

Cash Registers

In Dayton, Ohio, the National Cash Register Co. maintains a private museum. Here appear a vast array of cash registers, each with its neat descriptive sign. John Henry Patterson, developer of the company, who died in 1922, established this unique museum years back. Into it he put old models of his own concern, and models from firms which it had absorbed or which had otherwise gone out of business. But cash registers made by successful competitors had no place in the display because, so say present N. C. R. salesmen, the National Cash Register never recognized competition, ignored it, sold its machines on their own merits.

Last week, again, another model (that made by the Remington Cash Register Co.) rights to which have been teetering in New York law courts since 1921, might have toppled into the N. C. R. collection, had the decision in contract law swung otherwise.

In 1909 Frederick F. Fuller, an inventor whose brain deals weirdly and intelligently with interlocking cog wheels, made a contract with the National Cash Register Co. For his \$5,000 yearly salary he was to give to the company all inventions he developed during that year and during the year thereafter. At the end of the contract year he wanted his agreement renewed. An N. C. R. employing official refused but let him continue on the payroll under an assignment of invention rights annexed to, but not executed with, the 1909 agreement. A cash consideration was not made explicit. This arrangement endured until 1917, when the Remington Arms Co. "lured" Mr. Fuller away by an offer of more salary and a longheaded, foreseeing proposition of a share in profits on any cash registers he might devise for his new company and they might market.* At that time the Remington people were beyond their necks in War work. Mr. Fuller, always the inventor, immediately improved some of their processes and output. But he kept his chief attention on cash registers; by the end of the War had created a new type of machine, towards the manufacture of which the Remington Arms Co. might turn their then idling War equipment.

By 1921 Remington was in the field with this new machine, a powerful competitor to N. C. R. This company brought suit, claiming, and accurately, that Mr. Fuller had developed his new register within a year after leaving its employ. SCOTUS* Justice Harlan Fiske Stone, before his appointment by President Coolidge to the attorney-generalship and later to the bench, represented N. C. R. Afterwards Charles Evans Hughes, onetime (1910-16) SCOTUS Justice took his place. John A. Garver and Frank M. Patterson (not ascertainable as a relative of the N. C. R. Pattersons) now represent the Remington concern. Justice Joseph M. Proskauer of the New York Supreme Court first decided in favor of N. C. R. Then the Appellate Division of that Court reversed him, in favor of Remington. Now, last week, the State Court of Appeals confirmed the last decision, to the effect that Mr. Fuller's connection after 1910 with N. C. R. was an "at will" one between the parties, that Mr. Fuller could be fired at pleasure, that he could shift employers without entail.

This decision leaves the Remington Cash Register Co. relatively free to continue as chief and most aggressive competitor to the National Cash Register Co. Other related

suits impend.** But the Remington people are going right ahead with their production and sales. Already \$1,500,000 has been invested in developing and pushing the Fuller arrangement, of which some 58,000 have already been manufactured. Also 3,000 workmen of the Remington forces can keep their jobs.

The cash register was invented in 1879 by James Ritty, a Dayton, Ohio, saloonkeeper. He was bothered by his bartenders' sticky fingers lifting undue moneys from the till. On a trip to the old country he nosed around the ship's boiler room, noted the indicator that counted the propeller revolutions, bethought him of a machine full of cog wheels which his barkeeps would operate every time they slid a seidel of Extra Pale across the mahogany. His machine, when a proper key was depressed, clanged a bell and punched a hole in a roll of paper. On good business days the roll might run to a scroll of 20 ft. John Henry Patterson, then running some coal mine stores, bought two machines to try to keep track of his counter losses. Shortages continued. He found that the clerks counted at night what cash they had left in the till during the day, and then punched the register to accord. Another time he found his cash was regularly \$2 short of the amount the punched holes indicated. A \$2 a night watchman, who had been discharged, had continued secretly at his conscientious watch and extracted the \$2 nightly as his proper wage. Shortly thereafter Mr. Patterson got control of a small register manufactory in Dayton, initiated intelligent salesmanship into U. S. business created many scientific management practices. He could brook no inter-organization authority competing with his own. When a man grew indispensable to N. C. R. Mr. Patterson fired him. Many present high business executives were trained in his N. C. R. school for salesmen: President Henry Theobald of the Toledo Scale Co., President Jacob Oswald of the Rotospeed Co., President Thomas J. Watson of the International Business Machine Corp., President Alvan Macauley of the Packard Motor Co., President Edward S. Jordan of the Jordan Motor Car Co., President C. F. Kettering of the Dayton Engineering Laboratories.

Competitors' machines now taken in in trade on new N. C. R. sales are shipped to Dayton and there smashed.

*Besides the continued production of peacetime small arms, they also looked to making cutlery. Now they are rated the greatest in the U. S. for that line, export enormously. They also went into shelf hardware, planned to establish retail stores to canalize large production. But this later program now seems aborted, as relatively few stores exist. The Remington Typewriter Co. has long been an independent company, although sponsored by the Remington Arms Co. The Remington Cash Register Co. is a direct subsidiary.

*Supreme Court of the United States.

Other strong manufacturers are those of the St. Louis and of the Sundstrand. This one is an adding machine with a cash drawer attached, efficient for many purposes, yet not a cash register along old lines.

**W. S. Gubelman invented and applied for a patent on an adding counter which printed totals. This could be made an integral part of cash registers or adding machines, such as the Burroughs, the Elliott-Fisher, the Sundstrand. He offered his patent rights on a royalty basis to N. C. R. They had also filed on a similar patent, refused his offer. To Remington he went. They sent him back to N. C. R. Refusal again. So Remington adopted the device as an integral part of their registers : filed suit jointly with him against N. C. R. for infringement; won as owners of prior rights. The case is now on appeal. In 1916 the Government enjoined N. C. R. salesmen from using unfair sales practices against Remington. The hearings of some 90 N. C. R. men working throughout the U. S. and certainly in opposition to N. C. R.'s definite policy of ignoring competition, will come up shortly in Cincinnati, Ohio.