

1927

GENERAL

Finance

✓ INVESTMENTS

L. Bamberger & Company, incorporated New Jersey, December 6, 1917. Established 1893. Company owns and operates an eight-story department store in Newark. Owns the Chester Realty Company and Lucius Bamberger & Company Publishing Company, and operates station WOR. Had under construction in 1927 an addition which would increase floor space to over 1,000,000 square feet. About 3500 employees. Officers: President, Louis Bamberger; Vice-President and Treasurer, Felix Fuld; Secretary, E. S. Bamberger; Directors, Louis Bamberger, Felix Fuld, Carrie Bamberger Fuld, E. S. Bamberger, and F. I. Liveright; General auditors, Samuel Leidesdorf & Company.

Sales 1927		\$32,508,089.00
Total Income		3,209,837.00
Earnings Per Share	(Preferred)	27.85
"	"	4.27
	(Common)	
Based on 100,000 preferred and 500,000 common		

In 1927 the assets were \$22,531,377.00.

The preferred shares were capitalized at \$10,000,000.00 and the common at \$2,500,000.

Surplus was \$6,707,387.00

Common no-par, preferred, 6-1/2 per cent accumulative.

In liquidation the preferred was entitled to \$110 and dividends.

There was a sinking fund provided for.

The preferred shares were callable at \$110.

Lehman Brothers, New York offered in February, 1927, \$10,000,000 of preferred shares, 6-1/2 per cent accumulative at \$104, of which \$2,000,000 were retained by the present management for themselves and employees. Rating preferred BAA. Common, 500,000 shares outstanding and not reported, B rating. Common shares held the voting power. (This relates to Farrier's and Schaap's statement that just before the stock was issued

the management decided to keep the common shares  
for themselves and did not put them on the market.

*Net profit on sales in 1937 8.74%*

MsAa Moody's, 1927, page 150, L. Bamberger & Company

1929  
GENERAL

Finance

✓ INVESTMENTS

The figures are given as of January 31, 1929, but the time of the issue of Moody's, Schaap had become Vice-President, and Hector Suyker had been added as Assistant Secretary. The Directors were the two Bambergers, Mrs. Fuld, Liveright and Schaap. Leidesdorf was Auditor.

For the year ended January 31, 1929, L. Bamberger & Company earned  $\%$  7.29 per cent on sales net. Per share of preferred, \$22.35 earned, per share of common, \$3.21 earned.

Assets, \$25,776,246

Same number of common and preferred shares as in 1927.

Assets, \$25,776,246.

Surplus \$10,499,706

\$2,000,000 in preferred shares still held by the management and all the common.

No dividends reported for common.

Moody's, 1929, p. 557

1929

8/13

GENERAL

~~L. Bamberger & Company~~

✓ INVESTMENTS

~~R. H. MACY & CO.~~

FINANCE  
Biographical

Additional listing of common stock was authorized to R. H. Macy & Co., Inc., by N. Y. S. E. of 146,385 shares without par value "on official notice of issue and payment in full in connection with the acquisition of the total authorized and issued common stock of Louis Bamberger & Co., a New Jersey corporation...making the total amount of common stock without par value" listed on the New York Stock Exchange 1,304,010 shares out of a total of 2,500,000 authorized shares. The shares to be non-assessable when issued. The additional shares were authorized by Macy's Board of Directors, July 3, 1929. Of the total 146,385 shares, 69,210 are to be issued in part-payment for said 500,000 shares common of Louis Bamberger & Co. The balance of 77,175 shares have been offered to stockholders for subscription, and the proceeds from such sale are to be used for payment of the balance of the purchase price of the common stock of Bamberger & Co. Thus the 77,175 shares will be capitalized at subscription price received (not mentioned). The remaining 69,210 shares will be capitalized at the book value of the assets of Louis Bamberger & Co. in excess of the cash paid

therefore.

The subscription price as of July 26, 1929, was \$145 per share entitled for subscription at the rate of 1 for 15 shares held close of business August 7, 1929, to September 4, 1929. Their asset value of L. B. & Co. as of January 31, 1929 was listed as \$25,776, 245.81.

Notes on The Committee on Stock List, of the New York <sup>Stock</sup> Exchange, Document A-8673

1929-1930

GENERAL

Finance

INVESTMENTS

$93638 \times 31$   
 $6.5 \overline{) 628654.0}$   
 605  
 236  
 195  
 415  
 390  
 254  
 120  
 590  
 20  
 700  
 791  
 50

As of February 2, 1929, Macy's common stock was set at \$21,131,854. One year later, February 1, 1930, listed at \$44,288,660. \*

(\*) Includes the interest acquired in L. Bamberger & Company rated as an asset value. The asset value was \$22,741,677, making total assets and liabilities equate at \$77,062,228.

As of February 1, 1930, the annual dividend requirement of the outstanding 6-1/2 per cent accumulated preferred of L. Bamberger & Company was \$628,654 as a liability of R. H. Macy & Company, Inc.

6.5% on \$9,670,000 - only \$330,000 pd 1/1 1927-29

Louis ~~and~~ Bamberger & Company preferred was listed January 2, 1929 at \$108-3/4. On June 29 there was no listing of stock. The high and low between January 1 and June 29, 1929 were \$110-1/2 and \$104 respectively.

Moody's, Macy's, 1930, February 1



1929 - 1933

October

GENERAL

Finance

✓ INVESTMENTS

R. H. Macy & Company:

October 1	\$225
October 31	164-1/2
Lowest Price October 1-31	120-1/2
Highest	239-1/4
Lowest since January 1, 1929	120-1/2
August 13 Highest	255-1/2
November 13, 1929	110
January 2, 1929	185
June 1, 1929	158-1/2
June 29, 1929	216-7/8
Highest for the period June 29, 1929	217
The range from January 2, 1929 to the end of June was	148-217

Between January 1 and November 13, 1929 low	110 (November 13)
high	255-1/2 (September 3)
From January 1 to October 10, 1930 low	109 (June 25)
high	159-1/4 (February 3)
October 21, 1930	106-1/2
February 3, 1930	159-1/4
November 10, 1930	97-1/2
December 17, 1930	86
January 2, 1931	85
November 2, 1931	69
November 30, 1931	64
Range January 1, 1931 - November 30, 1931	53 (October 5) 106-1/2 (February 27)
January, 1932 High	60-1/2
Low	50
February High	57
Low	47

March (1932) High	57-7/8
Low	36-1/8
April High	37-1/2
Low	30
May High	32-1/2
Low	21-1/2
June High	25-3/4
Low	17
May 1, 1933	29-1/2
May 31, 1933	35
Low between January 1, 1933	13-1/2
High for that period	37-1/2

Moody's Stock Quotations, R. H. Macy & Company, October, 1929

1930-1933

XXXXXXXXXX MAASS, H. H.

Biographical

HARDIN, JOHN R.

LEIDESDORF

✓ INVESTMENTS

Finance

Correspondence between Hardin, Leidesdorf and Maass  
on certain investments: ~~also further.~~

JRH: Correspondence from May, 1930 to December, 1933

1930

GENERAL

Finance

✓ INVESTMENTS

L. Bamberger & Company.

Officers:

L. Bamberger, Chairman of the Board  
Percy S. Straus, President  
Liveright, Vice-President and Treasurer  
Edgar S. Bamberger, Vice-President and Secretary  
Hector Suyker, Assistant Secretary

Directors:

L. Bamberger, Liveright, E. S. Bamberger, Jessie Isador~~o~~ Straus,  
P. S. Straus, Herbert S. Straus, E. E. Wise, A. F. Seligsburg

General Auditors:

Touche Nevin & Company

Net Sales (Year ending Jan. 31, 1930 <del>8</del> )	\$37,168,176.
Consolidated surplus in the balance sheet	20,708,837.
Preferred Stock total	9,671,600.
Common Shares	2,500,000.

All 500 shares of common stock owned by R. H. Macy & Co., Inc.

Louis Bamberger is listed on R. H. Macy & Company, Inc.  
Board of Directors as of that time.

Moody's, 1930

9/10  
10/1

COMMITTEE

Finance

✓ INVESTMENTS

LEIDESDORF

Biographical

Leidesdorf to Hardin, September 10, 1931.

He has had a survey of the investments of the Institute made by the Trust Department Investment Committee of the Fifth Avenue Bank of New York, and transmits it to Hardin asking him to have his investment people check on the report and inform him whether or not they approve of the investments.

Hardin to Bamberger and the same letter to Leidesdorf and the same to Edgar Bamberger, October 1, 1931.

He encloses a memorandum of the Finance Department of the Mutual Benefit Life Insurance analysis of the bonds of the Institute. "Our people seem to think that, while desirable to reduce the holding of Chicago & Northwestern, the market is now such that it would be difficult to dispose

of a block of the bonds at this time. If we sell them it would seem advisable to peddle them out in very small lots."

The Finance Committee had evidently decided to sell Jamestown Telephone Company, but Hardin says that he thinks that that investment is sound.

"Personally I do not think that there is anything to give immediate worry in respect to any of these bonds, but I am quite ready to acquiesce in the judgment of the rest of you as to a sacrifice sale, for such it will be, of the two issues specifically marked for disposal at the Finance Committee meeting."

This is the same kind of correspondence that goes on throughout the rest of this file. Leidesdorf and Maass periodically ask ~~Sam~~ Hardin for a review by his investment division of the securities held. Successive finance reports indicate that changes were made.

JRH Correspondence from May, 1930 to December, 1933



1932

8/2

INVESTMENT

WEYL, HERMANN

FLEXNER, ABRAHAM

MAASS, HERBERT

Finance

Biographical

Flexner to Maass:

"Professor Veblen, Professor Einstein and his assistant, Professor Mayer, have accepted our offer. Weyl has not yet given a final answer but cabled me last week that a favorable reply was 'immer wahrscheinlicher'. His hesitation is due to the fact that his father died just before I reached Göttingen and that separation from his mother and resignation of the most distinguished mathematical chair in Germany with other family considerations make the decision difficult. I have not urged him, because I wish the ultimate decision to be his. This will make for his happiness and content and that of his family. We shall have his answer before the October meeting.

"I am glad to know of the business improvement and the rise in the price of Macy stock. I hope that Mr. Bamberger will not urge the immediate selling."

Source: IAS Trustees - Maass, Herbert H.

1932

10/10

COMMITTEES (FINANCE)

✓ INVESTMENTS

LEIDESDORF,

Academic Personnel

Finance

Biographical

A resolution passed by the Finance Committee empowering the Treasurer to sell all or any part of the stock of R. H. Macy & Co., Inc. at any time or times at such price as he may in his uncontrolled judgment and discretion deem proper.

D, Finance Committee Correspondence

3/28

✓ INVESTMENT

Finance

HARDIN, JOHN R.

Biographical

Letter to Leidesdorf, March 28, 1933, regarding  
regarding investments.

Filed in Chronological file under 1933, 3/28.

JRH 1930-1933

1933

7/10

STEWART, W.W.  
MAASS, HERBERT  
FLEXNER, ABRAHAM  
INVESTMENT

Biographical

Finance

Mr. Maass to Dr. Flexner:

"Last week I had the pleasure of lunching with Mr. Bamberger, Mr. Leidesdorf and our new Trustee, Mr. Stewart, and cannot begin to tell you of the very splendid impression he created and how helpful I am sure he is going to be in our affairs. The purpose of the luncheon was to review our investments, and we had the benefit of some very constructive criticism from Mr. Stewart, which is already leading to action, and will, I am certain, improve the calibre of our portfolio."

Source: IAS Trustees - Maass, Herbert H.

1934

1/29

✓ INVESTMENTS

Finance

REPORT

Minutes, pp. 10-11:

"RESOLVED, That authority be and hereby is given to the Finance Committee to withdraw from the Guaranty Company all mortgages guaranteed by the Fidelity Union Title and Mortgage Guaranty Company, and to surrender on behalf of the Institute all contracts of guaranty; and that authority be given also, after such withdrawal and release, to reduce the rate of interest on any mortgage, if deemed by the Finance Committee to be in the interest of the Institute."

"The Treasurer reported that the income of the first six months of our fiscal year, that is, from July 1 to December 31, 1933, was \$123,645, while the expenses during the same period amounted to \$53,104; that the income for the balance of the academic year, to June 30, 1934, would be approximately the same, but that expenditures would approximate \$70,000 because the salaries of many members of the faculty had not begun until the autumn of 1933. In other words, the Institute would probably spend approximately 60 % of the income for the next six months of the year. The Treasurer stated that the cash in bank and market value of securities as of December 31, 1933, was in excess of \$4,500,000. On motion, the report of the Treasurer was accepted."

Vol. I, No. 16, Minutes 1/29/34, pp. 10-11

1934

1/29

~~INVESTMENTS~~

Finance

TRUSTEES

Corporation

HARDIN, JOHN R.

Biographical

At the Trustees' meeting of January 29, 1934, Hardin as Chairman of the Finance Committee asked and was granted authority to withdraw Fidelity Union Title and Mortgage Guarantee Company all mortgages guaranteed by that company and purchased from them, and to surrender on behalf of the Institute contracts of guarantee. Furthermore, authority was given to the Finance Committee to reduce the rate of interest on any mortgage if it was deemed to be in the interests of the Institute.

D, Hardin, John R.

1935

12/18  
12/19

FINANCE COMMITTEE

Finance

✓ INVESTMENTS

CONNORS, MYLES F.

Biographical

HARDIN, JOHN R.

Myles F. Connors to Hardin, December 18, 1935.

After Mr. Hardin had left the Finance Committee meeting, Mr. Bamberger raised the question of possibly buying 200 shares of Schenley Distillers Corporation 5-1/2 per cent preferred stock. He said he had no objection to the Institute's holding the stock merely because of the nature of the business.

"Prior to the meeting I had made no inquiry into the issue because of a feeling that the Trustees might have some adverse reaction to this kind of an investment, and you know from Mr. Maass' brief comments before the meeting, that he also shared this feeling."

"The Committee is willing to purchase 200 shares at 100, if you approve." (He encloses the Prospectus).

Hardin to Connors, December 19, 1935.

He has read the Prospectus on the Schenley stock, "and while I hesitate to differ from the views expressed by the other gentlemen, as stated in your letter, I do not think the Institute should make this investment."

(It appears from a list of stocks placed in the custodianship of the National Newark and Essex Banking Company, January 24, 1936, that the Institute did not buy the stock).

JHE Correspondence from January, 1934 to December, 1936



1936

1/30

1/31

✓ INVESTMENTS

Finance

FOUNDERS

Corporation

BAMBERGER, LOUIS

Biographical

LEIDESDORF

HARDIN, JOHN R.

Bamberger to Leidesdorf, January 30, 1936.

"As requested in your letter of January 20, Mr. John R. Hardin and I have today placed the following Stocks in the Institute's Safe Deposit Box at the National Newark & Essex Banking Company, noting ~~2,000~~ 2,485 shares of common and preferred stock placed in the safe deposit box in the name "Institute for Advanced Study-Louis Bamberger and Mrs. Felix Fuld Foundation."

In his second letter the same heading eliminating the words as requested by Leidesdorf, Bamberger to Leidesdorf,

January 30, 1936, noting the placing of 7700 more shares of common and preferred stocks in the Institute's name in the box.

January 31, 1936, Louis Bamberger to Leidesdorf.

Says that he and John Hardin have today placed the following stocks in the Institute's Safe Deposit Box, and listing 3375 shares of common and preferred stocks which have been placed in the safe deposit box in the Institute's name.

JRH Correspondence from January, 1934. to December, 1936

1936

1/31

1/21

✓ INVESTMENTS

Finance

CONNORS, MYLES F.

Biographical

BAMBERGER, LOUIS

LEIDESDORF

Connors has written a letter January 30 (not in file) which evidently suggests substantial sale of high-grade bonds for the purchase of stocks.

"Mr. Bamberger and I discussed this morning Mr. Connors' suggestions for sale and acquisition. We both felt that Mr. Connors did not know of the accessions to the Institute's portfolio of the stocks lately transferred, a number of which are duplicated on Mr. Connors' present recommendations. The percentage of total stock investments ~~discussed~~ discussed by the Finance Committee is now exceeded by Mr. Bamberger's addition to our endowment.

"Under these circumstances Mr. Bamberger and I both felt that it was not desirable at this time to make sales of

high grade bonds as recommended by Mr. Connors. We are not pressed for income requirements, and the policy of constant conversion of good investments with high market value for the purpose of capital profit does not seem to me to be appropriate to our circumstances.

"I note that we have \$100,000 for investment at the present time. I have said to Mr. Bamberger, as indicated in telephone to your office, that I do not object to the bond investment in Mississippi River ~~KELM~~ Fuel and Cleveland-Cliffs Iron, recently recommended by Mr. Connors and included again in his latest report. In expressing myself I did not consider amounts, but Mr. Bamberger indicated that he thought that each should be limited to \$25,000. I am personally negative on this, but I think that Mr. Bamberger's views should govern."

JRH Correspondence from January, 1934 to December, 1936

1936

2/15

✓ INVESTMENTS

Finance

CONNORS, MYLES F.

Biographical

LEIDESDORF S. D.

Connors to Leidesdorf, February 15, 1936.

Overnight announcement has been made that L. Bamberger & Company 6-1/2 per cent Preferred stock is to be retired at 110 and accrued dividends as of April 15, 1936.. The Institute holds 3000 shares.

JRH Correspondence from January, 1934 to December, 1936

1936

4/23

~~RACE~~

INVESTMENT

Finance

Farrier to Mrs. Bailey:

"The L. Bamberger and Co. Preferred Stock held by the Institute, has been called for redemption and surrendered for collection."

Source: D Farrier, Walter H.

1937

10/8

✓ INVESTMENTS

Finance

HARDIN, JOHN R.

Biographical

RIEPLER, WINFIELD W.

Hardin to Maass, October 8, 1937.

He does not agree with investing in Parke Davis common stock. "I see no reason for changing at this time the present policy of the Institute in the matter of proportional holdings of common stock."

Maass has said that while earnings and dividend records are quite satisfactory, there are a large number of common shares outstanding. Riefler had approved it.

JRH Correspondence from January, 1937 to December, 1939

1938

5/9

✓ INVESTMENTS

Finance

HARDIN, JOHN R.

Biographical

Hardin to Leidesdorf, May 9, 1938.

The minutes of the Finance Committee meeting of June 29, 1937, with Hardin present, show the Committee approved an increase for Investment Advisory Services from \$3000 to \$3600 per annum.

"I do not find my own memory refreshed even by this minute."

JRH Correspondence from January, 1937 to December, 1939



1938

5/9  
5/11

BENEFITS

Academic Personnel

✓ INVESTMENTS

Finance

VEBLEN, O.

Biographical

MAASS, HERBERT H.

HARDIN, JOHN R.

Hardin to Maass, May 9, 1938.

Returns three insurance proposals handed him which emanated from the home office of the Home Life Insurance Company. "represent customary types of contracts, and the results indicated approximate the probably offering which might be expected from other companies. The Home Life enjoys, and I believe deservedly, a very high reputation."

Hardin to Maass, May 11, 1938.

I am afraid that I am not in a position to express an opinion as to whether it would be wise for the Institute to take out insurance to meet the Veblen situation. I did not pay particular attention to what you said to me at the Finance Committee meeting, and I did not look at the contracts very carefully. "So far as an insurance company is concerned, if the insurance be taken, you can, so far as I am concerned, give it to the agent you have already consulted. While this Company sometimes writes such policies, it is not a type of business we seek."

JRH Correspondence from January, 1937 to December, 1939

1938

8/25

HARDIN, JOHN R.

Biographical

✓ INVESTMENTS

Finance

Hardin to Leidesdorf, August 25, 1938.

Another recommendation for convertible debentures in a holding corporation. He says that he personally is not enthusiastic about holding corporations and alludes to the foggy atmosphere of an exclusively holding corporation. In the case in question he thinks the operation is integrated and may warrant a very small investment, \$25,000.

JRH Correspondence from January, 1937 to December, 1939

1941

2/24

INVESTMENTS

Finance

Mr. Leidesdorf reported investments \$60,000 off book value, which he regarded as an excellent showing.

Tr. Min. 2/24/41 - p. 6

10/14

✓ INVESTMENTS

Finance

Report of Treasurer of financial situation of ISS

Tr. Min. - 10/14/41 - p. 1

1944

5/22

✓ INVESTMENT

Finance

MAASS, HERBERT H.

Biographical

Maass to Aydelotte, May 22, 1944.

The Prudential Insurance Company of America insuring the life of the late Louis Bamberger, has the sum of \$20,041.40 to pay to the Institute in whose favor the insurance policy was written.

D File, Herbert H. Maass, 1939-1946

1945

5/18

✓ INVESTMENTS

Finance

AYDELOTTE, F.

Biographical

STEWART, W. W.

Aydelotte to Stewart. Rockefeller Foundation report 1944 shows income from investments about 5-1/2 % -- Could we learn from them how to invest? But Stewart ~~f~~ points out Rockefeller Foundation investments at market and cash value \$206 million yield about 4 % on that basis. Furthermore \$112 million in various Standard Oil stocks (\$1 million Standard Oil of New Jersey). Current income depends largely on Standard Oil dividends. Aydelotte shows to H. Weyl who evidently raised question.

D, Stewart, Walter W.

1955

12/19

SCHOOL OF ECONOMICS AND POLITICS

Academic Organisation

SALARIES

Academic Personnel

BENEFITS

✓ INVESTMENTS

Finance

REPORTS

MAASS, HERBERT H.

Biographical

LEIDESDORF

FLEXNER, A.

AYDELOTTE, F.

EINSTEIN, A.

Interview with Messrs. Maass and Leidesdorf, December 19, 1955.

Filed in Vertical File under Interviews.

Interview with Messrs. Maass and Leidesdorf. 12/19/55.