in Hey Brothers while they worked there in Sterling. John Hey sold out and left soon after we incorporated, and Dale, Paul and Gene Harshman went to DeKalb July 1, 1949. We incorporated December 11, 1950 and in 1955 the Heys were all paid off and the preferred stock cancelled and my common stock transferred to employees.

I suppose there were too many bosses in DeKalb, so Paul went to the farm Verna and Bill had bought. He was gored badly by a bull and decided to move to California. Verna and others bought an ice cream plant in Quincy, Illinois, and Gene and Joel moved there. Later the DeKalb plant was sold to Hey Brothers of Dixon.

Father John Philip Hey, died February 2, 1945, His grandfather's name (in Germany) was the same. Abe's son happened to wind up with the same name, I think partly because Ruth, his mother, thought a lot of the great band leader John Philip Sousa. He moved to California at the end of 1911, after 8 years in St. Louis. Abe and Ira lived in St. Louis December 1903 to 1906. I went with him on the trip and he bought at a new place being started at Van Nuys. Later to Anaheim and Maywood. He worked as a carpenter in St. Louis and California. He went to Marshalltown, Iowa in 1914 when we incorporated the Jackson Dairy Co., built the hardening room, and helped until Jackson was ready to buy us out, then came back to Sterling. When we bought the business back he invested in our stock and worked at the plant. In July and August, 1920, he built my bungalow at 1204 Sixth Avenue, and left for California again. His wide died about December, 1928. The barn on my Jordan farm was struck by lightning and I wrote Dad to see if he wanted to help and take charge of building the new one in the summer of 1929. He came and lived with Mary till he died, working then for Hey Brothers till he retired. In carpentry he got things done in good time. I once saw him alone making as much progress as two on a house being built near by. He once told of being put to work when he was a small boy to help plow a field. It seems the sod on something was uneven. He could just barely reach up to a hold on the plow and it would tip over and throw him. That was in the 1860's.