

Family, Friends, and Ambition:

Harlow E. Bundy, George W. Fairchild, And the Advent of IBM

Howard Zendle

March 26, 2024

Origins of a Global Business Colossus

Earlier in this work, we discussed how E. R. Ford brought the first toll road and railroad to Oneonta, that hilly, tree-studded town astride the headwaters of the Susquehanna River. In leaving the story of this estimable man, we mentioned the granddaughters of E.R. Ford named Julia and Julia Ada. They must have been popular girls, for in 1882 Julia married Harlow Elisha Bundy of Oneonta, a Hamilton College-educated lawyer in partnership with his uncle.ⁱ In 1886, Julia Ada Ford married A. Ward Ford (no relation), a Deposit, NY native who partnered with his father in a mercantile business.ⁱⁱ In the hopes of not sounding crass in the face of marital bliss, it can be stated that both sisters were quite wealthy due to their family inheritance, while the same cannot be said (based on available evidence) at the time for their husbands. Harlow's older brother Willard, an Auburn, NY watchmaker, had invented a recording time clock which, for every employee's key, left the imprint on a paper roll of both the time and his identity at walkin and exit.ⁱⁱⁱ When the Bundy Manufacturing Co. was incorporated in Binghamton on September 30, 1889 to produce the recording time clock, Harlow Bundy was the treasurer and general manager while A. Ward Ford became the secretary.^{iv}

Harlow Bundy had a friend in Oneonta named George Winthrop Fairchild, who had apprenticed as a printer, practiced that skill at locations around the country, and finally returned to Oneonta to become owner of the *Oneonta Herald* newspaper and U.S. Congressman from 1905 to 1917.^v Although the original growth of Bundy Manufacturing was slow, sales began to take off. In 1896, Harlow Bundy invited Fairchild to join in managing the increasingly challenging

business, and the latter invested \$5000 of his own in the company. By 1901, several competitors had been purchased by Bundy under the name International Time Recording Co. (ITR). Still, a newly-incorporated Bundy Manufacturing Co. arose in 1904 and George Fairchild became President, and at the same time Vice-President of ITR. By 1906 he was the President of ITR. Fairchild invested from \$7000 to \$10000 in the new Bundy firm. It is also probable that in 1904 Fairchild went door-to-door to sell ITR stock to his many friends in Oneonta. His pitch went like this: "I would like to sell you \$2000 to \$3000 of ITR common stock, but this is surely a speculation. You should not buy this stock unless you would not greatly mind losing it all." Many bought, including State Supreme Court Justice Abraham Lincoln Kellogg, a lawyer and educator from nearby Treadwell.^{vi} History would show these to be wise investors. By the end of 1909 ITR controlled 85% of the world's time recording business.

In 1911 financier Charles R. Flint incorporated a holding company called the Computing-Tabulating-Recording Co. (CTR) composed of the Computing Scale Company of America of Dayton, Ohio, the Tabulating Machine Company of Washington, D.C., and ITR of Endicott, N.Y.^{vii} He believed that in a combination of businesses making different products, if one product had a bad year, the profits from the other two would keep the whole business profitable. The concept was similar to the conglomerates like Litton Industries or Singer of the 1960s. Owning the most shares of CTR, George Fairchild was chosen to be Chairman.^{viii} At his death in December 1924, he was chairman of International Business Machines (IBM), to which CTR had been renamed in February of that year.^{ix} In 1935 IBM sold off the Computing Scale Company to the Hobart Company of Dayton.^x In 1958 IBM sold the Time Recording Co. to Simplex. By then the tabulating business, followed by electronic computers, far outweighed the other two.

Harlow Bundy, still with ties to Bundy Manufacturing, became General Manager of CTR in July, 1911.^{xi} He had his hands full. In the formative days of CTR, as consolidated management of the three companies was achieved, it was income from the ITR portion that enabled Tabulating to reach a profitable state.^{xii} Parts for the first tabulating machine were fabricated in the former ITR plant.^{xiii} In a day when newcomers like Tesla have market valuation equal to GM while producing

far fewer cars, we can perhaps see Flint's rationale for including the initially unprofitable Tabulating company in the mix - i.e. high hopes. In the 20s, these hopes were achieved as Tabulating became IBM's main business. By 1915, Bundy was in ill health, retired, and bought an estate in Henry Huntington's^{xiv} Oak Knoll development.^{xv} Unfortunately, he passed away a year later. Thomas J. Watson was hired to take his place.

Living Industrial Archaeology in Endicott and Oneonta

In August 1905 a new building to make Bundy adding machines was built on the vacant plains of Endicott, NY some 10 miles west of Binghamton.^{xvi} Just eight months later plans were made for additional buildings to the east of the Bundy which would enable all ITR operations of the Water. St. Binghamton plant to be moved to Endicott.^{xvii} These buildings were built, and as the size and scope of IBM manufacturing grew, they became embedded in what I call the "white cliffs of Dover" complex at the northeast corner of McKinley Avenue and North St. The ITR building was horseshoe shaped with the open part of the U facing North St. Eventually the open side was covered by a structure with a broadly peaked roof at the apex of which today is a well preserved white-against-blue globe-girdling IBM logo. About 20 years ago IBM manufacturing left Endicott but the Bundy and ITR artifacts are still left to be enjoyed.



In Oneonta the brick Masonic Temple is located in the former mansion of George W. Fairchild at 318 Main St. (Photo by Author)

Chubby

In 1891, Josephine Mills Sherman, daughter of a prosperous farmer from nearby Davenport, enjoyed an inheritance from an uncle who had been a successful '49er. She went down to the office of the *Oneonta Herald* to pick up some extra copies of the article describing this event for family and friends. George Fairchild was favored to handle her request, Josephine returned the favor by meeting Fairchild at the alter soon after.^{xviii} In 1896, their only child Sherman was born. Locally, his nickname was Chubby. He was mechanically gifted, as he successfully dismantled and reassembled his first car at in early age. While still a boy Sherman had the run of the CTR factories in Endicott, enabling him to pursue refinements in his interest in cameras.^{xix} As a young man, Chubby attended both Harvard and the University of Arizona, but had to withdraw from both due to lung problems, never graduating from either. At Harvard, he designed and demonstrated at a local boxing match a precursor of the news flash camera.^{xx} During WWI he attempted to join the Army but was turned down due to his medical conditions. Some local wags painted the word "Slacker" on the sidewalk next to his home, and this led to a lifelong resistance, as a super-successful businessman, to Oneonta charitable requests (with small scale exceptions) ^{xxi} .

In the next installment of our story, we'll see how Sherman Fairchild's innovations in photography and aviation led to business success.

ⁱ Steinberg, Marcia & Harvey, *A Small City's Culture, A Worldly Future: How IBM Began - Binghamton, NY and the Bundy Manufacturing Co.* Lawrenceville, NJ (2015), pp. 15-16.

ⁱⁱ Obituary, "Austin Ward Ford, A Director of IBM", *New York Times* (May 25, 1948)

ⁱⁱⁱ Steinberg, pp. 17-18.

^{iv} Steinberg, p. 26.

^v The names, dates, and relationships in this paragraph are derived from Milener, Eugene D. *Oneonta-The Development of a Railroad Town*, Oneonta, NY (1997), pp. 538-542.

^{vi} Judge Kellogg built a general school in the town of Treadwell, NY. In order to strengthen his high school baseball team, he hired my Uncle Bob, at age 25, to play on his team. The Judge also let Bob drive his Cadillac V-16 to take prospective job applicants to Endicott for applications at IBM, the eventual successor of ITR.

^{vii} "Tabulating Concerns Unite", *New York Times*, June 10, 1911.

^{viii} Maney, Kevin, *The Maverick and the Machine, Thomas Watson Sr. and the making of IBM*, Hoboken, NJ (2003), p.51.

^{ix} Maney, pp. 89-90.

^x As a teenager slicing delicatessen for customers in my father's market in the 1960s, I used a Hobart computing scale to automatically determine the price of salami weighing 3/8 pound selling at \$1.20 a pound.

^{xi} Steinberg, p.44.

^{xii} Lewis, Donald F. *The Man Who Marketed Time*, Hamilton Alumni Review, August 1977 reprinted from the notes for the " Dedication of the Margaret Bundy Scott Field House November 30, 1984". Mrs. Scott, Harlow's daughter, had bequeathed Hamilton with over \$6,600,000 during her life. As the proud granduncle of a student who graduated from Hamilton in 2020, I am indebted with gratitude for the Bundy contribution.

^{xiii} Lewis, *ibid*.

^{xiv} Henry Huntington, himself an Oneontan, had pioneered as a real estate developer and interurban railroad operator in the developing Los Angeles Basin. His career will be covered in a future segment of this series of talks.

^{xv} Hamilton Literary Magazine, date unknown, p. 499 in the Broome County Historical society Harlow P. Bundy folder.

^{xvi} Luther, Roger, *Lost in the Architecture: What Happened to Endicott's Historic Bundy Building*, <http://nyslandmarks.com/treasures/16feb.htm>, p. 1.

^{xvii} Luther, p. 2.

^{xviii} Milener, p. 540.

^{xix} (author unspecified), *Multifarious Sherman Fairchild*, Fortune Magazine, May 1960, p. 172.

^{xx} Fortune, p.172.

^{xxi} Milener, p. 545.