

HARRIS

A HISTORY OF THE BANK



BY JAY PRIDMORE



Foreword

When I first approached the Harris's new CEO Frank Techar shortly after his arrival to discuss the possibility of documenting our corporate history, he immediately and enthusiastically approved the project and asked me to coordinate it. In forty years at the bank, it has been among my most enjoyable assignments.

Years earlier, I had retained History Works, Inc., a public history research firm, to conserve, arrange, and catalog the thousands of items that now comprise the Harris Bank Archives. The richness of the collection made publishing a Harris Bank history an exciting prospect. Albert W. Harris had issued his eyewitness narrative *The First Seventy-Five Years of the Harris Organization* in 1957. But, clearly, given the events of the intervening years, a new examination of the bank's evolution was in order.

Motivated by that vision, History Works provided the technical and creative firepower, and engaged corporate historian Jay Pridmore to do the writing. We are deeply indebted to the many people who shared their memories,

photographs, and documents. Terry Fife of History Works and Jay interviewed over forty former and current employees, one of whom started with the bank in 1928. Sadly, several colleagues who were interviewed, Stan Harris, Ken West, Carl Stanley, Bill Flory, Ben Nelson, and Al MacLeod, passed away before the book went to press.

The bank recently celebrated its 125th anniversary, and publishing this book is a most appropriate way to acknowledge the men and women who helped to ensure the growth and longevity of the Harris name. Still emblazoned over the door, it outlives the names of most local competitors. Indeed, the bank's corporate values and appreciation for customers have proved an enduring and powerful combination.

I hope you find the book entertaining and informative, and that it evokes many memories in the reading.

Edward J. Williams
Executive Vice President, Retired
January 2009

OPPOSITE

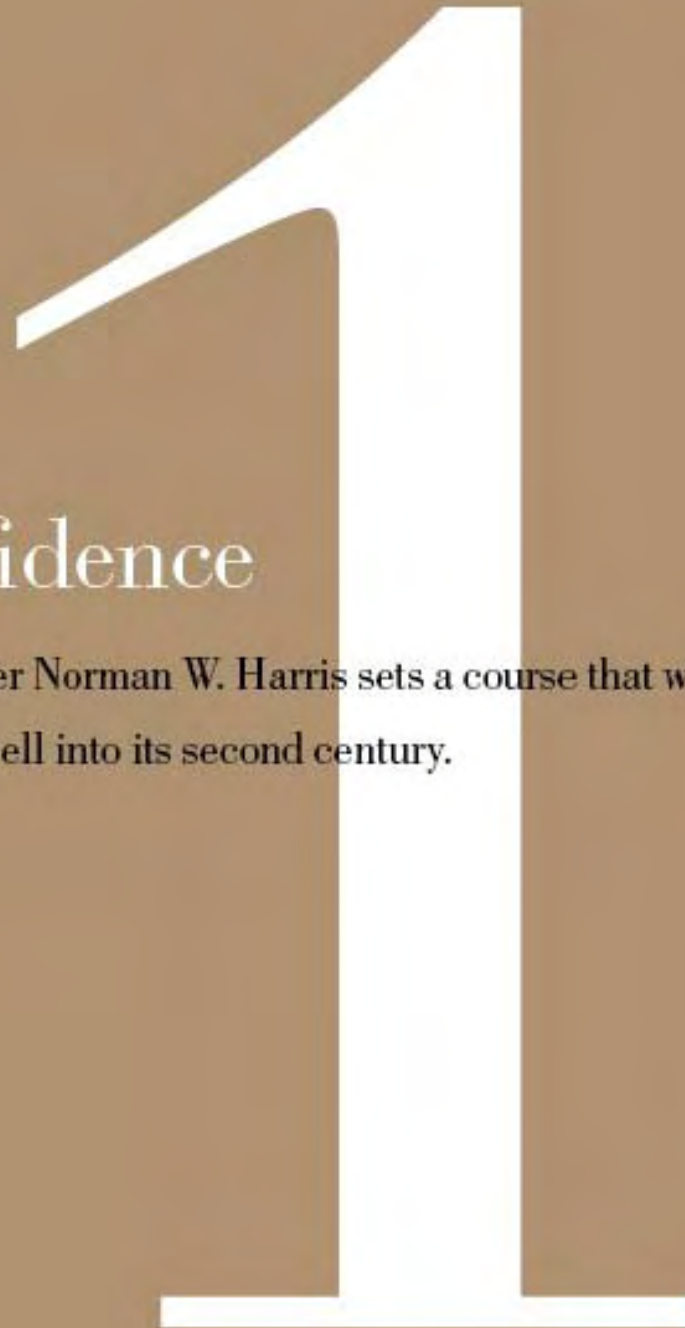
Sixtieth anniversary, 1942

715 employees, bank executives, and the board of directors enjoyed a stylish dinner at the Palmer House in Chicago on July 23, 1942, in celebration of the Harris's sixtieth anniversary.



Character and Confidence

Founder Norman W. Harris sets a course that will guide the bank well into its second century.



PREVIOUS SPREAD

**Fourth and Vine streets,
Cincinnati, circa 1865**

When Norman W. Harris arrived in 1866, Cincinnati was the fastest growing city in the West and a booming center for agriculture, manufacturing, and commerce.

As a restless boy, Norman Wait Harris dreamed of a life beyond the western Massachusetts family farm where he had been born in the summer of 1846. His parents, sturdy and hard-working New Englanders, had longstanding ties to the hardscrabble soil that yielded more in the way of personal character than it did large harvests or wealth. Nathan Wait Harris was a pious Baptist known in the rural Berkshire hamlet of Becket as a man of good judgment and strict integrity. At home, he was a stern, harsh, and dominating patriarch who strove to develop religious character and to instill habits of industry and honor in his four children.

According to Norman's only sister, their mother, Charity Wadsworth Harris, was a tempering and nurturing influence whose "warm and loving heart greatly softened the otherwise hard lines" of her children's lives.

When restless boy gave way to rebellious teenager, Norman inevitably clashed with his domineering father. There were several adolescent escapades as a runaway, including a short stint on a foul sailing vessel. Back in Becket after these misadventures, the Civil War fired young Harris with enough patriotic zeal to slip out of the house again and try to enlist in the Union Army in the early 1860s. But Norman looked no older than he was, and when he presented himself to recruiters, they sent him home. His mother modulated her irritation with advice that if he wanted to leave home he ought never to "run away" again, but to tell his father and "go like a man."



In the spring of 1864, still eager to break away from the family homestead, Norman finally succeeded in enlisting in the 57th Massachusetts Infantry. He was seventeen years old. His military service was brief, however, as he came down with the measles and was sent home on furlough just before his unit headed off for action at the bloody Battle of the Wilderness.

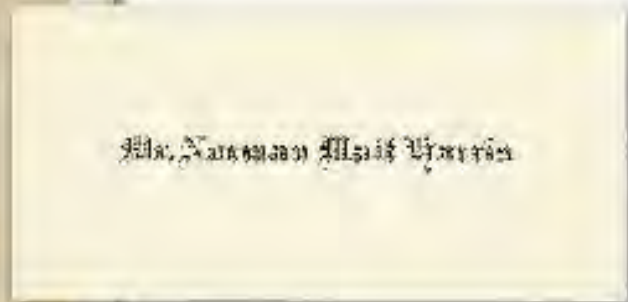
Ultimately, Norman Harris's rebellious spirit was tamed by another pursuit that gave him obvious pleasure, and that was making money. When he was over the measles and the mild humiliation of his short military career, he enjoyed a small windfall selling photograph albums to families in the Becket area, a limited market but one that he saturated well. Not long thereafter, he enrolled in a short course of study at Ames Business College in Syracuse, New York, where he learned the basics of bookkeeping, penmanship, and other essential skills of commerce at the time.

Armed with a newly found sense of independence and a fresh taste for dollar signs, the teenager tried to sell life insurance in upstate New York. After failing to sell a single policy, he took his manager's advice and headed west, to Ohio. In Cleveland, young Harris had some success selling policies, but he experienced a financial baptism by fire when his sales partner absconded with \$1,000 of company funds. Making good on his partner's debt was the only honorable thing to do, so Norman dipped into his savings and put things straight before heading out of town. He



Norman Wait Harris, circa 1867

Fresh from the East Coast and newly married, in 1867 a young Norman W. Harris embarked on what quickly became a thriving financial career, finding ample opportunity to put his calling card to good use.



Norman W. Harris

Milestones

1880s

1882

N. W. Harris and Company is established as an investment banking house with \$30,000 capital and three employees.

1886

N. W. Harris and Company opens an office in Boston.

1888

A. W. Harris, eldest son of N. W., begins his full-time career at the organization.

1890s

1890

Assets \$1.75 million

1892

Personnel 25

1893

Financial panic reaches Chicago, causing the Chicago Clearing House to issue loan certificates for the first time.

N. W. Harris and Company establishes an office in New York.

1900s

1907

N. W. Harris and Company reorganizes as the Harris Trust and Savings Bank.

Failure of the Knickerbocker Trust triggers a nationwide panic. The Harris deposits its surplus currency into other Chicago banks to ease the financial strain.

1909

Personnel 147
Assets \$11.5 million

1910s

1911

Harris Trust and Savings Bank moves into its new headquarters at 115 West Monroe Street, Chicago.

The title of the New York office changes to Harris, Forbes and Company.

1912

Stanley G. Harris, Sr. begins work at the bank.

1913

A. W. Harris takes his father's place as president of the bank; N.W. continues as chairman.

1915

The Chicago Community Trust is created; the Harris serves as the original sole trustee.

1910S CONTINUED

1916

Founder N. W. Harris dies on July 15.

The Employee Savings and Profit Sharing Plan is created.

1917

The Harris becomes a member of the newly created Federal Reserve System.

1919

Personnel 348

Assets \$42 million

1920S

1921

5,411 banks fail across the United States between 1921 and 1929.

1923

A. W. Harris retires as president of the Harris but continues to serve as chairman of the bank.

1929

The stock market crashes on October 29, "Black Tuesday," starting the Great Depression. Harris deposits continue to rise, increasing by more than \$13 million between 1929 and 1930.

1929

Personnel 692

Assets \$105 million

1930S

1933

The Banking Act of 1933 (Glass-Steagall Act) creates the Federal Deposit Insurance Corporation (FDIC) as a temporary entity, separates commercial from investment banking, and prohibits banks from selling securities. The Harris discontinues its corporate bond business.

1939

Personnel 705

Assets \$292 million

1940S

1939-1945

The Harris grants military leaves to 163 employees during World War II and mourns four fatalities.

1943

A. W. Harris retires as chairman after fifty-five years of service.

1944

Stanley G. Harris, Jr. begins work at the bank.

The Harris establishes a pension fund.

1949

Personnel 868

Assets \$616.4 million



Milwaukee Library and Museum Bond offered for sale in 1895.

BACKGROUND PHOTO

In 1883, Randolph County, Indiana, turned to Harris to raise money to pave its dirt roads, pictured here in Union City in 1890.

RIGHT

Harris bondmen had extended their reach beyond the borders of the U.S. by the early 1900s but were stymied abroad during World War I. Eager to re-establish foreign business in 1920, a salesman from the New York office of Harris, Forbes and Company recounts the warm welcome he received from British brokers and bond dealers in this employee newsletter.



Financing Empire

The United States expanded in unprecedented and unimaginable ways during the 1800s. The country's population increased twelvefold from 1800 to 1890, and the growth of its cities was even more dramatic. In 1800, only six cities in the United States had more than 8,000 people. By 1890, there were 448, and 26 of them boasted populations greater than 100,000. The business organized in 1882 as N. W. Harris and Company envisioned both the need and the opportunity for financing this expanding empire.

The cities and towns that came of age a century ago proved to be fertile ground for the early Harris bondmen. During its first forty years, the Harris organization furnished billions of dollars to erect tens of thousands of municipal and public projects in every state and territory of the country. Harris bondmen were especially adept at identifying and investing in places and regions poised for growth, from the heartland towns of agricultural Iowa to the ports of the Pacific Northwest.

Through its offerings and sales of municipal and corporate bonds, Harris played an indispensable role in the construction of waterworks, sewer systems, power and light utilities, roads and rail lines, courthouses, schools, libraries, and hospitals in virtually every county and corner of the country. The financing of these community building blocks—known today as infrastructure—enabled towns and cities across America to expand and prosper in the nineteenth and twentieth centuries. In the twenty-first century, the Harris bond legacy lives on in the historic landscape of the many places Americans call home.



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A Yankee Salesman Abroad

By L. MARSDEN HUBBARD

This is the first of a series of articles which will treat of European conditions as seen by Mr. L. Marsden Hubbard during his long trip abroad. Naturally he was particularly interested in financial matters, but, at our request he will also tell us of various interesting experiences of his. For example, in this article on England, Mr. Hubbard tells us of the ceremonies at the unveiling in London, of the memorial statue to Abraham Lincoln, of whom Lloyd George said: "He belongs to the common people of every land."

Dec. 27, 1890.

CITY, COUNTY, SCHOOL, WATER
STREET RAILROAD

BOND

FOR SALE

For sale for January Bond
offerings of choice selected
above named amounting to

\$1,061,500.

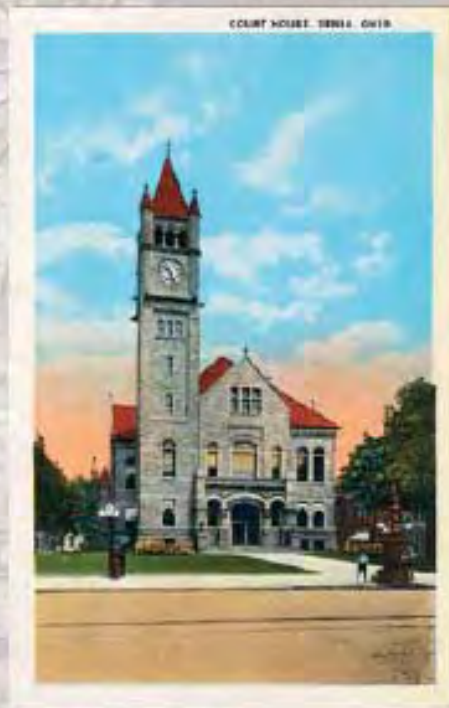
W. HARRIS &
BANKERS,

163-165 Dearborn-st., Chi

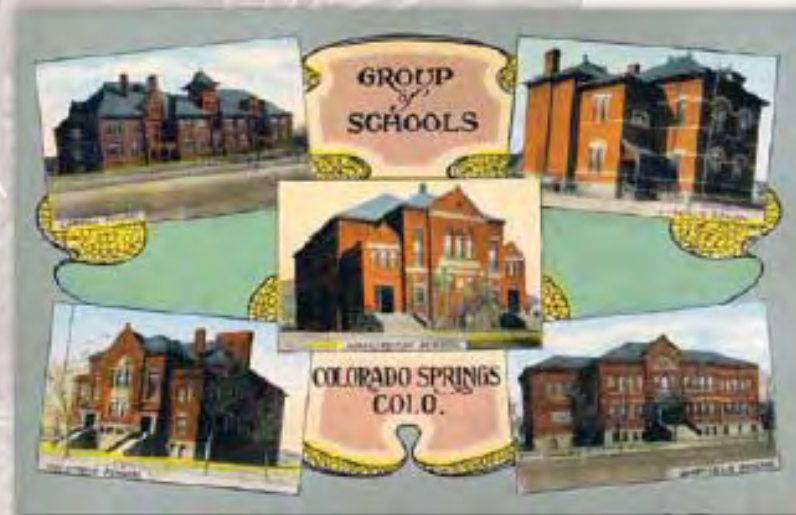
70 State-st., Boston.



LEFT
The Kansas State Institute for the
Blind opened its doors in 1868.
Harris financed its expansion in
the late 1890s.



The Greene County (Ohio) Courthouse,
pictured here in a 1916 postcard, was
one of hundreds Harris helped finance
throughout the Midwest.



ABOVE
Harris financing helped Colorado
Springs, Colorado, build its schools
in the early 1900s.

RIGHT
Advertisement from the *Chicago
Daily Tribune*, January 1890.



ABOVE TOP
Julius Rosenwald and N.W. Harris were the primary donors to the Wabash Avenue YMCA, which opened its doors in 1913. The Wabash Y provided housing, job training, and an array of social services to Chicago's African-American population, such as this children's dental clinic, pictured in the late 1940s.

ABOVE BOTTOM
Harris continues its century of commitment to a variety of Y programs, including the recently opened Rauner Family YMCA serving Chicago's Little Village community.

BACKGROUND PHOTO
Swimming class at the Lawson YMCA, 1951.

Doing Well by Doing Good

N. W. Harris spent his last years encouraging his heirs to share with others a portion of the fortune amassed during his lifetime. "May I ask if you have done as much as you should for the good of others?" he prodded his daughter, Pearl, in a 1913 Christmas letter. But Harris not only preached benevolence, he practiced it, supporting a variety of educational, cultural, religious, health, and social service agencies during his life and after his death. Beneficiaries included students in his hometown, the Field Museum, Northwestern University, and Chicago's first "colored" YMCA.

Harris family values of giving back extended naturally to the bank, where early charitable contributions benefited the Red Cross, the War Relief Fund (First World War), and various YMCA projects. Organized in 1953, the Harris Bank Foundation formalized and funded the bank's philanthropic initiatives. Higher education, established cultural institutions, and social service agencies supported by the Community Fund (later known as Crusade of Mercy and now the United Way) were principal recipients. Bank employees, long encouraged to contribute their time and

talents to worthy causes, were also provided with matching fund incentives when they donated dollars to educational institutions.

During the 1970s, the focus of the foundation's giving began shifting to encompass more minority groups, community organizations, and other historically underserved populations. Funds were allocated to YMCA programs, childcare and job training initiatives, and the United Negro College Fund. In the twenty-first century, the Harris continues to support both historic and contemporary cultural institutions, while also promoting innovative and coordinated initiatives in neighborhoods with great needs and great potential.

N. W. Harris understood that commerce and conscience could be compatible, and that with corporate success comes corporate responsibility. The Harris ethos of doing well by doing good remains a testament to the benevolent father and banker who urged both his children and his colleagues to leave the world "a little better for having lived in it."

RIGHT AND BELOW RIGHT
 Pearl Harris MacLean, N.W.'s only daughter, was instrumental in persuading her father to endow an innovative educational outreach program at the Field Museum

In 1912, traveling display cases, featuring specimens from the Field's renowned collections, as shown below in 1937, continue to provide hands-on opportunities for today's students via the Harris Educational Loan Program.



ABOVE
 In the late 1990s, Harris decided to commit both fiscal and human resources to the economically distressed North Lawndale neighborhood. Partnering with the city of Chicago and other grant-making groups, the bank is working to strengthen the basic building blocks of this underserved community—by aiding local schools, businesses, and social service organizations.

ABOVE LEFT
 Volunteer extraordinaire Linda Leonard contributed countless hours to community service during her forty-year career as an executive secretary. Shown here in 2006 packing boxes for the annual school supply drive, she also served as reading tutor.



RIGHT AND FAR RIGHT
 The N. W. Harris Prizes in American painting, endowed by the Art Institute of Chicago and spoofed in this 1904 caricature, were awarded to some of the twentieth-century's most noteworthy artists. After Grant Wood won the \$300 Harris bronze prize in 1930 for American Gothic, the Art Institute raised an additional \$300 to purchase the painting, now an icon recognized around the world.

