(EMN: The following article appeared in the Wall Street Journal for May 18,1979. Brooks McCormick is descended from William Sanderson McCormick and Mary Ann Grigsby. Mary Ann was a daughter of Reuben Grigsby of Hickory Hill and a granddaughter of "Soldier John" Grigsby.)

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Founding Families

McCormicks' Tenure At Harvester's Helm Matched at Few Firms

Despite Obstacles, the Clan Runs Show for 148 Years; But Era May Be Ending

An Outsider Wields the Ax

Staff Reporter of THE WALL STREET JOURNAL.

CHICAGO—Hanging above the desk of Brooks McCormick here is a picture of a Chicago factory as it looked in 1861.

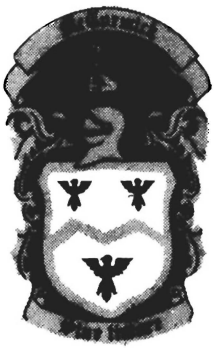
The factory dated to 1847, when Cyrus Hall McCormick took the reaper he invented from Virginia to Chicago and built the McCormick Reaper Works near where the Chicago River joins Lake Michigan.

Today, International Harvester Co., the multibillion-dollar concern that sprang from the revolutionary invention, makes its headquarters in an office building on the same spot. And Brooks McCormick, a great-grandnephew of Cyrus Hall McCormick, is its chairman.

This is the fourth in a series of stories about the present-day members of some of America's great families.

International Harvester and its predecessor companies have been in business for 148 years now, and in all that time a McCormick either has headed it or has been waiting in the wings to do so. It's a record of family management that few large American corporations can match.

The factors that militate against continuing family operation of big companies are well known, of course. Death and taxes almost always result in families selling off their stock in the companies their forebears founded — and losing their influence over company affairs. Public ownership, the form most big concerns take, generally isn't friendly to nepotism. Sons sometimes aren't anxious to follow in the fathers' footsteps for personal reasons, and fathers sometimes return those sentiments.



There's also the enduring notion that it is somehow shameful to employ one's family name and position to succeed. "The younger generations of wealthy families frequently have a sense of guilt about inheriting great wealth," says psychologist Harry Levinson, who heads the Levinson Institute in Cambridge, Mass. "Many of them feel a need to demonstrate their competence to themselves," and this course often leads away from the family company.

Tall, quiet-spoken Brooks McCormick, who is 62 years old, isn't anxious to talk about such feelings, or anything else that might imply that his family ties got him to the top of International Harvester. While he will discuss company affairs readily, he speaks of his family and his motivation for joining Harvester only with reluctance. He regards family matters as private, although he says "I'm very proud of my antecedents."

A Cousin as Mentor

He attributes his own involvement in the corporation mainly to his admiration for his cousin, Fowler McCormick, who headed International Harvester during the 1940s, and who hired him. "He was quite a remarkable man—thoughtful and introspective—someone I looked up to," he says. But he adds: "My father (Chauncey, who was a company director) probably encouraged me, too."

Actually, while Brooks McCormick is a latter-day relative of International Harvester's founder, his own family came into the company by the circuitous route of marriage.

He is descended not from Cyrus McCormick but from Cyrus' younger brother, William Sanderson McCormick. William's widow sold her interest in the concern to Cyrus shortly after William died in 1865. Years later, Brooks's father was married to Marion Deering, of the Deering Harvester Co. family. In 1902, Deering Harvester was one of the four companies that merged with the McCormick Harvesting Machine Co. to form International Harvester.

"My father came into the company as a representative of the Deering side," Brooks notes. "You might say I came in through the back door. It was really an accident of history."

William's Line

That isn't the only quirk or irony in the history of what surely is one of America's great industrial families. Even though Cyrus McCormick is credited with inventing the reaper, brother William's descendants—not his—have since achieved the greatest prominence.

William's line includes William McCormick Blair, now 95 years old, who founded the Chicago brokerage and investment-banking house of William Blair & Co. Two of his sons, Edward McCormick and Bowen, are senior partners of that firm.

One of William's grandsons was publisher Robert R. McCormick, who made the Chicago Tribune newspaper one of the nation's staunchest (and loudest) voices of conservatism before he died in 1955. His relatives still are among the owners of the closely held Tribune Co., one of the nation's largest publishing concerns.

While Robert McCormick was preaching conservatism from the pages of his newspaper, a great-granddaughter of Cyrus McCormick bought the New Republic magazine, one of the country's best-known liberal jour-

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nals. She was Anne Blaine "Nancy" Harrison, a union organizer and lobbyist when she met and married Gilbert Harrison. The Harrisons published the New Republic for 20 years before selling it in 1974.

Mrs. Harrison died two years ago at age 58. The Harrisons' four children—one a lawyer and the other three in college—are among the few living direct descendants of Cyrus McCormick. The only others are members of the family of Anita Oser, who lives in Europe.

The invention that launched the McCormick saga—the reaper—isn't fully understood by most Americans even though it has long been a standard part of grade-school history books. Contrary to popular belief, it didn't leap full-blown out of the brain of Cyrus McCormick in 1831; rather it incorporated elements developed by a number of inventors, including Cyrus's father, Robert. It was only after years of court battles, and the purchase of others' patent rights, that Cyrus built a machine that was superior to others of its type.

Cyrus, however, did play an important role in the development and manufacture of the device, and its revolutionary nature is undeniable. The early reaper combined wheels, blades, knives and mechanical fingers on a horse-drawn platform, allowing two men to harvest as much wheat in a day as five men could by hand. Later refinements increased its output considerably, of course.

Along with the cotton gin, the reaper was the first step in freeing Americans from the land to man the factories of the Industrial Revolution. It also freed the wheat farmers of the Northern American prairies to fight the Civil War. Without the reaper, said Secretary of War Stanton in 1862, "the Union would be dismembered."

Colorful and Controversial

Cyrus headed the company that manufactured his machine until he died in 1884. He was succeeded by his son Cyrus and then by another son, Harold F. Harold was chairman of International Harvester until his death in 1941, the year his son, Fowler, became president. By that time, the company's business had grown to include trucks and construction machinery as well as farm equipment.

Fowler McCormick was colorful and controversial, both in his personal and business lives. At age 32 he married Fifi Stillman, the divorced, 53-year-old mother of one of his Princeton University classmates. In the 1940s he fought a long and successful court battle to have two adopted children taken from his sister, Muriel McCormick Hubbard, on ground that she wasn't a fit mother.

In business, Fowler stood out in his day as a pioneer in nondiscriminatory hiring. When Harvester built plants in Louisville, Ky., and Memphis, Tenn., after World War II, it made a point of offering jobs to blacks and promising to promote them if they made the grade. It later stuck to that policy in the face of wildcat strikes by some white workers.

Fowler McCormick resigned as Harvester's chairman and chief executive officer in 1951; he and President John L. McCaffrey had clashed over corporate strategy, and the board of directors backed Mr. McCaffrey. Fowler's exit ended 120 years of unbroken McCormick leadership of the company Cyrus started.

But by that time, Brooks McCormick already was well on his way to restoring that leadership. He had been hired out of Yale University by Fowler in 1940, and after the usual entrance-level executive jobs was heading the company's operations in Britain. He became executive vice president in 1957, president in 1968 and chief executive officer in 1971. "I clawed my way to the top," he says in a rare, jesting reference to his early career.

Destined to Rise

But of course, his co-workers and superiors at the company were well aware he was destined to rise. "I felt honored that they would place him under my direction," says Harald Reishus, a retired Harvester vice president who was Brooks's boss in the 1940s. "He never flaunted his background, but I felt he would be running the company in time."

By the time Brooks McCormick reached the top, however, Harvester was headed for the bottom. Earnings had been declining for five straight years and in 1971 were barely enough to cover the then-annual-dividend rate of $1.60 a share. The company was losing its markets to aggressive competitors like Deere & Co. in farm equipment and Caterpillar Tractor Co. in construction machinery. "It was a question of how long we would survive," says Mr. McCormick, an assessment that was shared by a number of outside observers at the time.

Mr. McCormick moved to set things straight. He disposed of Harvester's marginal steel-making business, discontinued several lines of trucks, and reorganized its upper echelons and marketing staff, among other things.

The moves paid off with higher sales and earnings (last year the company earned $186.7 million, or $6.14 a share, on sales of $6.7 billion) but more needed to be done, such as pare Harvester's bloated work force. For that, the company brought in as president in 1977 Archie R. McCardell, who had been president of Xerox Corp. He trimmed some 2,000 persons from Harvester's world-wide payroll of 90,000, yet increased its production schedules, and was named chief executive last year.

"Brooks, with his patrician mind, couldn't bring himself to fire all those people," says one close observer of Harvester affairs.

Mr. McCormick is due to retire in 1982, when he reaches age 65, and he views his career with satisfaction. "I have been part of a team that made some significant steps in revitalizing the company," he says.

"The Last of the Mohicans"

Yet that is a satisfaction his own children apparently will not know; none of the four (two sons and two daughters) is in the company, and if he has his way none will be. He made that clear in 1971 when his son Mark, who had worked for three summers at Harvester, asked for a full-time job after receiving his MBA degree from the University of Chicago.

"I told him that I didn't think that nepotism was in order in this day and age," he recalls. "I said that for his own benefit, and for the good of the company, he should seek employment elsewhere. It was a hard thing to say to the young man, but I haven't regretted it."

International Harvester says that the vast bulk of the McCormick family's ownership of the company's stock ended before Mr. McCormick joined the company, and that it has dwindled further since. Mr. McCormick's direct and indirect holdings and those of his immediate family amount to about 150,000 of the company's 30-million-odd common shares, and no other McCormick branch owns what the company calls a "significant" amount of stock.

"It looks," he concludes, "like I'm the last of the Mohicans."