

1962, my father said to me: “Get in the car, Billy, we are going to Norton Company and this is important.”

My father never really took me anywhere so I asked no questions. Dutifully I went along. Norton Company was all decked out with displays of products, (meaningless at the time to me), tours of the factory floor (somewhat interesting to a 12 year old boy), and a meeting of men with speeches in the big cafeteria on New Bond Street (a real yawner).

It would be a decade and half later, when I reentered that cafeteria, now as a new employee of Norton Company, that I finally understood the significance of that day: it was the first meeting of the public shareholders of Norton Company. I had been a shareholder of private stock of Norton all my life, but 1962 was the year the company went public and all the private stock was exchanged for public stock.

We knew that Norton was a kind of the family business, Uncle Dan worked there, and kept his cool caboose on a siding on the property. We all had stock in it, which we knew came from our grandfathers. We maybe knew our great grandfather had something small to do with the founding. For me, in the school bus, we passed by the Greendale factory every day on the way to Shepard Knapp School: Oh there is Norton... I own a little bit of that.

On New Bond street, in the main Administration Building, built under the direction of Uncle Clarence Daniels, in the meeting room is a giant tree painted with the names of every one who had worked at Norton as leaves. And the roots of that tree are the names of the founders of Norton, one name is Fred Harris Daniels. I saw this room only once, during my orientation in 1977 when I started work there.

FHD

The biographies of FHD focus his rise from a student at WPI to his successes at the Washburn and Moen Company, later American Steel and Wire Co. and the U.S. Steel Company.

His 151 patents highlight his genius as an engineer. Ultimately he served as Chairman of the Board of Engineers of the United States Steel Corp. and was responsible for 143 wire mills, steel mills, manufacturing sites etc. across the country.¹

Oddly in his private papers listing all his board seats, Norton Company is missing and someone later wrote it in ... almost as if : oh yea we forgot this one. Apparently neither he nor his biographers paid much attention to his Norton Company affiliation. In the public documents it

¹ Allison Chisolm,(2014) The Inventive Life of Charles Hill Morgan, TidePool Press, Cambridge pg 238

rates only a listing as a board seat. No biography written during his life time mentions anything about it. At best in the printed materials relating to either Norton Company or the families that ran Norton Company, Fred Harris Daniels warrants barely a mentioned at all.

FHD was the youngest child of William Pomerory Daniels and Hepsy Ann Stark. WPD was a member of the Plymouth Church as were many of the management of the Washburn and Moen Company, a wire and steel mill by Institute Park².

WPD supplied lumber to Washburn and Moen and knew them well. So after graduating in 1873 from WPI FHD found work immediately there. That was the year also of WPD's death. At 20 years old, having his father die, and out in the work force, FHD began in the drafting room. Within 2 years FHD was appointed Mechanical and Chemical engineer, now 22 years old. At 24 years old, in 1877, he made his first business trip to Europe to survey the steel industry.

The following year, 1878 he was appointed Superintendent of Buildings at Washburn and Moen. For a 25 year old, a remarkable achievement.

Within 2 years by 1880, FHD filed and was awarded the first of his important patents. Over the next 6 years he files 6 important patents dealing with the fabrication of wire rods.

A month before his 30th birthday in 1883, FHD married Sarah Lydia White, also from Worcester. The three sons, Clarence, Harold and Dwight were born over the next 8 years. During that time 19 new patents were registered, seven of which were overseas patents.

In 1885, FHD sold eight of his patents to Washburn and Moen Co, his employer, for \$2500.³

Meanwhile on Water Street in Worcester the beginnings of Norton Emery Wheel Company was taking shape. During 1884, John Jeppson, Walter Messer and Charles Allen, all employees of Frank Norton, advanced the idea of buying Norton out and transitioning the business from pottery to emery wheels.⁴

In 1886 the price of \$20,000 was agreed upon and seven partners split 200 shares. Originally, five men, Jeppson, Messer, Allen, Higgins and Alden were to be the partners, but they could not come up with the entire amount, so either Messer or Higgins approached FHD in his office at W & M Co. It was at that meeting that FHD committed to invest \$2000.⁵

So at the close of 1886, at the age of 33 with a baby (Clarence) at home and in the midst of a creative bloom in the form of wire manufacturing processes. FHD saw something worth

² Allison Chisolm, pg 98

³ Chisolm, pg.201

⁴ Charles W. Cheape, (1985) Family Firm to Modern Multinational, Harvard University Press, Cambridge, pp 28 - 29

⁵ Cheape, pg29

investing in. He saw something worth investing a lot of money in.. FHD now owned one tenth of a small company. He was in today's vocabulary an angel investor. He gave support thru injecting capital to a start up. Without FHD's investment, would the team have been able to find someone else to invest or would they have negotiated with Frank Norton. We will never know.

During the first 15 years, 1885 to 1900, Norton paid dividends every year but one, and the value of the company rose to \$360,000 by 1900. FHD's holding were worth \$ 36,000 in 1900.⁶ That would have the purchasing power of \$1,110,000 in 2019 dollars.⁷

FHD passed away in 1913. At the time his estate was distributed to the three sons and his widow, there were 30,000 shares outstanding of which 2330 were controlled by the heirs, about seven percent of the company. Those holdings were worth by then \$82,500.⁸

When Sarah Lydia Daniels died in 1943 her Norton Company stock was distributed to her heirs. At that time the aggregate holdings remaining in family control were approximately 105,150 shares out of 2,254,312 shares outstanding, representing about 4%, with a book value of \$1,793,859, that is a 89593% increase in 58 years.

During the next 76 years, Norton Company was sold, the brothers have all passed and their holdings have been taxed and distributed.

Using the value of 1943 Norton stock as a starting point, it is possible to calculate what that stock would be worth today, 76 years later, and depending on the algorithm one chooses \$1,793,859 in 1943 is worth somewhere between 50 million dollars and 70 million dollars.⁹ - a mere increase of 2834%.

In 134 years, the \$2,000 dollar investment made by Fred Harris Daniels grew 2,499,900 %.

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Albany, New York
2019
Draft

⁶ Cheape pg 12

⁷ www.measuringworth.com

⁸ Norton Company Valuation 1961 Robert Finnegan and Lynch, Boston

⁹ www.measuringworth.com

