

## A BANKER'S STORY

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I never dreamed I would become a banker. All my early education was anything but that. What occurred will be explained below.

Suffice it to say my pre-Princeton education was a bit unusual. My family moved 14 times in 14 years—why remains a mystery to me even to this day. I do not believe it had anything to do with my father's business (tobacco export!). We did live in Louisville, Kentucky, during World War I and kept buying that now almost illicit stuff from farmers in the Louisville area.

Due to my father's poor health we sought medical attention in Europe, so off we marched to Wiesbaden, Germany in 1925 to take the baths hoping for some cure. I attended the only private school in Germany at that time, and what a school it was! All the misfits from the public schools were shipped there for rehabilitation. I taught a class in English since the English teacher was sadly lacking in his ability to differentiate du and you. Ink wells flew across the room as standard procedure. Talk about Katzenjammer Kids! However, it taught me German and awakened my love of chemistry and science since they did have a fine science teacher. A year later we moved to Lausanne, Switzerland where I mastered a moderate amount of French, despite the fact that half or more of the students were American. The Lycee Jaccard was a fine Swiss school and provided an excellent education. Extra curricular activities included some wonderful trips such as scaling the Dents du Mid! (12,000 feet), skiing and lugging as well as summer sports (I was goal keeper of the soccer team).

I took part of my college boards in Geneva and did okay. Upon my return to the U.S. it was difficult to find a school which would allow me to do two years work in one, since my education in English, Algebra, etc., was sadly lacking. Irving School in Tarrytown reluctantly said okay, so off I went. I took the college boards and Princeton said yes.

I went out for Freshman football and gave it up after a week, since I had never played it before. So, lo and behold, rugby appeared on the scene. I signed up for that and thoroughly enjoyed playing against such teams as Yale, Harvard and particularly rough and tough French Rugby Club from New York City. Were they tough!

Fortunately I applied for a scholarship to study at the University of Munich during the summer of 1932. Germany at that time was in miserable economic condition with about 25% unemployment and no political stability. The mark had stabilized and prices were surprisingly low. Lunch at the university cafeteria was equivalent to 25¢, dinner 75¢ and the best seat at the opera \$1.25. Since I spoke reasonable German, I was

asked to address the political groups about American democracy. I told them as well as I could but I do not believe I made much impact. Hitler was on the ascendency, and I used to listen to him brag about his political aspirations. He was indeed a spellbinding speaker and showman, and, I hate to admit it, but if I had been a German, I believe I would have become one of his followers, given his promises to the German people. He was definitely a unifying political force at that time.

It was generally stated that if 15 Germans got together around a table, five new political parties would result. The Brown Shirts (Nazis) and the Communists were at each other all the time and once I was almost caught up in the warfare. Returning home one night in the Bavarian Alps, my brown shirt (from my scouting days) looked like I was a Nazi and five Communists tried to jump me. My long legs carried me to safety to the home of the German family I was staying with. They were so poor the husband had to sleep in the bathtub so I could use the one extra room, usually occupied by the daughter who then slept with her mother. To further their income, they had monthly parties for German Lufthansa pilots, most of whom had fought in World War I. What a wonderful group of fellows they were! Lots of stories and much laughter.

Following my 1932 summer term at the University of Munich on Princeton's Scholarship, I was able to travel to Hungary, Czechoslovakia and northern Germany. Princeton would not allow me to go to Russia, fearing the worst.

Unfortunately, my father died in the spring of 1933, just prior to graduation. What to do with my life? I first applied to Yale and Columbia Law Schools where I was accepted on scholarships, but by that time I learned that my father's estate was virtually bankrupt so I had to find employment. The Foreign Service was a natural due to my European education and my language capabilities, but the Foreign Service was closed; no exams. Fellow classmate Mel Crooks's father came to the rescue and introduced both Brew Winton and me to Chemical Bank in New York City. We were both accepted, I to a training program and Brew in the investment department where he stayed for the rest of his business career. I did not enjoy it very much but remained for five years. However, as part of the training program I wound up in the same investment department as Brew. I loved it. To supplement my education in that field I attended night courses at Columbia University eventually earning my MBA degree in 1939. By that time I had married my lovely wife, Carolyn. In order to better the miserable wages banks were paying in those days, I secured a position in Wall Street with the Philadelphia house of Parrish & Co. as Research Director, doubling my salary. With the war effort expanding, markets began to rise.

Among the customers of my firm were many refugees from Nazi Germany who escaped with substantial funds. They were avid speculators in railroad and utility bonds, both of which were showing remarkable increases price-wise from the depression levels of the 30's. I had taken the examination and become a registered representative member of the Society of Security Analysts, allowing me to act as broker for our new found friends. It was great fun.

In 1940, however, an opportunity to once again change course opened up for me in Paterson, New Jersey, where a savings bank, The Paterson Savings Institution, needed an investment man. The bank with \$25 million in assets (before the war a substantial size among New Jersey Banks) had been helped out with a \$3 million loan from the Reconstruction Finance Corporation. All of the bank's investments were substandard, consisting principally of railroad and real estate bonds. It held no government securities since the previous president disliked President Roosevelt. The attitude changed rapidly and my boss, Mr. C. Kenneth Fuller, a fine man, an understanding banker, gave me unsupervised authority to run the bank's portfolio. The bank also had a plethora of foreclosed real estate assets. With the intelligent supervision of Bow Bitting, a friend of mine in the bank, they were all sold at a million dollar profit. These funds, together with a two million dollar gain from trading in the bank's bond account, provided the funds to repay the RFC loan in three years. Not bad for a \$25 million bank.

The Paterson Savings Institution was founded in 1869 as a stock savings bank by special action of the New Jersey Legislature, with limited lending powers and to be operated basically as a savings bank. In the late 1940's, however, the legislature had second thoughts since we were the only stock savings bank east of the Mississippi. The Board was given the option of paying off the shareholders and becoming a Mutual Savings Bank, or converting to a Commercial Bank. The Board opted for the latter and changed the name to County Bank and Trust Co. Later we again renamed the bank New Jersey Bank and shifted from a state regulated institution to the National system under the Comptroller of the Currency.

The Bank became very innovative, beginning with mergers and creating a branch system within the county, a restriction which was later lifted. We were one of the originators of the plastic credit card system, leasing to other banks our "Charge it" program. One of our mergers with an institution of equal size led to a myriad of problems—the division of responsibilities and a host of other difficulties. It took about five years to iron out the differences with many heartaches. The problem was finally resolved when I became Chief Executive Officer and Chairman of the Board. It still took more years to smooth out some bitter relationships but I do believe it was finally accomplished.

We were on our way to further expansion, merging with other banks and starting new banks in areas where

we were not represented. This we accomplished through the creation of a Bank Holding Company (Greater New Jersey Bancorp), which also had under its wing a mortgage servicing unit. An international Department was added with representatives in Mexico and Peru, Panama and Ecuador and technical branches in the Cayman Islands and the Bahamas. A Municipal Finance Department serving New Jersey municipalities was also developed to underwrite local securities and assist cities and towns in their fiscal problems. Both departments became very successful. We also began servicing other banks in a check clearing operation on a fee basis through our IBM computer department.

Probably the highlight of my banking career was my election to the Board of Directors of the New York Federal Reserve Bank where I served for three years. I also became the head of the local advisory committee of the Controller of the Currency for the New York District, which attempted to create a closer working relationship between the national banks and the controller in the territory served by him.

As CEO of a large bank, one is asked to perform many outside activities and these kept me extremely busy, such as serving on the boards of the local hospital, the Better Business Bureau, Boy Scouts, etc. I was a speaker at the local Rotary Clubs and other groups and asked to participate in the annual conventions of the New York State Bankers joining in their round table discussions and giving speeches on many investment topics, one of which I recall was on the use of the "yield curve" as an investment tool. Other activities included the formation of a Real Estate Investment Trust and the founding of a chemical company with several associates. In addition, I was asked to serve on the boards of several industrial companies. It was indeed a busy life, lasting 25 years until I retired in 1976.

By the time I left the bank we had a billion dollars in assets and 44 branches state-wide, enough to interest other banks in acquiring us. After I departed, the bank, which I believe I left in capable hands, arranged a merger with Midlantic Bank which subsequently merged with PNC Corp.

Where have the twenty years since retirement gone? Too fast as always, but I believe I put them to good use in enjoying my gardening in the Pocono Mountains, some travel, a lot of time playing golf and building some fine stamp collections. The last were subsequently sold since no one in my family had any interest in them. To keep busy in our Florida condo, however, I started another stamp collection, still play a bit of golf, but mostly enjoy my family and relationships with six grandchildren, all of whom are living interesting and productive lives. Together with my wife of over 60 years, I look back on a pleasant busy life with no great levels of daring-do or events of earth-shaking proportions. It has been fun and most interesting. Who could ask for more?