



## H. D. Lee—Entrepreneur

Henry David Lee, born in Randolph, Vermont, was one of nine children whose father died when H. D. is only four years old. Because the family was left without means of support, H. D. and several of his siblings were “bound out” to be raised by Vermont neighbors. Lee “gained” his release at age 11. With \$1.50 to his name, Lee convinced the head master at Alden Private School, Turnbridge, Vermont, to admit him. Lee lived in a little attic room for four years, attending classes for three years and then teaching for one year. Age 16, Lee took a job as a night clerk at a hotel in Galion, Ohio. By day, he drove teams of horses for traveling salesmen. Ever the entrepreneur, Lee developed a commission system, charging a set percentage from the salesmen he guided.

After only two years in Galion, Lee frugally saved \$1,200 and attracted the attention of Chris Crim, a very successful banker. Lee’s rags to riches story began to unfold. Crim loaned Lee \$3,000 to begin a business selling knitting machines. The note was paid off well before maturity. Lee then secured a \$50,000 loan from Crim for the purchase of his first business: Central Oil Company of Ohio, a wholesale distributor of kerosene.

### 1886—H.D. LEE IS STRICKEN WITH PULMONARY TUBERCULOSIS

A pulmonary tuberculosis diagnosis and resulting failing health forced Lee to sell half of his oil company to John Rockefeller of Standard Oil Company. He stayed on as manager for two years and then sold the other half to Rockefeller.

Despite Lee’s arrangements guaranteeing his young workers’ posts at the oil company, they aspired to launch a new business – and requested his support. During two years of confinement while battling his illness, Lee studied the West and determined that their business opportunity was in Kansas. Against the advice of his physicians, Lee decided to accompany the young men. As recalled in a 1917 interview in *The Kansas City Star*, he does not have his lawyer’s blessing either: “I’ve stood beside you, Mr. Lee,” he said, “in many battles. I have fought for your interests in courts many times. Now if you persist in going out West it looks like there remains only one service I can render you: that is to bring your body back for an Ohio burial.”

On December 26, 1889 the State of Kansas granted a five-year charter to establish H.D. Lee Mercantile. Lee started with 20 employees, including six salesmen, working on an initial capital of \$100,000 from H.D. Lee.

While Lee continued to recuperate, Central and Western Kansas embraced H. D. Lee Mercantile Company. The demand for a merchant supplier west of the Mississippi was so high that in only three years, the company had to double its original spacious four-story building and the capital stock increased from \$100,000 to \$250,000. Coffee roasting, spice grinding, tea, cereal and fruit packing departments “elevated the institution to the level of the best that operated west of Chicago,” according to an Oct. 30, 1919 review of H.D. Lee Enterprises in *The Salina Daily Union*. H.D. Lee Mercantile Company quickly became known for its commitment to fine foods, sending buyers as far as the tea markets in Japan. Popular Lee lines include Lee Mother’s Style, Summer Girl, Sailor Boy and Cadet. The state of Kansas issued a 50-year charter to H.D. Lee Mercantile in 1894.

Recognizing a necessity to handle larger shipments of perishable goods, Lee established Kansas Ice & Cold Storage Company. The mercantile business also paved the path for the H.D. Lee Flour Mill, which was created to make profitable use of the large amounts of grain received in trade.



“I said to the boys that we were going to miss opportunity if we didn’t come. But I really did not appraise the full size of the field. It’s bigger, better than we expected, a field susceptible of great and rapid development in almost any line”

—H.D. Lee in reference to starting business in Salina.  
*The Kansas City Starr*, April 8, 1917

## **1900—NATIONAL AND INTERNATIONAL INFLUENCE**

Lee left the Salina business in the capable hands of his workers, traveled to New York, served for one year as chairman of the board of the National Wholesale Grocers Association and two years as treasurer of the American Tobacco Company, which took him to Europe.

## **SUPPORTING SALINA ENTREPRENEURS**

Because Lee was so well known in Salina for his successes as a business man, the owners of a local retail hardware store approached him and requested a loan to help expand their business. Dedicated to helping younger men in business, as he was once helped himself, Lee saw past simple expansion and suggested that Charles L. Schwartz and Norb F. Schwartz move from retail to a wholesale hardware house. Lee offered to support them with \$100,000 in capital to start Lee Hardware Company. Lee's innovative business style led to several other ventures including The Harvesters Building Company and The Farmers' National Bank of Salina.

## **1903 – FIRE**

Even fire cannot stop the Lee spirit. On December 4, 1903, the H.D. Lee Mercantile Company building, stocked with \$450,000 of inventory, burned to the ground. Merchant loyalties in Central and Western Kansas ran so strong that outstanding accounts were quickly paid enabling Lee to rebuild two much larger, fireproof, six-story buildings and expand the stock of merchandise.

## **1911—THE FIRST LEE GARMENT**

Unhappy with the quality and inconsistent delivery of workwear from Eastern suppliers, Lee decided his company could do it better. H. D. Lee Mercantile Company opened a workwear manufacturing factory and began producing its first overalls, jackets and dungarees. Once again Lee, the entrepreneur, filled the market need and Lee® Jeans was launched. The early Lee companies were known for reliable, quality products, response to market needs, and innovative marketing. Within two years of the first production of Union-Alls, Lee ads suggested, there is "A suit of Union-Alls under the seat of every auto." Union-Alls quickly gained popularity with laborers, engineers, farmers and by 1914, Lee began production of Khaki Union-Alls for her. In 1917, Lee Union-Alls became the official doughboy fatigue uniform of World War I following an order from Brigadier General Leonard Wood for Lee to supply as many Union-Alls as the company could manufacture.

## **1917—LAUNCHING THE FIRST NATIONAL ADVERTISING CAMPAIGN**

H. D. Lee Mercantile Company ran a series of full-page advertisements for Union-Alls in the *Saturday Evening Post*. This was the first national ad campaign for a workwear apparel company in the country. The purchase of Inter-City Wholesale Grocery of Kansas City, Missouri triggered construction of a new plant and office building. On March, 17, 1917, with a net capital of approximately \$2 million, operations for both the garment and grocery divisions moved from Salina to the new 20th and Wyandotte location in Kansas City, Missouri.

## **SALINA LEGACY**

H. D. Lee's business accomplishments were key ingredients in Salina's early growth. Lee was president of five Salina companies at once time: H. D. Lee Mercantile, Lee Hardware, H. D. Lee Mills, Farmers National Bank and Kansas Ice and Storage. At the time of his death in 1928, Lee's Salina companies alone were worth over \$12,600,000. He was also one of the first trustees of St. John's Military Academy and was the one who suggested a bond issue for the establishment of the Salina Country Club. He even put up \$5,000 of his own money toward the project.

In the words of George Gilder, Lee truly was an entrepreneur who "...casts aside his assurance of 40-hour weeks, ...charges across the perilous fields of change and opportunity. If he succeeds, his profits come not from what he takes from his fellow citizens, but from the value they freely place on the gift of his imagination."

*Historic H. D. Lee documentation courtesy Lee® Jeans, Salina Public Library, and Smoky Hill Museum. Salina Downtown also acknowledges the contributions of Andy Anderson, Anderson Leather Shop, Al Mattson, Al Schwartz and countless other local historians.*

Lee® Jeans is a division of VF Corporation. (NYSE: VFC). Headquartered in Merriam, Kan., Lee manufactures and markets brand denim, casual pants, shirts, fleece and knit apparel. A brand committed to the community, Lee Jeans founded Lee National Denim Day®, one of the nation's largest single-day fundraisers for breast cancer. VF Corporation is a leader in branded lifestyle apparel including jeans wear, outdoor products, image apparel and sportswear. Its principal brands include *Wrangler, Lee, Riders, Rustler, The North Face, Vans, Reef, Napapijri, Kipling, Nautica, John Varvatos, JanSport, Eastpak, Eagle Creek, Lee Sport and Red Kap*. VF Corporation's press releases, annual report and other information can be accessed through the Company's home page, [www.vfc.com](http://www.vfc.com).