



J. W. Seligman



A GIFT OF HISTORICAL

GOULD

Continued



J. & W. Seligman

The scholar from the University of Southern California pulls up a chair in the comfortable, secluded reading room of the Harry W. Bass Collection in Business History on Bizzell Memorial Library's fifth floor. Arrayed on the table before him are assorted leather bound letter books containing the post-Civil War correspondence of one of the nation's most influential financial houses.

Methodically the visitor from California pores over the fragile pages for little-known details of the audacious attempt in 1869 by the infamous financier Jay Gould to corner the nation's supply of gold. Although personally profitable, Gould's scheme fell short, his machinations bringing on Wall Street's disastrous Black Friday. The scholar's search is successful; the information he seeks is there, part of the Bass Collection's most recent and most extensive acquisition, the J. & W. Seligman & Co. Archives.

The pioneer New York investment banking firm whose history is chronicled in this unique collection was founded in the midst of Civil War turmoil and thereafter played a pivotal role in American and international economic development. Included in the archives are more than 50,000 pages of private and business letter books, account and profit and loss statements, stock certificates, unpublished manuscripts, photographs and oral interviews.

The earliest Seligman records tell of the firm's role in raising money in Europe to finance the Union war effort, then to rebuild the South at war's end. As the reunited country expanded, the Seligman company became a prime mover in pushing the railroads westward, in large-scale mining and land ventures, construction of the Panama Canal, establish-

ment of urban transit systems, financing of the great companies of the automobile industry, electrical and electronics products, insurance, public utilities, shipbuilding and steel. The archives offer insight into government fiscal policy, economic booms and depressions, bank failures, the Boer, Spanish-American and Russo-Japanese wars and World War I.

History, however, is not merely events; it is also people. Some of the most interesting material concerns the personal relationships of the rich and powerful German Jewish families who controlled American investment banking in the latter half of the 19th century. Dubbed by Stephen Birmingham in *Our Crowd* as "The American Rothschilds," the Seligmans were

That such an extensive record should have survived is as remarkable as the story of the company itself.

linked by common origin, business interests and intermarriage with the aristocratic, intensely private, financial elite. Their correspondence also involves many of the famous political and literary names of the day, longtime friend Ulysses S. Grant and the widowed Mary Todd Lincoln, for instance, Teddy Roosevelt, Booker T. Washington and Horatio Alger.

In the brief time that OU Libraries Dean Sul H. Lee spent examining the archives in New York before the formal presentation to the University in October 1987, he estimated that material for at least seven or eight doctoral dissertations are contained therein. Scholars throughout the nation have been advised by Bass Collection Curator Daniel A. Wren of the presence of the Seligman material at the University of Oklahoma and inquiries

already are being received from those seeking information in western history, economic development, business, financial, or economic history or on individuals in these various fields.

Although none of the Seligman materials may be loaned out, off-campus queries can be answered and pages photocopied for researchers who cannot make the trip to Norman. Wren expects some visitors, however, who, like the man from USC, will come and stay a while. Ready availability will make the papers even more valuable to on-campus students in various fields of business administration, the social sciences and law, the Bass Collection being one of few such resources in business history outside the Library of Congress.

That such an extensive record of the Seligmans' dealings should have survived the intervening years is perhaps as remarkable as the story of the company itself. Normally work papers, letters and files of a company serve their purposes and then are discarded in the never-ending effort to clean out the file cabinets. Rarely does anyone in the company have the foresight or interest to store material for posterity; for whatever reason, however, this is what happened at J. & W. Seligman.

Although not complete, a very representative record survives of the growth and transformation of an international banking and investment firm into the present corporation specializing in investment management, advisory and trust company services. Fortunately for history, Seligman decided to make its company history available to scholars.

The impetus for turning nearly forgotten stored files into an archives worthy of the designation came largely from the man who is today Seligman's chairman of the board and chief executive officer, Fred E. Brown. The tall, distinguished Muskogee na-

March 24 / 70

To his Excellency the
President

Sir,

Enclosed letter of Mrs Lincoln
was transmitted to me by my brother
residing in Frankfurt. with the request
to intercede with your Excellency in
her behalf. My brother states that
Mrs Lincoln's means are apparently
exhausted and that she lives quite
secluded. If your Excellency can
consistently recommend to Congress
to allocate the pressing rank of the
widow of the great and good Lincoln
I have no doubt but what the
bill now pending would pass to the
satisfaction of the party and of all
good citizens.

I am
Your Excellency's
most obed^t serv^t
Joseph Seligman

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available at call number
LH 1 .O6S6 in Bizzell Memorial
Library.

Library of Congress

In 1870 Joseph Seligman wrote to an old friend, President Ulysses S. Grant, urging support of a Congressional pension for the penniless widow Mary Todd Lincoln, then living in Frankfurt, Germany, where she had been befriended by brother Henry Seligman.

tive also was responsible for placing the Seligman Archives with the University of Oklahoma. In this effort Brown brought together his appreciation for history, dedication to the firm he has served for more than 50 years and a love for the institution where he earned his business degree in 1934.

"The archives would not, sitting here in our offices, get the use that they would get if they were someplace more accessible to writers and scholars, where they could be better known," Brown gives as his reason for making a gift of his company's papers.

And why the University of Oklahoma when other institutions were equally eager to acquire the material? Brown had two reasons. First, he cites his own association with the University as an alumnus and that of his Seligman colleagues in the 29 years the firm has served as investment counselors to the University of Oklahoma Foundation Inc. The Seligman officers have made periodic visits to the campus since 1959 and maintain regular contact throughout the year.

"It's amazing how close David Watts and John Lynch and Ron Schroeder, for example, feel toward the University of Oklahoma," Brown says. "Here David and John are both Harvard grads. John writes 'mad' letters to the president of Harvard all the time, but he thinks the University of Oklahoma is great."

Brown's second reason for recommending the gift to OU is the nature of the Bass Collection itself. "I had seen the Bass Collection," he says, "and it seemed to be a big plus to have the Seligman Archives there. And if we're careful, there will be more material coming along. John Lynch was cleaning out his attic, for instance, and found some drafts of speeches given between 1920 and 1927 by Mr. Albert Strauss (one of the first non-family partners of the firm). They're in the archives now."

The archives arrived at the Bass Collection in extraordinarily good condition, the result of many years of effort by the Seligman staff, particularly corporate secretary Carl J. White, to or-

ganize and catalog the material.

"The cataloguing was fantastic," Curator Wren says of the 15 drawers of catalogue cards which accompanied the archives to Norman. "The Seligman people weren't professional librarians; they didn't do it exactly as we would have. But when we went back through with our staff to double-check for anything they might have missed, duplications, better ways to find information, we found that they had done a very good job."

The Seligman firm's concentration on its history began in the months leading to its 100th anniversary in 1964. After considerable soul-searching, the company's principals decided that a financial house operating for a century under the same name and in the same form through the most colorful and exciting era of business expansion in history was of sufficient interest to merit a book to mark the occasion. Certainly all the information was available, packed away in boxes, merely waiting to be sorted, organized and analyzed. *Continued*



J. Seligman

But in keeping with the firm's private nature, always avoiding the lime-light sought by many of its more flamboyant counterparts, this book, *Over the Long Term*, was not to be the promotional puff piece typical of business biographies. The guidelines were minimal. The finished book, the authors were told, was to reflect truly what J. & W. Seligman & Co. had been in the past, what it had become, placing its activities within a framework of the age in which they occurred.

"We hired a professional to write the book," Brown recalls. "He gave me an outline and a draft of a chapter, all full of puff and adjectives and superlatives. We paid him off — I think it was \$10,000 — and told him to get lost. The idea was to make it history rather than another one of those self-congratulatory books."

The firm turned to two of its own staff, Carl White, who had been the guardian of the archives over the years, and Ross L. Muir. Never professing to be historians, the two produced a very thorough and readable account and, in the process of their research, added immeasurably to the value of the archives.

Their story began with the arrival in America in 1837 of Joseph Seligman, eldest of the eight brothers who founded J. & W. Seligman & Co. A penniless immigrant, he was first a clerk and cashier in a store in a Pennsylvania coal mining town, then a pack peddler, soon sending to Bavaria for brothers William and James, who also became pack peddlers. With William, he opened a small store and increased the family savings sufficiently to bring brothers Jesse, Leopold, Abraham, Henry and Isaac and other members of the family.

Evolving into well-to-do merchants, then bankers, the brothers, under Joseph's astute guidance, shared all expenses, all losses and all profits; by the 1860s, they were worth millions. When years later a former tutor to the


Seligman children, Horatio Alger, penned his rags-to-riches classics, popular opinion held that the model for his heroes might well have been Joseph Seligman.

The partnership arrangement would remain intact for 117 years and not until 1901 would any of the partners come from outside the family. The last of the Seligman family partners, Joseph Seligman's grandson Walter, retired in 1937, a year after Fred Brown joined an organization managed by the firm as a trainee securities analyst.

Brown became managing partner in 1965 when Seligman was supervising the investment of less than \$1.7 billion. Today that amount is approximately \$7 billion, the firm having assumed a new corporate structure in 1981. Among its clients are corporate

Horatio Alger, former tutor to the Seligman children, may have used Joseph as a model for the heroes of his rags-to-riches classics.

and state pension funds, educational and a wide variety of other institutions and individuals nationwide. Also included is the management of 14 investment companies in the Seligman Group and a computer record-keeping and account services firm for the Seligman enterprises.

The recorded activities of the Seligman company thus far should keep the caretakers of the Bass Collection and their clients busy for some time to come. And if Brown and his successors at this very vital firm maintain the connection so carefully forged with the University of Oklahoma, scholars of the 21st century can expect an ongoing supply of research gold that not even Jay Gould could corner. 

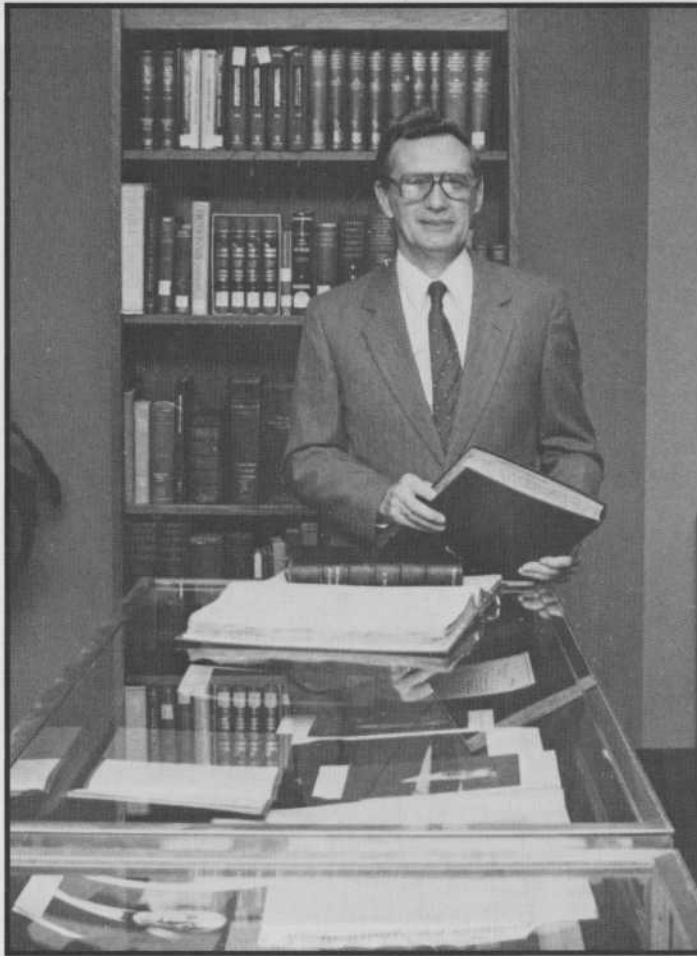
The Harry W. Bass Collection in Business History

Shortly before the Christmas holidays in 1954, two old friends, both alumni of the University of Oklahoma, sat down to lunch in Dallas. One was Everett Lee DeGolyer, one of the world's foremost petroleum geologists and the father of applied geophysics. The other was Harry W. Bass Sr., an enormously successful independent oilman, president of the Texas Midcontinent Oil and Gas Association. Six years earlier DeGolyer had established a major collection in the history of science at their alma mater. The project was a matter of great pride and intense personal interest to DeGolyer. He had something similar in mind for his colleague Harry Bass.

DeGolyer already had discussed with OU President George L. Cross and his fellow Rhodes Scholar Savoie Lottinville, director of the University Press, the desirability of the University's building a collection in business history. He suggested to Bass that a gift of \$10,000 would get such an enterprise going and would be an appropriate way for Bass to support the institution. Bass agreed and in August 1955 sent the check establishing the Harry W. Bass Collection in Business History.

The task of developing the collection fell to one of the College of Business Administration's most distinguished faculty members, Ronald B. Shuman, who had yearned for such a resource for years. With continuing support from Bass during his lifetime and subsequently from the Bass Foundation, Curator Shuman acquired an impressive list of biographies of business leaders, histories of individual companies and entire industries and a treasured selection of rare books.

When Shuman was nearing retirement in 1972, he chose as his successor a business management professor from Florida State, Daniel A. Wren, who had written a book then being used in OU classes. Like Shuman,



Professor of management Daniel A. Wren has been curator of the Harry W. Bass Collection in Business History since 1973, when he succeeded the architect of the research resource, the late Ronald B. Shuman.



Seligman managing director John Lynch and Mrs. Fred Brown inspect one of the Bass Collection open house exhibits during dedication of the J. & W. Seligman & Co. Archives.

Wren was a teacher, not a librarian; but also like Shuman, he was caught up in the history of business and industry, in this country and worldwide. Wren joined the business faculty in 1973 with added responsibility for the Bass Collection, which today numbers more than 20,000 volumes.

The basic philosophy of the Bass Collection is a simple one. "Ours is a business civilization," Wren says. "An understanding of the historical record of business achievement is fundamental to a rounded appreciation of the entire nature of our society."

Acquisitions for the collection always have stressed those materials not likely to be available on the shelves of the main library — out-of-print books, papers, manuscripts, journals, account books.


"We don't specialize," Wren says.

"Business is too broad to isolate any one country or any one aspect of business; it's all interrelated. Of course, we collect almost entirely in English because that is what our scholars can read."

The language exception generally is in the area of rare books, several of which are possessions of great value and pride for the collection, the oldest being the first known work on business ethics, Johannes Nider's 1468 *De Contractibus Mercatorum (On the Contracts of Merchants)*. Another extremely rare book is a 1523 edition of Luca Paccioli's 1494 *Summa de Arithmetica, geometria, proportioni, et proportionalita*, which introduced double-entry bookkeeping, the basis of all accounting systems to this day. Both a first (1776) and second (1778) edition of Adam Smith's classic *An Inquiry*

Into the Nature and Causes of the Wealth of Nations can be found in the Bass catalogue, as well as many other milestones in economics, commerce and finance.

Although the Seligman Archives are the most extensive single addition to the Bass Collection, several other gifts have added immeasurably to its resources. Wren's search for new materials has resulted in a number of significant acquisitions, notably the Harry Hopf Collection, a gift from the General Electric Company, and the collection of OU alumnus John Phariss.

Wren realizes, just as Shuman did before him, that the curator's job is open-ended; the Harry W. Bass Collection never will be complete. The very survival of our civilization depends on it. 



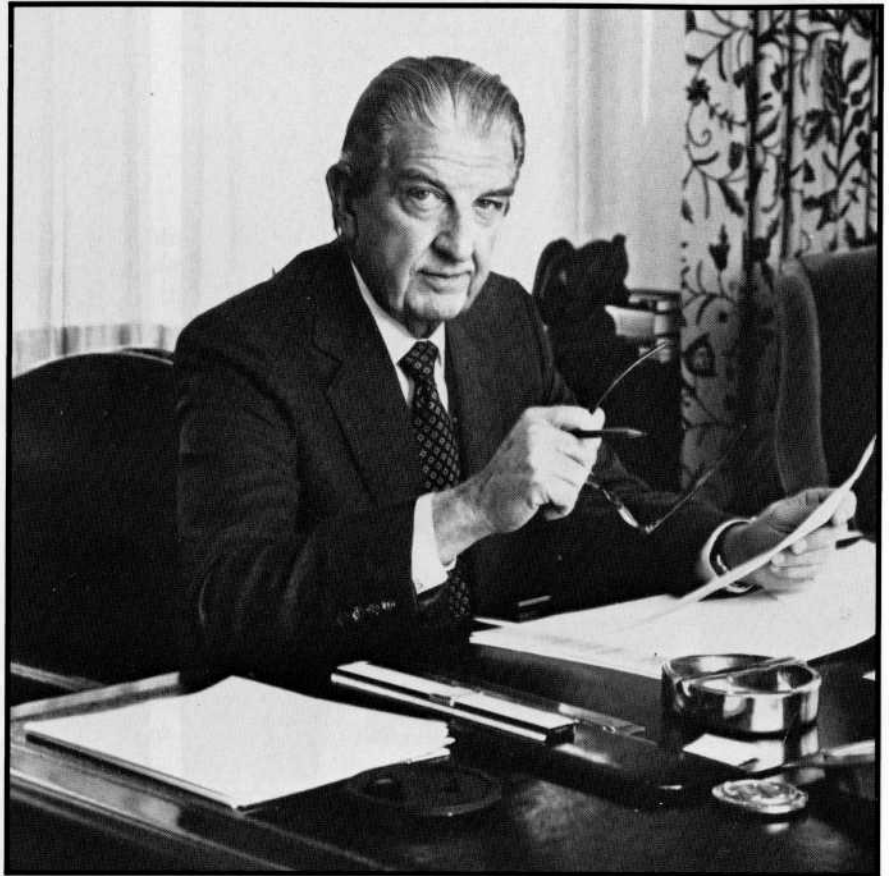
J. P. Seligman

FRED E. BROWN The Sooner at Seligman

The chairman of the board and chief executive officer of J. & W. Seligman & Co. Inc. is every bit the imposing figure you would expect one of Wall Street's leading investment managers to be. Your first impression is of a tall man, graying, dignified, immaculately tailored with a voice and manner that instills confidence. Yet a second look reveals features more rugged than suave, a forthright way of speaking that commands attention with an occasional Southwestern colloquialism that more than a half century in New York has failed to erase. Talk to him for any length of time, and you are immediately aware that Fred E. Brown, formerly of Muskogee and the University of Oklahoma, wears his Sooner origins like a badge of honor.

Brown never had been near New York City when he packed his bag in 1934 and headed for Harvard Business School to pursue an MBA, only the second OU graduate to do so. He took with him a solid record of academic achievement and leadership from the Muskogee public schools, Muskogee Junior College and OU. He was a charter member of OU's chapter of Beta Gamma Sigma, the national business honorary, and a member of Beta Theta Pi Bombardiers, Delta Sigma Pi, Kappa Beta Phi, Ruf-Neks, Scabbard and Blade and Tri Chi.

The future financier already was a proven entrepreneur. He had driven a delivery wagon for his father's ice company, worked Christmases as a department store toy buyer, sales clerk and floor walker, collected delinquent dry cleaning bills and sold insurance (though not too successfully). Then he went into business for himself at the



As chairman and chief executive officer of J. & W. Seligman & Co. Inc., OU business graduate Fred E. Brown supervises the investment of more than \$7 billion.

OU Beta Theta Pi house, operating an honor system candy counter with fellow fraternity officer Allen Calvert.

The other officers were Bill Longmire, who ran a laundry in the Beta basement, and Earl Sneed. Longmire became a famous surgeon on the West Coast; Sneed was later dean of the OU law school and president of the Liberty National Corporation; Calvert became a successful independent oilman in Tulsa.

"Three of the four of us are in the Oklahoma Hall of Fame," Brown says, "and I think if Allen had lived, he might have been selected, too."

Before taking off for Harvard, Brown spent the summer repossessing automobiles in the oil field boomtowns-gone-bust. "I went up to Three Sands," he recalls, "and they heard I was coming. They literally had beaten every instrument out of the dashboard, slashed all the tires. I had to tow that thing back to Oklahoma City."

The company gave him a Terraplane (made by Hudson) to drive, the first automobile with a gearshift on the steering column. "Because it was so new, they also had the regular stickshift, but you could unscrew it. I put a big agate knob on the end of it, and when I walked up on those oil platforms looking for somebody, I always carried that gearshift."

At Harvard Brown studied retail distribution; finance was a secondary interest. When he went to interview for a training course with the giant Macy's department store, however, his business career took a sharp detour.

"I said to myself, 'Gee, there are more people in this store than there probably are in my hometown,'" Brown remembers. "I'm not working in a place like this."

Turning to finance, he chose an organization managed by J. & W. Seligman, because of the company's exemplary reputation, because he liked the people — and because he was



University Libraries Dean Sul H. Lee, left, and Edith and Fred Brown toast the formal presentation of the Seligman Archives during the open house festivities.

offered a job as a securities analyst trainee at the magnificent salary of \$1,800 a year.

Brown put his career on hold in 1942, entering the Army as a second lieutenant and emerging in 1948 as a lieutenant colonel with the Legion of Merit. Returning to Seligman, he was elected a vice president of one of the investment companies in the Seligman Group, was a vice president of all the investment companies by 1951 and in 1955 became the youngest of the Seligman partners, then president of the investment companies in 1959.

In 1965, when the venerable old firm had just passed its centennial, Brown became its managing partner. At the end of the 1970s, the partners recognized that Seligman had outgrown its original organizational structure and formed the present corporate arrangement with Brown as chairman and C.E.O. when the operations began in 1981. But the principles that governed the operation from its beginnings

remained the same.

"We have stuck to the business that we know the best," Brown says, "and we have tried to have fairly close relationships with all our clients, providing a high level of personal service and good administrative services, like the record-keeping on accounts. People will forgive you for buying the wrong stock, one that goes down instead of up. They realize it is not an exact business. But when it comes to keeping the records of their accounts, they are not very forgiving if you mess them up.

"We manage approximately \$7 billion. That's a lot of money, a lot of the hopes and fears of a lot of people."

It is little wonder that in 1959 when the growing University of Oklahoma Foundation felt the need for professional investment advice, its board of trustees turned to Fred Brown.

"This business of private support for the University of Oklahoma always has interested me," he explains. "I served on the board of Vassar College

for a long time, and I saw what happens in an Eastern college that is private and depends on private support. I really couldn't see any reason why that sort of thing wouldn't work at OU. I knew it had worked at Indiana. One of my good friends was a partner of Goldman Sachs, and he was doing all kinds of things for Indiana."

Brown and the Seligman company signed on with the OU Foundation, and it has been more than just a business relationship. Over the years Brown lent his own personal support to the institution in many forms, and in 1981 he established the Fred E. Brown Chair in Finance in the College of Business Administration.

Brown has seen his son, Fredrick E., reverse his father's trek to the East to seek his fortune. After two business degrees and several years on Wall Street, Rick came to Oklahoma to do what he always had wanted — to become a veterinarian. After completing pre-med studies at OU, he attended Oklahoma State and now has his practice in Austin, Texas.

Brown's first wife, Margaret Gilham Brown, is deceased, and he is married to the former Enid Silcox Darlington. They have an apartment in New York City, a home in Morristown, New Jersey, and another at Lake Placid, New York. The decor of both houses is dominated by the Browns' considerable collection of more than 100 Indian paintings, an interest Fred began in Muskogee through his good friends, the late Indian artist, Acee Blue Eagle, and a local art dealer, Nettie Wheeler.

Just as Brown believes in advertising his Oklahoma background, he insists on keeping all his paintings on display for his daily enjoyment. "They're all hanging," he claims. "They're hanging three-deep, but they're all up there where we can see them." 