

# DOCTOR RUMELY—SUPERMAN

## Amazing Story of the Life of an American Who Placed German Institutions Above the Traditions of His Native Land

As Confidant of High Huns Was Aware of War Secrets in 1914 and Laid Plot for Propaganda—Sought to Turn Public Sentiment from Allies to Germany.

By Frank Parker Stockbridge, Late Managing Editor of the Evening Mail.

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The name of Rumely still stands over the big plants at La Porte, but the name is the only interest the Rumely family has left in the business that was founded by Meinrad Rumely in 1853. To-day it is the Advance-Rumely Company. Its president, Finley P. Mount, is also receiver of the assets of the defunct M. Rumely Company. Rapid as were the expansion and balloon-like growth of the M. Rumely Company under the management of Edward A. Rumely, its collapse was even more sudden and spectacular.

At the time the company's capital stock was increased the preferred and common issues were both listed on the New York Stock Exchange. Industries were particularly popular just at that time, and the report to the Governor of the Stock Exchange of the company's condition and prospects was satisfactory as to the former and optimistic as to the latter.

The new common stock particularly was actively traded in from the beginning, with an opening quotation of 101. That was in November, 1911. The company's report for 1911 showed net earnings of more than eight per cent on the outstanding common stock for the year after taking care of the preferred, and a surplus of close to three-quarters of a million dollars. The private banking houses of William Salomon & Co and Hallgarten & Co., who underwrote the ten million dollar note issue of 1912, had every reason for confidence in these securities.

### Business Steadily Expands.

In the meantime the company's business expanded and expanded. To facilitate the handling of added lines of agricultural implements and to separate the distributing end from the manufacturing there was formed during 1912 the Rumely Products Company, with Leo M. Rumely, a brother of Edward A. Rumely, as president. During the year also the M. Rumely Company acquired the Northwest Thresher Company.

Before the end of 1912, however, rumors began to circulate in financial circles that all was not well with the M. Rumely Company. Perhaps some one interested had seen those rows of red threshing machines and tractors alongside the railroad tracks at La Porte and wondered why they were not being moved. Perhaps—well, it is hardly important to run down ancient rumor, but whatever the cause, investors in Rumely stock began to get nervous and toward the end of the year a selling wave began that carried the common stock down fifteen points in less than five months.

On April 3, 1913, however, the company's annual report for 1912 was issued and the common stock jumped from \$85 on the Stock Exchange to 44%. The report showed net profits of the three allied companies for 1912 of \$18,24,500, or at the rate of better than ten per cent on the outstanding common stock. The gross sales for the year, of \$17,597,431, were more than forty per cent greater than in the previous year, while the company's figures showed a surplus of almost \$800,000. Still the reports that all was not well with the M. Rumely Company persisted and stockholders continued to sell. Certain of them went so far as to complain to the Governors of the Stock Exchange that the facts about the company had been misrepresented to them by the bankers who had floated the original issue.

The bankers had not been idle in the face of the unsatisfactory rumors, and on May 9, 1913, they were able to report that the board of directors of the M. Rumely Company had been completely reorganized, that Clarence S. Funk, previously general manager of the International Harvester Corporation, had been elected president; that John H. Guy had been elected vice president in charge of finances, and that all of the former executives of the company, including General Manager Edward A. Rumely and his uncle, A. J. Rumely, president, had tendered their resignations, which had been accepted.

### Reorganization Does Not Save It.

The reorganization did not save the M. Rumely Company from bankruptcy, even though production was cut down and the selling force increased under the new management. On January 15, 1915, Finley P. Mount was appointed receiver and later, with the sanction of the Court, sold the remaining assets to the Advance-Rumely Company, of which he is president, and which is doing a large and profitable business. The receivership still continues. With Dr. Rumely out of the management and the Rumely interest in the company that bears the family name entirely wiped out, the affairs of the agricultural implement business have no further bearing on the present narrative. It is of interest, however, to inquire into the nature of the "mistakes" to which the bankers attributed the crash.

I have referred to Dr. Rumely as an enthusiast. He is all of that. When he becomes possessed of a new idea nothing will suit him but to see it put into execution at once. I have referred to the activity and scope of his mental processes. He fairly bubbles with new ideas. The kindest and at the same time the fairest explanation, I believe, of the demise of the M. Rumely Company is that Dr. Rumely choked it to death by trying to force too many new ideas down its throat at one time. They may all have been good ideas and if they had been administered in homeopathic doses perhaps the M. Rumely Company might have developed such an appetite for

his mannerisms and told him whether he was cut out for a cashier or auditor, a blacksmith, a moulder or an artisan.

"As a result, it is said, not all the applicants for jobs at the Rumely plant were found to measure up, cranially speaking, with the jobs they sought.

They didn't get the jobs. There was

more or less annoyance felt by old hands

who wanted advancement.

"Salomon & Co., bankers, owned or

controlled a large amount of the com-

pany's stock. Hallgarten & Co. and the

Salomon house underwrote the \$10,000,-

000 issue of two-year notes. These notes,

sold to smaller banks, soon had to be

met, and the New York Stock Exchange

heads cast speculative eyes on the notes,

it is said.

"Thereupon Dr. Rumely's efficiency

and 'progressiveness' methods began to

wane and reorganization plans proceeded

forthwith."

### New Ideas and Projects.

Once out of the M. Rumely Company, Dr. Rumely concentrated his attention and interests upon his Interlaken school.

He also began to write articles for various magazines on education, on manu-

facturing, on agriculture\* and other eco-

nomic and social topics. His active

brain was continually evolving new proj-

ects and ideas, some of which he put into

effect in his school, others of which he

attempted to promote. I was then liv-

ing in Chicago and saw Dr. Rumely at

more or less frequent intervals. Some-

times I would visit the school; at other

times he would call me up when he was

in Chicago and we would lunch or dine

together. There was always something

stimulating in this sort of intellectual in-

tercourse. He would spread his latest

new idea before me and in rapid fire

sentences illuminate it with excursions

into the realms of philosophy and art,

science and fancy, history and romance,

until the ordinary mind grew weary in

trying to follow the myriad threads of

thought. Often after a session of an hour

or two with the doctor I have found my-

self a month later still trying to trace to

its ultimate conclusion some line of

thought suggested by some sparklingly

brilliant idea carelessly dropped into the

middle of a conversation on some en-

tirely different topic.

### Brushed Aside Obstacles.

It was always difficult to draw the line

between sound logic and fallacious reason-

ing when listening to Dr. Rumely ex-

pounding whichever one of his pet ideas

was uppermost in his mind at the mo-

ment. Difficulties and obstacles he

brushed aside as of no moment. Projects

and schemes that emanating from a less

brilliant intellect, would have seemed

crude and half baked, under the spell of

his almost hypnotic enthusiasm and con-

fidence took on the semblance of reality.

It was not until the next day, or the next

week, after the magic had worn off, that

the flaws in the reasoning became ap-

parent.

I remember one of Dr. Rumely's plans

in this period between the downfall of

the Rumely Company and the beginning

of the European war was to establish a

great publishing house to provide im-

proving literature for the working man

at low cost. They do that sort of thing

in Germany, he told me. Every village

has its book shop, where the laborer can

buy his copy of Bernhardi or Treitschke

or "Also Sprach Zarathustra" for a

pfennig or two. Books cost too much in

America, he thought. He would get out

little books to sell for a nickel, which the

working classes would eagerly devour.

Having had a good many years of expe-

rience in various phases of the printing

and publishing business, I was able to

qualify in his eyes as an expert; therefore

my assurance that, whatever they might

do in Germany, this project would not

work in America for more than one rea-

son was sufficient to divert his attention

from the scheme.

### An Amazing Proposal.

Then in August, 1914, Germany tore

up the scrap of paper on which she had

guaranteed the neutrality of Belgium

and started out to conquer the world. I

do not need to recall to the memory of any

thinking American the shock that this

wanton act of a nation with which all

the world had been at peace sent through

the civilized portions of the earth. Many

of us—most of us in fact—did not sense

at first as our quarrel or as anything that

concerned the destinies of America. As

for our German-American friends and

neighbors, we did not blame them for

sympathizing and openly expressing sym-

pathy with the land of their birth. We

were confident that whatever their senti-

mental attachment for the Fatherland,

they were at heart Americans; they had

merely failed to grasp the essential dif-

ferences between what Germany was

fighting for and what the Allies were

fighting for. That any real American,

however much he might admire the good

qualities of the German people or the

splendid achievements of Germans in art,

literature and science, could accept the

materialistic conception of life or the spiritual shall triumph.

### SECOND INSTALMENT

"He mentioned several names and titles which were unfamiliar to me and which I do not remember. One of them, only, has stuck in my memory, because of later association, the name of Dr. von Schulze-Gaevertz.

"I have the most important and confidential information here," he said, indicating the documents. "I am really surprised that you do not understand the German situation better than you do. Let me tell you why Germany will win—why it is of the highest importance for Germany to win."

"I shall be very glad to hear the German defence," I replied, smiling.

I cannot attempt writing solely from memory, to give a detailed verbatim report of Dr. Rumely's explanation of the German war aims and objects and the German point of view.

"It is of the highest importance for Germany to win," he said. "Germany wants the freedom of the seas," he declared.

"What is stopping her?" I asked.

"England," he explained. "England controls all the strategic straits and waterways of the world—Gibraltar, the English Channel, the Suez Canal, the Straits of Malacca." He named a dozen more.

"It is not right that one nation should have the power to prevent the commerce of the world from moving where it pleases."

"Has England ever stopped any German ships from going where they pleased?" I asked.

"Step into the gutter to let officers pass, where such things as the Zabern affair can happen," I answered him.

"You have never been in Germany, or you would not say such things," he remonstrated. "It is that sort of ignorance about Germany that makes Americans sympathize with Germany's enemies."

"It is ignorance of America that makes you think you can change their point of view," I retorted. "You do not know that the state socialism which you hold to be the best government in the world is the exact opposite of the individualism on which America has been founded. Your German government wraps up happiness in packages and parcels it out to the