



Buffalo Tales



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Fifty Years of International Harvester Company in Buffalo County

by Howard L. Mefferd

International Harvester has a long history in Buffalo County, Nebraska. For more than 100 years the farm machinery manufacturer has served the needs of Buffalo County farmers. International Harvester Company was founded in 1902 when McCormick Harvesting Machine Company and Deering Harvester Company, competitors in the farm implement business, merged into one company.

Agriculture in the era prior to World War I was one based upon horse power and to a major degree hand labor. Farms were generally quite small and were truly family farms that were mostly self-sufficient economic entities. By modern standards, the tools used by farmers during the early twentieth century were small and simple in design. During World War I agriculture was transformed into larger enterprises and the implement industry began a major transformation. Within the next two decades after World War I, mechanized farm implements such as the tractor replaced the horse. Hand labor, while in a declining mode, was still common but the farmer sought the means to further avoid such hard work. As technological advances improved the farmer's tools, there was a demand for a means of supplying the needed parts and repairs, and small local retailers fulfilled these requirements. This was the beginning



An open house in 1954 at Fairbanks International in Shelton, Nebraska. Loren Fairbanks, owner-manager, is on the far right. Harold Toner, International Blockman, and Marvin Helser, an employee, stand to the left. Loren Fairbanks is the only surviving dealer from that era.

WITH THE SOCIETY

A Note from the Editor:

Last month I received an e-mail from James Buskirk of Oakland, California. Mr. Buskirk is the great-grandson of Frank and Almira Hamer who I wrote about in the May-June issue of *Buffalo Tales*. Mr. Buskirk was kind enough to point out several factual errors I made in the biography of the Hamers. I wrote that Frank and Almira were both born in Delphi, Ohio. This is incorrect. Thanks to Mr. Buskirk we now know that Frank was born in Seneca County, Ohio while Almira was born in Delphi, Indiana. Another mistake, which many readers may have caught, was that the captions beneath the two photographs of Frank Hamer were reversed. The photo on page three is of Frank Hamer as a Nebraska Supreme Court Justice while the photo on page four is of Frank Hamer as a district court trial judge.

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of the professional implement dealer who provided services and supplies to the farmer. International Harvester was represented in Buffalo County by local dealerships such as Fairbanks International, the oldest International Harvester implement dealer in the county.

World War II and the increased demand for farm produce placed a heavy burden upon the Buffalo County farmer and farm machinery dealer. This, coupled with the decline of a farm labor supply and the heavy demands of war production upon the manufacturer, caused a major problem for all suppliers of equipment, particularly for the International Harvester Company. During the war, International Harvester contributed to the war effort by manufacturing rifles, motor trucks, and heavy industrial tools rather than farm machinery. When the war ended, the demand for farm equipment was very high and the change from war production to farm machines took time. Local dealerships faced problems because of the lack of available farm machinery. This shortage allowed competitors to enter the field and Harvester had difficulty in regaining its position of dominance in the industry.

These were the conditions that existed when Buffalo County entered the second half of the twentieth century. The first decade of this era saw major changes in the agricultural economy in Buffalo County. Mechanization came into being at an accelerated pace, allowing farmers to increase the size of their operations, diminish the demand for hand labor, and place a heavier demand upon those supplying parts and services to Buffalo County farmers.

In the early 1950's there were six International Harvester dealers in Buffalo County. The towns of Ravenna, Shelton, Gibbon, Kearney, Elm Creek, and Miller each had an International Harvester dealership. The surrounding areas also had Harvester dealerships and many of these claimed portions of Buffalo County as a part of their trade area. These included Wood River, Kenesaw, Minden, Holdrege, Bertrand, Overton, and Eddyville. By present standards, these businesses were quite small and had few employees.

A typical dealer during the 1950's consisted of an owner manager.

parts-man, two mechanics, and a secretary or bookkeeper. Some dealers employed a salesman and few hired part-time or seasonal employees. Often the owner's wife performed the bookkeeping duties, assisted in the parts department, and lent a hand wherever necessary. Nearly all employees came from a farm background and for the most part they were drawn from local communities. Very few had any formal training in the areas in which they worked and were often called upon to serve or assist those laboring in other departments. Often a mechanic, for example, would assist in parts service and the parts man would fill in for the bookkeeper. The delivery of machines was often done by a mechanic, a part-time worker, and occasionally, by the owner. This arrangement worked quite well, as the territories were small and the dealers knew almost all of the customers and the needs of their farming operations.

At this stage, International Harvester had a number of contracts, including farm equipment, motor trucks, twine, parts for both farm equipment and motor trucks, dairy equipment, refrigeration, and light industrial equipment. The Industrial Division of the company was handled on a distributor basis and the local dealers were not participants in the heavy equipment program. Occasionally, a small crawler tractor would be sold by a dealer and acquired from a distributor. Most of the small dealers had a farm equipment contract, some had motor trucks upon a modest scale, and refrigerator contracts were quite common.

The company was represented by a blockman who traveled an area comprising some ten plus dealers. He was responsible for making certain the dealer had adequate and proper machines to serve the dealer's territory and assisted in the sale, training, and overall management demands of a dealership. These men were often quite older and experienced in their tasks and were basic keys to the success of his dealer group. The blockman reported to the management of the District Office and was directly responsible to the District Manager. There were also teachers who traveled the area to assist in the service responsibilities and direct the warranty efforts of the company as well as help the mechanics to keep abreast of the changes in the equipment from a mechanics view.

The 1950's witnessed a major change in the equipment used by the Buffalo County farmer. The family farms were declining in number and changing in character. The demand for larger machines came at an accelerating rate, and along with the increase in size came an even greater increase in complexity. Crops were changing and labor intensive crops such as sugar beets and potatoes had all but vanished from the scene. Irrigation became a major player in the productivity of the area and the resulting increase in crop yield demanded more advanced machines with different methods and larger capacities. Customers began demanding enhanced parts and service from the dealer as farm equipment became more complex. They were also starting to demand skills that were beyond the capacity of the farmer who formerly had performed many of these functions himself. The only way a dealer could continue his operations was to gain a larger percentage of a declining customer base.

All of the advances in agriculture production reflected upon the International Harvester dealers. The traditional structure would no longer suffice to serve the needs of the advances made on the farms. The company pressured the dealers to upgrade their facilities and their service to the customer. Nearly all implement dealers attempted to upgrade their operation but the close proximity of a competing International Harvester Dealership and the reduction in the overall customer base had a major impact on the volume of sales and enhanced parts and service competition. This resulted in decreased profits, which made the attempted upgrade of their business beyond the capacity of the dealer to attain his goal.

In addition to the problems of a declining number of farmers, several of the Harvester dealers were no longer young men and they were fast approaching retirement and the end of their careers. During this era, very few of the operations in the small towns and highly competitive markets were able to sell their business and they were forced to close. This was the beginning of the end for the pre-war era type of operation. The Harvester Company had little to offer the smaller dealer. The agricultural picture in the area was undergoing a truly major transition. Farming was transforming into a strict business enterprise and less of a way of life.

The crops, methods of farming, and increase in the size of the average farm were the underlying factors in the transition of the position of the Harvester Company and their dealers. Irrigated land and more modern farming methods such as enhanced use of fertilizer, chemicals, and technical assistance in crop production put heavy demands on the company to manufacture and service larger, more efficient, and complicated machines. Corn and soybeans were supplanting the traditional crops. Tillage was also in transition and the moldboard plow was for all practical purposes no longer used. The use of the wheeled disk and the field cultivator had become the tools of choice in tillage. Cultivators were becoming larger and more sophisticated and the application of fertilizers were following the same trend.

Harvesting machinery underwent major changes as the corn picker was passed by due to technological advances. The mounted two-row picker that was the mainstay of the corn harvest was replaced by a combine and corn head. This unit picked and shelled the crop in one operation, a major advance over the individual units of corn picker and corn sheller. The combine caused a major change in the dealer's operation for the combine was an expensive and complicated unit that demanded an upgrade in the level of parts and service. In addition to harvesting the corn crop, this machine with a platform also was used to harvest soybeans and small grains.

The advent of the combine caused some major changes in the dealer's management. These were expensive machines and along with the great increase in farm tractor size and costs necessitated that the dealer make his business a more capital intensive operation. The management of used goods inventory, especially in used tractors and combines, forced the dealer-owner to attain a high level of skill in the acquisition and management of large amounts of capital. Small operations lacking good management skills and capital sources could not compete. The business

became ever more capital intensive and demanding in management expertise. The farmer was becoming more and more of an excellent manager, and the dealer had to offer a high level of service to retain him as a customer. In many instances, the farmer managed an operation as large as the dealer, and to compete the entire operation had to be modern and efficient.

The six dealerships that operated fifty years ago were forced from the business by the great changes in agriculture more than any other factor. Few, if any, were forced out of business due to financial problems or mismanagement on the owner's part. There was just not an adequate customer base to support the number of dealer operations in this era of the modern farm operation.

Corporate relations in regard to the dealer organization have undergone great changes in recent years. These were necessitated by mergers in the industry, increased costs of production, and efforts to reduce costs in all areas. There had traditionally been a degree of benevolence toward the dealer from the manufacturer, but for all practical purposes, this has ceased to exist. In order to counter this trend, the retailer has been forced to assume more and more of the tasks. There are very few travelers left in the implement industry, which has eliminated an important source of advice and direction to the retailers.

Fairbanks International, the sole surviving dealership in Buffalo County, is modern in all detail and is an example of the trend within the industry following World War II. It started with an owner-manager and some four employees. The sons of the owner, Loren, Dave, and Jim grew up in the business and today the three brothers own and operate five dealerships and employ some 150 people. They now represent multiple lines of equipment and serve an area that includes a major portion of the Platte Valley and the surrounding areas. The transformation of Fairbanks International is similar to other farm machinery businesses in Nebraska. There are almost no sole proprietorships remaining in business. Most farm machinery businesses, like Fairbanks, handle multiple lines and sell other products. These modern businesses have also become full-scale service centers and each serves a wide area of larger and more modern farms.

International Harvester Company underwent a major restructuring in the last two decades after World War II. They had some 130 motor truck branches, ninety district offices, and over 200 stores in the early 1950's as well as over 120,000 employees. In those fifty years, they underwent several mergers and ceased to exist as an independent manufacturer of farm equipment. The restructured company remains a major player in the implement industry and as a supplier to the Buffalo County farmer.

About the Author: Howard Mefferd was a long time employee in the farm machinery business. He worked thirty years for International Harvester and was employed by Fairbanks International for twenty years.

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Dr. Mark R. Ellis, Editor

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A Note from the Society:
The 16th Annual Christmas Tree Walk is fast approaching. Please join us for the special evening kickoff that will be held on December 4th from 6:00-8:00. On December 5th and 6th, we will be open from 11:00-5:00 and on Sunday the 7th the hours of operation will be from 1:00-5:00. You can also visit the following weekend. On December 12th and 13th the hours are 11:00-5:00. December 14th will be the final day of the Christmas Tree Walk. As always, hot coffee and cider will be served in the depot and a bake sale will be held during the entire event.

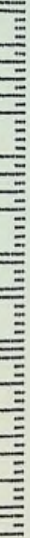
If your organization would like to participate this year, please contact the museum at 234-3041. Off-season hours are 11:00-4:00, Monday through Friday.

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