

SUTTER COUNTY HISTORICAL SOCIETY

NEWS BULLETIN

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OCT. 1963



Horse and Buggy Days
Sacramento Valley Harvest Scene
Early 1900s.

SUTTER COUNTY HISTORICAL SOCIETY
FALL MEETING, OCTOBER 15th, 1963, 8 P.M.
RECREATION ROOM OF MID-VALLEY SAVINGS AND LOAN ASSOC.
Plumas Street, Yuba City
(Next door to the Post Office)
(Drive in to the rear of the parking area)

Program: Mr. Waddell F. Smith, Director of the
Pony Express and Art Gallery
San Rafael, California
Mr. Smith will return to us and speak on
the subject:
"Stagecoaches in and into California."

The recreation room of the bank is found upstairs above the bank. Kitchen facilities are available for our use so we will change our routine a little and serve light refreshments. An important business meeting will follow the speaker so please show your interest in preserving the history of Sutter county by attending the meetings. It is only by concerted effort that we will succeed in establishing a museum and collecting our records for posterity.

We are indeed indebted to the firm of Mid-Valley Savings and Loan Company for their invitation to use the lovely recreation room which they have provided for cultural groups of our area. We appreciate being one of the first groups to be invited to use their facilities.

Your President attended the Symposium of Northern California and Southern Oregon this last weekend (September 27 and 28) in Crescent City. The weather was beautiful which was quite a contrast to the weather we had in Marysville last October 12th. We had a very wonderful time and I hope there will be time to give you a brief report at our meeting.

CATERPILLAR STORY - continued from July

Chapter IV
THE MERGER OF BEST AND HOLT

By 1925 it was apparent that the Best and Holt companies were duplicating each other to a great extent. In May of 1925 the newly formed Caterpillar Tractor Company took over the tangible stock and business heritage of both predecessor companies. C. L. Best was made Chairman of the Board and the man who had been associated with him for twelve years, R. C. Force, was made President. The Holt family was represented by Pliny E. Holt as Vice-President and C. Parker Holt as the manager of export sales.¹

A story in Fortune in 1938 stated that:

"Nepotism cursed the Holt Company after Ben Holt's death because there were a great many relatives employed by the company. There were also at this time a number of short term loans. It was at this juncture that Harry Fair, of Pierce, Fair and Company, San Francisco Brokers, appeared on the scene. This firm had underwritten the Best Company and Mr. Fair proposed a merger that became the Caterpillar Tractor Company."²

Later in the Caterpillar Company, C. L. put in force his no-relatives in the company edict, mainly from his experience with the Hols.

It is interesting now to go back to a report made by a Mr. Phil Rose on tractor companies in 1915. Rose was undoubtedly the authoritative unattached engineer of the day. He was an ex-professor who used to teach farmers steam threshing engines at North Dakota Agricultural College and was also the editor of the American Thresherman. This study of Rose's was probably financed by C. Durant when he was studying to get General Motors into the tractor industry. These reports covered the financial status of the companies, the mechanical end of it, the improvements and it also criticized weaknesses besides praising some. Mr. Rose in the Best Report stated that a Best could pull a Holt any time on a corner. He also pointed out that Best was selling on its reputation. Judging by the opinions of users, the Best is the finest and highest grade traction engine in the United States. "The West looks on a Best Tractor as the automobile public looks at a Packard automobile."³

From the report:

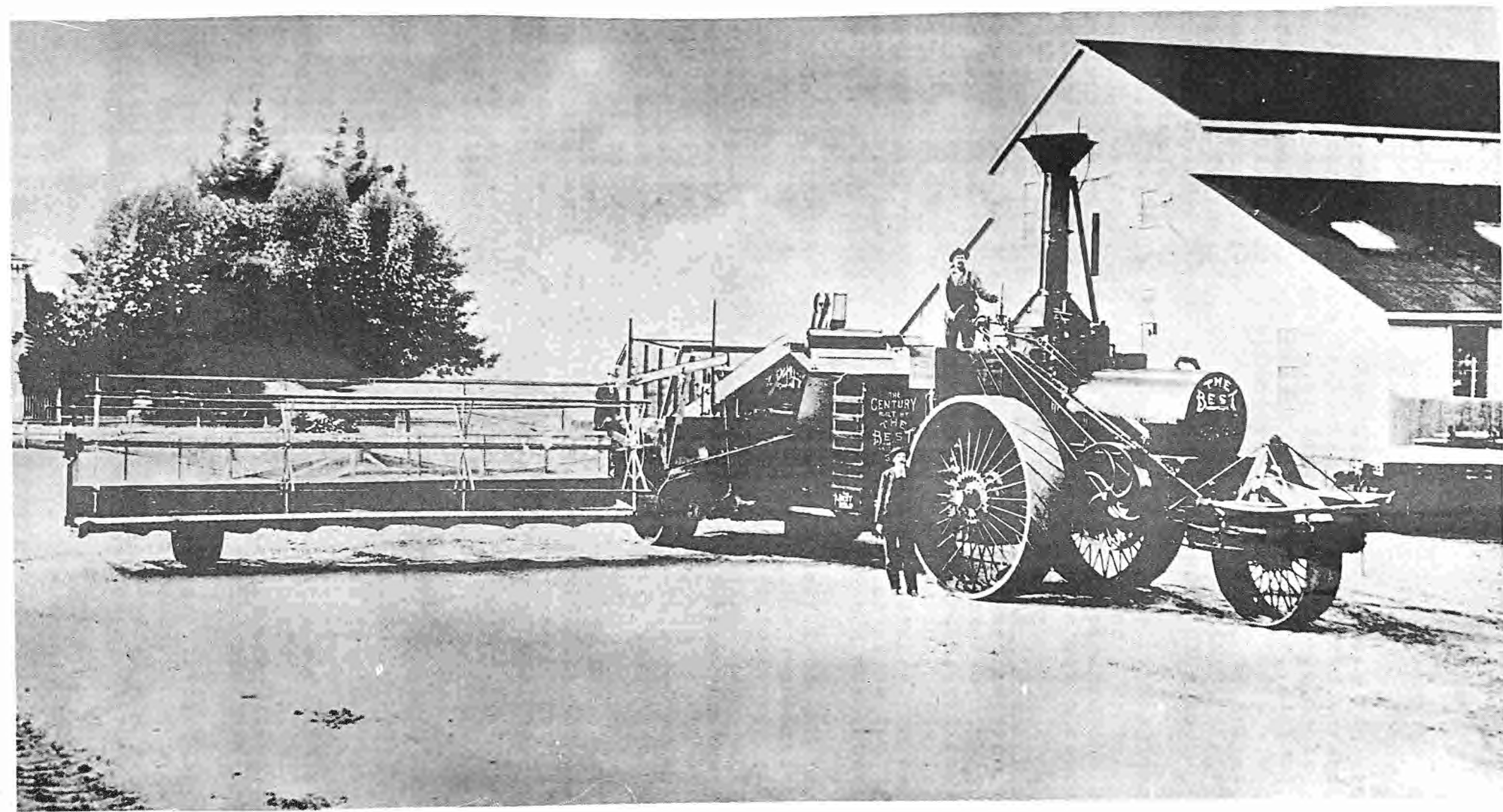
"They have no agents, dealers or jobbers, except in foreign countries, because more business comes to them than they can handle. They run a tractor school and there are always a few men to go through the school. It takes a week for a man with practical experience to go through the school, and a month for a man who is not a mechanic. The writer hasn't heard any tractor praised and sworn by (not at), by the actual users as this one. I venture to predict that this firm will eventually be the leading tractor manufacturer of the West. It remains to be seen whether they will go East or not."⁴

The new company prospered. The first year's sales equaled more than the previous year's sales of the two companies. Manufacturing and selling economics lowered costs and lowered prices promptly followed.

WESTERN HARVESTER: CATERPILLAR SUBSIDIARY

On January 1, 1926, the Western Harvester Company, with a capitalization of \$3,000,000. was organized at Stockton, California by the Caterpillar Tractor Company. This branch confined itself to the continued manufacture of and further development of the present highly successful all steel, light weight, anti-friction bearing equipped models of Holt Combined Harvesters in both the level and side-hill types.⁸

In 1928 the company added the Russell Grader Company and at this time it was possible to add the Road Building Division of the company. Now Caterpillar had three fields: Harvesters, tractors and graders. Also in 1928 a new model, "the Twenty" was added to the line. In 1929 two models were added, the "Ten" and the "Fifteen".⁹



Best Steamer, combined harvester and grain header. Dan Best in foreground.

By December of 1926 the Caterpillar Company had expanded to include dealers situated in the following areas: Alaska, Argentina, Australia, Bahamas, Brazil, British East Africa, Canada, Columbia, Cuba, Curacao, Dominican Republic, Dutch East Indies, Ecuador, England, Fiji, Gold Coast and Haiti, British Honduras, Honduras, India, Iraq, Ireland, Jamaica, Japan, Liberia, Mexico, New Zealand, Nicaragua, Paraguay, Philippine Island, Puerto Rico, Portugal, Siam, Spain, Trinidad, Tunisia, Uruguay, Turkey, Venezuela, Virgin Islands, plus having dealers in all the 48 states.¹⁰

These Caterpillar dealers deserve a lot of credit for the jobs they did. The Caterpillar sales and service branch was the envy of all the construction machine world. The way they operated and kept their customers satisfied and coming back for more was a common situation in the company's offices all over the world.

The July-August 1926 issue of the Field Artillery Journal reported that the Caterpillar Two-Ton had been adopted as to type and designated to standard for a light tractor by the Army. The light tractor is for use with the 75mm gun. Standardization of the Caterpillar Thirty and Sixty tractors as medium and heavy tractors respectively has previously been announced. Before the merger the light tractors were known as the Holt T-35, which was a two ton tractor, and the Thirty and Sixty were both Bests with the name changed from Best to Caterpillar.¹¹

Soon after the merger, the Holt models T-11 and the T-29 were abandoned. The T-35 model was revamped; the transmission case and steering clutches were redesigned and "stiffened up" and the model was kept in production for a few years. This was the Two-Ton Cat. The Best Thirty and the Sixty were still being constructed and were being slowly refined. After a short time the Twenty was in production. The next model to be brought out was the Thirty-five which in due course became the Fifty Tractor. The Sixty was raised to a Sixty-Five and later to the Seventy.¹²

The Engineer and Engines said, "that the Best Sixty was equipped with Timkin bearings when it appeared in 1918 as the big brother of the already famous Best Thirty. The two were so good that when the merger with Holt was made in 1925, both the Best Thirty and the Sixty were kept in the new Caterpillar line with that name instead of Best on the Radiators."¹³

DIESEL OPENS THE MARKET

In 1931 when gloomy sales days witnessed dwindling orders day by day and week by week competition in gas tractors was getting tougher and tougher with dealers going broke and sales officials desperately trying to stem the tide. Heavy construction and farm sales were steadily and surely going out instead of coming in, all of C.L. Best's experimenting paid off when the Company put the Diesel into production. C. L. Best tossed the Diesel into the market and like a football player, suddenly reversed the tractor market.

Best told his dealers, "When the Diesel tractor is ready, Caterpillar will have it but not until it is ready." Before this time Henry Kaiser and others who knew Diesel powered boats, imported lighting and power engines were yelling for a diesel tractor.¹⁴

The Diesel tractor brought a new era to scientific research to all construction equipment manufacturers. Oscar Starr recalls C.L. Best telling his engineers that if they hadn't found the answer yet, they hadn't been working hard enough. This shows how C. L. was at the head of this engineering team that would not be stopped in developing the Caterpillar diesel to success through years of research and trials. Warren Brown in the Cat office recalled the "top Cat brass" betting Cadillacs that it couldn't be done as C. L. strolled back from the head office and sat on the desks of his top diesel engineers to discuss the insolvable problem.¹⁵

After the introduction of diesel crawlers the earthmoving costs all over the world were pushed down. During this time at the bottom of the depression, custom operators in the Imperial Valley of California cut their charges for an acre of tractor work in half when they took on diesel. Diesel fuel was down around four or five cents per gallon and some big operators bought it by the tanker car. These new crawlers were being used on such projects as the Prince Albert Canal. Zuider Zee, Grand Coulee, and Fort Peck Dams, Pennsylvania Turnpike, and the "Big Inch" Pipeline.¹⁶

Ernie Hull, a local dealer in Woodland for many years, sold the first diesel for farming uses to a farmer above Woodland.

But the "good old pioneering days" of the early tractor men were gone. The days of the competitive "tug-of-war" and the two-fisted tractor salesmen were now out-moded.

DAN BEST'S TUG-OF-WAR: STEAM VERSUS GAS

These events which were grand times in the early period are interesting to read about. One of the first such "tug-of-war" took place in San Leandro at the Best Works. The newspaper reported:

"The proprietor (Daniel Best) held the only Fourth of July celebration this year with a novel tug-of-war. He hitched up his new gasoline engine to a steam engine and started them in opposite directions. Results were that the gasoline engine dragged the steam engine around the block." This happened in 1896.¹⁷

These sporting events were waged between Best and Holt tractor sales and show crews when they met in competitive shows and demonstrations. These tractor tail-to-tail tests were real sporting events for the sales and servicemen who backed their brands with every dollar on their persons whenever the challenge called.

Frank Cornell recalled one such event with C.L. Best at a tractor demonstration in West Sacramento about 1914 or 1915.

"It was one of the first shows. Holt and Best had their Seventy-Fives. At least, this Best was supposed to be a Seventy-Five, but I took off a set of cylinders and bored them one-eighth inch bigger. I was driving the Best when I noticed the clutch began to slip and smoke. C. L. was right beside me in the heat of the battle. We were pulling one of those big John Deere ten bottom plows set deep. Out of the corner of my mouth I said to C. L., J. C. Leo, we've got to stop or we'll burn out the clutch. 'Keep the s.o.b. going, never mind the clutch', he snapped.' So we finished the trial strip but the clutch was gone. We skinned the rump off Holt that time."¹⁸

The most famous driver for the Best tractors was Ralph Easton, an ex-cow puncher from the Miller and Lux ranch at Los Banos. He and another young cowhand decided they were tired of horses and cattle and wanted to get into the tractor business. Ralph stuck through the Best elimination test of stacking pig iron for a week. He was then taken inside and taught to take out, start and service tractors to make them stay sold. He ended up in Alexandria, Louisiana, as a Caterpillar dealer.

In his own story Ralph recalls some of his experiences with the early Best Company. One such story was when he and his crew were poisoned from eating canned salmon. Ralph said, "Having heard that oil was good in a case of this kind, and having no other kind, we drank cylinder oil to neutralize the poison. One of the men refused to drink the oil and very nearly died before reaching our destination." On these trips the men had to withstand hardships of all kinds from camping out in wild desert and mountain terrain and in all weather.¹⁹

Two more interesting stories are told by Jesse Michelson an ex-serviceman with the Best Company. "One of Byron Williford's first service jobs was when C. L. sent him to a combine owner in the Sacramento Valley. When the rancher spoke disparagingly of the combine and its manufacturer, the new service man replied with a fist to the jaw. As a result, Best had to do some diplomatic work on the rancher to assure him it was all a mistake. "But I couldn't fire a man with that kind of loyalty" recalled Best in his late mellow years as Chairman of the Board of the Caterpillar Company."²⁰

Michelson's story of his following up of Ralph Easton on a big construction job in Nevada dramatizes the situations these frontier service men had to meet.

"Ralph had gone up to service the Best tractors and get them started. I followed a few days later after the job was well started. I was no sooner at the job when the boss asked. "Who is this Easton anyway? He ain't a big feller, but he's licked every s.o.b. up here already."²¹

FOOTNOTES CHAPTER IV

1. Stockton Daily, Sept. 19, 1916
2. "The Cat". Fortune, Vol. 17. No. 5 (May 1938)
3. Phil S. Rose. C. L. Best Traction Company, (1915) p. 3
4. Ibid. p. 4
5. Phil S. Rose, The Holt Manufacturing Company, (1915) p. 4
6. Ibid., p. 6
7. "The Company Behind the Tractor". Caterpillar Magazine. p. 2
8. Thomas Luke, "History of the Combined Harvester". p. 1
9. E. E. Wickersham, History of the Caterpillar Company. (Feb. 1940)

Footnotes continued

10. Caterpillar Magazine, (Dec. 1926) p. 17-18
11. Ibid. (Sept. 1925) p. 9
12. E. E. Wickersham
13. Engineers and Engines, Vol. 7, No. 8, (Dec. 1961) p. 44
14. F. Hall Higgins
15. Ibid.
16. Caterpillar News Service. (Jan. 1963), p. 6
17. San Leandro News Observer, July 5, 1951
18. F. Hal Higgins, "Canadian Shoes to California Tractors".
19. Mrs. A. B. Crawford, (Dec. 1937)
20. F. Hal Higgins, "Interview with Jesse Mickelson".
21. Ibid.
22. F. Hal Higgins, "Now There Was a Tractor Salesman". Implement Record, (April 1951), p. 21-22
23. Ibid.

CHAPTER V
FROM WORLD WAR II ON ---

World War II brought a new need for tractors and roadmachinery to build airports, military roads and war plants; to clear land and haul supplies; to hit the beach with the first waves of amphibious landings... a need for engines and electric sets to furnish light and power for advance bases, isolated locations and bombed-out areas.

In addition, the Company was asked to produce tank transmissions, howitzer carriages, shells and other war materials. A subsidiary, the Caterpillar Military Engine Company, was formed to operate a plant at Decatur, Illinois for manufacturing of radial diesel tank engines.

Since the second World War California has been rated Number One as a farm state with an annual farm income that has averaged over three million dollars. For the first time in human history a nation has conquered hunger, so the average man and his family no longer worried about his next meal. This is due to farm mechanization. In these two main roots of Caterpillar Tractor Company.. Best and Holt..we explore their histories to learn how it was done. For today, California "sets the styles" in farm machines that the world copies.

After World War Two Caterpillar launched a broad continuing expansion program to meet increased demand and to provide facilities for the manufacture of millions in new land, buildings, machinery and equipment during the seventeen years 1946-62, inclusive.² In this period the Company has grown from two to nine plants in the United States and six plants established overseas. Further expansion, involving two additional overseas manufacturing facilities is underway.

In 1944 the Company officials decided to launch a line of matched earthmoving tools for Caterpillar machines. As factory space became available, scrapers, rippers, tool bars, bulldozers, tractor loaders, pipe-layers and power controls entered the line. The Caterpillar line included ten rubber-tired tractor-scraper models.

An over-all look at domestic plants and products indicates the extent of Caterpillar's post-war development and growth. The Peoria Plant now builds five models of crawler tractors, two types of wheel-bulldozers, a rubber-tired and cab-rack type loader and all but the two largest models of diesel engines.

The Aurora plant is assigned production of the smallest crawler tractor three models of wheel loaders and two models of tract-type loaders.

The Industrial Engine Plant at Mossville near Peoria manufactures the two largest diesel engines and all engine attachments.

The Joliet Plant manufactures bulldozers, scrapers, rippers, tool bars, off-highway truck beads and controls.

The Decatur Plant has the manufacturing of motor graders, wheel tractors for hauling units and off-highway trucks.

The Milwaukee Plant produces tractor loader and pipelayer components.

The San Leandro Plant precision fuel injection systems for all Caterpillar Diesel Engines.

The New York Plant manufactures parts for non-current Caterpillar-built machines.³

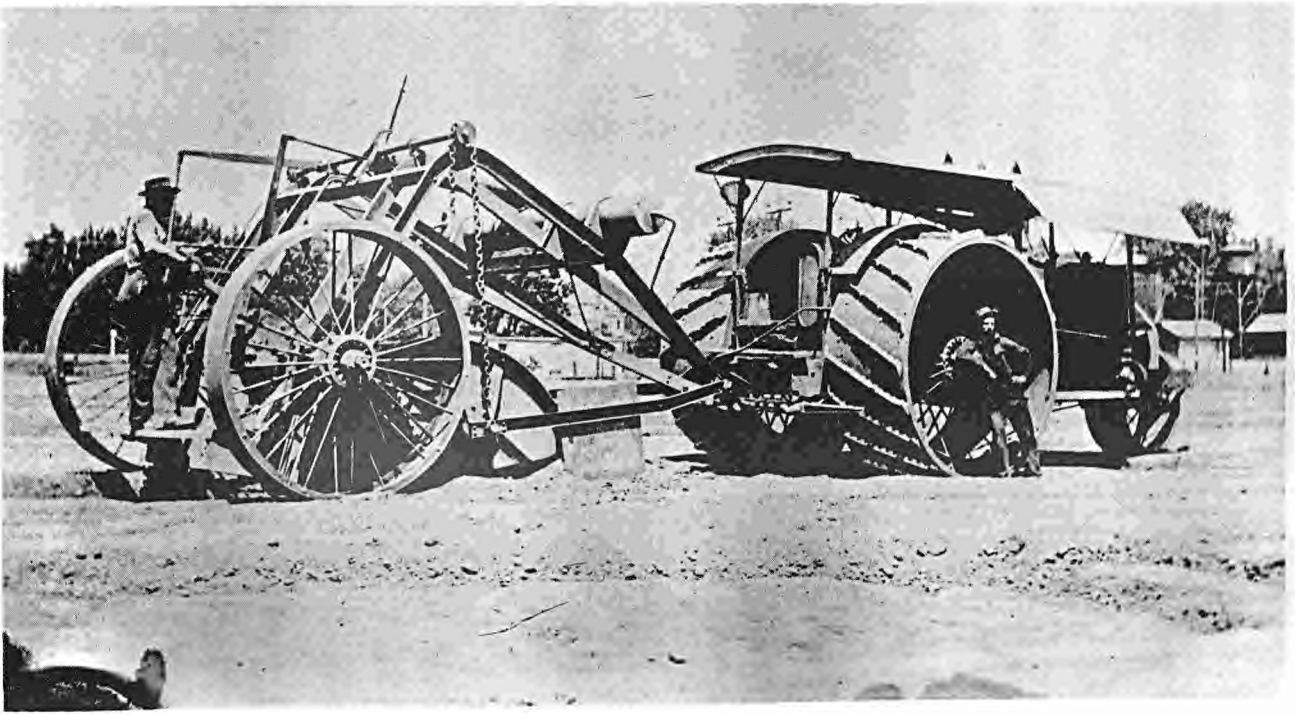
There are now 141 prime products in the Caterpillar line. This includes 6 track-type tractors; 2 wheel-type tractors; 10 rubber-tired tractor-scraper units; 5 motor graders; 1 off-highway rear dump truck; 4 wheel loaders; 4 track-type loaders and 4 pipelayers. Supporting these machines are: 6 tractor-drawn scrapers; 13 hydraulic controls; 8 cable controls; 20 bulldozers; 14 rippers and 2 tool bars. This tabulation includes a motor grader, wheel loader, track-type tractor, off-highway truck and 2 wheel-type tractors added to the line in early 1963⁴

The Road Show in Chicago in late February 1963 saw Caterpillar announce two new machines. The new equipment found favor with the crowds and especially with the contractors.⁵

On March 26, 1963 the Board of Directors declared a cash dividend of 30¢ per share on the common stock payable May 10, 1963 to shareholders of record at the close of business April 19, 1963. This dividend represents a 20% increase over the 25¢ dividend paid in each quarter since August 1959⁶

The Company whose first machines were turned out in Sutter County has come a long way from its early days when the basic problem bothering the early tractor men was to design a tractor that would perform and be able to sell at a price the farmer could pay. Another yardstick was that the tractors were sold on two or three year terms with two crop years to pay for them. That meant the tractors had to run good enough to make and save the farmer enough to pay for it. As early as 1913 or 1914 there were such good tractors on the market that they met this test. That's when the tractors began paying themselves off and competing with the mule for the farm power job.⁷

This large corporation built from the work of two pioneering California families has given the world equipment that has played a major role in the history of a dynamic industry. Today, they are working on civilian and military projects, building long new ribbons of pavement and vital farm-to-market roads, laying pipelines in an ever-expanding web, clearing streets and saving lives when winter comes, building dams airports and levees, snaking logs from the woods, tilling and terracing our farmlands, working in deserts and forest and ice-lands, erecting bridges and buildings, powering crushers, cotton gins, shrimp boats and public utilities. Wherever there is construction progress or a need for dependable diesel power, there will likely be found a Caterpillar product, or work accomplished by a Caterpillar customer.



The Best and Holt tractors brought cheap irrigation as the Fresno scrapers were built bigger and stronger



Sept. 1929, River Farms, Knights Landing. Rice field is being harvested via windrow method. Caterpillar Thirtys pull Holt Windrow headers

.OOTNOTES
CHAPTER V

1. F. Hal Higgins Collection, University of California Davis Library.
2. Caterpillar News Service (Jan. 1936) p. 7
3. Ibid., p. 10-11
4. Loc. Cit. p. 13
5. Caterpillar Folks, Vol. 8, No. 21 (March 8, 1963)
6. Executive Office, Peoria, Illinois, (March 31, 1963) p. 3
7. F. Hal Higgins, "Interview with Oscar Starr" (April 18, 1952)