

AR 25131

1/16

Philipp Brothers Collection

1975 - 1979

Drafts and notes



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1

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Intelligence bank
Very much brain



10. Into the future

ONO ONHEN

Written Santiago, June 13, 1978

GRACE

Contact public relations officers of Grace.

- 1) William Russel Grace. Employee of ships chandlers in Callao. Bought out the owner. Owned vessel. Became mayor of New York.
- 2) Josef Peter Grace. Was pushed to the side by the Eigelhards of Florida.
- 3) J.Peter Grace . Put them into the industrial field, to today's second largest chemical company in the USA.

Flatow (?) had to expand the northbound freight movement. That is how Grace got into the ore business. Backbone was the ASARCO company. Grace's ore business was 80% Asarco.

Flatow and Frank were two mean characters. Frank very imaginative.

* * *

About Philipp Brother:

- The analytical mind of Frank.
- Jess and Frank never accepted defeat.
- The absolute single-mindedness of the PB people.
- Blum's major performance by going back to Europe in 1947, begin business and set up complete organization.

There are problems with today's people. They see how the oldsters became wealthy in relatively short time, and dream of the same, but bot possible even that with high pay because of taxes.

In the 1970-1978 period (or can one say 1967-1978 period, after the second merger?) what happened was:

oil added

sugar added

National Zinc and Roan bought

Dave Tendler president

Marc Rich leaves

Turnover/profit jump

Bad: lack of internal controls off and on:

Kestenbaum & Weiss & Green

Bloodletting - Rich departs

4 Greenbaum + Belvis 20

Written in Santiago, June 13, 1978

BOLIVIA (PHILIPP BROTHERS HISTORY)

MAX BASCH

About 1944, there was a lawsuit between Bolivian customs and Philipp Brothers in Bolivia. Dr. Balivian and Dr. Romero Aurezaga (?) should still have details.

Philipp Brothers were accused of having smuggled out gold in Sb ores. Phibro won the lawsuit in first instance. But customs appealed to second instance. Before it came to trial, Phibro closed down.

Years later, under Max Goldschmidt, Somce was set up.

When the office closed all supplies were free and MHC business increased.

Oscar Mayer was Max Goldschmidt's secretary in La Paz.

Arturo Hirsch can give information.

* * *

Ernst Philipp arrived in Bolivia in 1938 as a young mining engineer. The company had paid his education. He worked at a little mine near Uncia, near Caravi which was 100% or partly, owned by Philipp Brothers.

Ernst did not get along well with Arturo, who ran headoffice in Oruro.

In 1944-1945, went to Hochschild in Potosi to work in Taiton plant (recovery of fine tin residues). About 1949 left, went to New York and was offered a job by Ullman. Settled in Buenos Aires as a trader in non-ferrous residues, mainly spelter.

They are really merchant bankers; but we the
most such houses are really bankers,
Philipps Brothers are really merchants.



10. Into the future

DRAFT

HISTORY OF PHILIPP BROTHERS:

It was early in 1979 that they began to look into ~~involving themselves in the~~ trading of used aircraft. The thought that this could be a lucrative business may have crossed the mind of one or the other, already much earlier, ~~and it~~ ^{of the Philipp Brothers executives} ~~may even have been in a very casual way~~ commented already earlier in the moneymaking potential of trading used aircraft. ~~to involve themselves in this business came~~ ^{But the first serious attempt} ~~only in 1979~~

A highly visible success story in precisely the ~~field~~ ^{an Israeli citizen of Russian origin} was available. Eisenberg owned, among ~~the many parts of a sprawling manufacturing and trading~~ ^{a number of} ~~empire,~~ which operated out of Lodz airport outside of Tel Aviv where in close collaboration with ~~the Israeli Aircraft Industries~~ ^{and} El Al, they overhauled, reconditioned, refurbished used aircraft before re-sale.

Another ~~NASA~~ subsidiary of the Eisenberg group, Atasco, with headquarters in Paris and branch offices in ten countries - was actually the principal trading arm for aircraft, both civilian and military, of the Eisenberg Group.

~~had at one point, about 1978, reconditioned and in a way re-built, and old - vintage 19--- Boeing 707 as Eisenberg's private plane in which he jetted back and forth around the globe in pursuit of his multi-national ~~growing~~ ^{fastest} money deals.~~

Jesselson had met Eisenberg back in ---- and actually through ~~Foreast~~, when Eisenberg's activities were still limited to the ~~several areas of South Korea and Japan~~. They had come to, however grudgingly, respect each other and had continued to maintain periodic contact, directly - Jesselson and Eisenberg - as well as through ~~underlings in both organizations~~. The two groups had even occasionally collaborated - i.e. using one or the other as supplier or intermediary and ~~even~~ to occasionally joint venturing on a particularly difficult deal where ~~aparticular~~ ^{special} expertise or contacts of one group complemented a particular shortcoming of the other.

The making of airplanes, and the flying of them, has always been among the more glamorous activities of our century. And so has, obviously, the buying and selling of aircraft. There is, of course, practically no trading activity in new airplanes. The manufacturers are very few, the amounts involved very large - at least since the appearance of jet planes - and with the exception of very few years, the airplane business has usually been a sellers market. This has meant that the aircraft manufacturers could usually dictate terms of sale, the buyers standing in line to receive the planes literally off the assembly line, and the manufacturers were therefore in an ideal position to avoid the involvement of middlemen or better still, of traders in between. In other words, what new aircraft there were for sale in the last 20 years, were practically all sold by the manufacturers themselves.

But there developed - essentially since the end of the Second World War - a very active trade in used aircraft. Courageous entrepreneurs, often former pilots, got their start with surplus military transport planes sold in the late 1940's by the U.S. Many a national airline thus began with a few used DC-3s.

And thus the trading in used aircraft grew as world business in general expanded during the 1950's and 1960's, including eventually, and probably as from the early 1960's, also the trading in used jets.

It should not surprise us that the potential profitability of trading used airplanes caught the eyes of one of the executives of Philipp Brothers. In a way the business was really a natural one for PB. Each transaction involved potentially a substantial amount - several million dollars - with a potential for a reasonably sized profit on each transaction. Philipp Brothers' large net of offices in most major countries and the knowledge of local executives of what went on in the business affairs of those countries, coupled with Philipp Brothers' superb instantaneous telex communication system, constituted the pre-conditions for a fast and theoretically successful start.

The Philipp Brothers people had for years been on the lookout for financing opportunities, not really for their own funds - that would have meant competing with commercial banks - but really as a trading proposition, i.e. acting as intermediary between financial institutions and industrial and commercial enterprises that required credit. There are many medium sized and small banks all over the world who want to go international but have not the manpower to maintain representatives in the principal markets. Thus Philipp Brothers are often on the lookout to act as intermediaries, to place funds, without risk to themselves and at a minute commission, in their jargon they are usually talking about OPM "Other people's money".

And this is how, early in 1979, the financing requirements of two of the Brazilian domestic airlines caught the eye of one of the executives of ~~the~~ Philipp Brothers. Pursuit of financing possibilities led to the information that one of the lines was not just looking for money, but first and foremost for used airplanes, precisely Boeing 727's. At about the same time Jeelson happened to be visiting the Brazilian offices and when this interest of the Brazilian airline was casually mentioned to him, he suggested that Tendler, president of Philipp Brothers - approach Eisenberg in Israel.

Quite surprisingly, Eisenberg's reaction to the proposed joint venture was positive although he already had his own office in Brazil. The joint effort quickly established that there was indeed a potential for placing in Brazil used Boeing 707's and 727's. And within little more than a month, exploratory trips had led to further contacts in Argentina, Bolivia, Peru, Chile, and Guyana. But then what had begun as a quick and promising venture quieted down again. A number of potential deals aborted when the decision-making process of the Brazilian government bureaucracy proved too slow for what proved to be a fast-moving business. Holding used aircraft, each worth between US\$ 5 to 10 million, is after all an expensive proposition. And as interest rates climbed throughout 1979, a very expensive proposition became prohibitively expensive. Airplanes, just as ships, cost large amounts when not used, which from the owner's point of view just increases the basic price. Several "almost concluded sales" were thus lost and it slowly became clear to several of the key senior executives of Philipp Brothers that the batting average of used aircraft trading would not be impressive if they continued to try to put deals together on what could generally be called a back-to-back fashion - i.e. matching up a firm offer of an available plane for sale with a firm bid from a reliable purchaser. Rarely would such deals work out. The highly technical nature of

today's airplanes - and the many variations there are of each single type - make the buying and selling of aircraft a rather sophisticated business - immensely more sophisticated than selling known and internationally accepted wirebars or cement or iron ore or specific types of crude oil.

One can sell a shipload of crude oil of 175,000 tons or one million barrels at say, US\$ 40 per barrel equal to US\$ 40 million through a telephone conversation of less than five minutes duration, and if both partners know their stuff, the transaction can be concluded with a minimum of words and practically no chance of misunderstanding. But a Boeing 727-200 passenger airplane cannot possibly even be described, not even in a thirty minute telephone conversation. All one can communicate in such time are many (but not all) of the basic characteristics of one given plane which the other party however has to check out against the buyer's requirement. Each airline has its own peculiar requirements, needs for standardization and to ignore even small items of lengthy lists of equipment on such a plane can become a costly proposition.

It thus turns out to be easy for him who holds airplanes for sale to offer them, the problem comes with the involved procedures of the prospective buyer. Several engineers usually have to be involved to check the technical details out before management gets involved to review price and payment conditions. And as used aircraft are involved, visual inspection is often considered a must and thus more time consuming. And then, once the technical and commercial experts of a potential buyer have reviewed and approved - basically - the technical details of a given plane, and of the price and payment conditions, very involved and often time consuming applications and negotiations with government entities become necessary, especially when the buying party is state-owned or when the buying party is in a country where exchange controls require approval of major disbursements of foreign currency.

So Philipp Brothers found their entry into the trading of aircraft frustrating.

By early 1980, nine months after they had started, not one single transaction had been finalised, but those involved in the matter had found pursuit of the business stimulating. The original enthusiasm was still there as was the belief that this was a potentially large and lucrative business for the organization. Philipp Brothers had not really made any investments into this business - i.e., no experts had been hired. One of the seniors of the New York as well as several seniors and middle-echelons in New York and selected countries in South America and elsewhere, had invested some time in pursuit of this business. IN so doing they had learnt some specialised terminology of the aircraft business and they had learnt in some two dozen countries, what the existing fleets of passenger aircraft were, what expansion plans looked like, when specific airplanes would come on to the market and which ones - i.e. might be willing to listen to a longterm leasing contract or a combination passenger/cargo plane or similar.

But the basic lesson the Philipp Brothers people had learnt was that after nine months of trying they still had not concluded a deal, still/^{WE'RE} not known as successful second-hand plane dealers and felt frustrated because, contrary to their usual status in business, they were for once not dealing from a position of strength. It was then that Steve Rothschild - group vice president who was in direct charge of the "airplane trading" submitted a memo to the senior executives of Philipp Brothers, suggesting that the company should really go "long" in airplanes. The memo was the outcrop of what, for him, had been a particularly galling experience, when he had negotiated the sale of a Hercules _____ to the Bolivian airforce on the basis of a "subject to prior sale" offer from a domestic U.S. dealer. But the negotiations at the Bolivian end dragged on and on, and when they were finally concluded successfully, the supplier had just effected a "prior sale" and all the effort came to nothing. And, of course, there was no profit. Steve pointed out to the senior management that the company should have bought the Hercules to be able to negotiate with the Bolivians from a position of strength. Several of the top people agreed.

It was early in February 1980 that one of the domestic Brazilian lines suddenly showed serious interest in acquiring for prompt delivery, two Boeing 727-200 Advanced, a type of plane reputed then to be among the most fuel economic around. But there were no used ones of this type as yet available, and the waiting line at Boeing called for two years.

It was then that Philipp Brothers suddenly heard that Air West, one of the remnants of the old Howard Hughes empire, was to get delivery in the following month - March 1980 - of two 727-200 Advanced from the Boeing works, but that, because of changed traffic projections, Air West would dispose of these planes - i.e. unload them on an interested party.

In full possession of the facts, Steve Rothschild next sounded out informally several of the senior executives, specifically those who were at the same time Directors of the Corporation and even Members of the Board and could thus, provided in agreement, give to an affirmative decision the clout of majority of the Executive Committee, and hence of the Board of Directors of the Corporation. Steve's objective was simple - Philipp Brothers should acquire the two planes from Boeing and thus squarely and in a major way go right into the airplane trading business.

And thus it came about that L. Jesselson, H. Rothschild, H.H. Beretz, D. Tendler and Tom O'Malley met with SR for a very quick and very informal discussion on the advisability or non-advisability of acquiring the two planes from Boeing. Purchase price: some US\$ 16 million each.

It took no more than 20 minutes and a favorable consensus was established. It was all very informal, very much unlike the traditional image one has of an executive multi-million dollar committee meeting to decide to go ahead on a million dollar deal. No lengthy technicalities for a financial exposé was presented, Everybody present was essentially familiar with the bare minimum of facts, namely that the planes would be delivered by Boeing in the then

following month, what the price of each was, that the full price would have to be paid on delivery and that they, Philipp Brothers, if decided to go ahead would thus, thirty days hence, be the owners of two brand-new jet passenger planes on the runway of the Seattle Boeing works and the planes would ^{have to} be moved and sold. And with interest rates being at unheard of high levels, the running expenses of just holding on to the planes - and in the form of cost of money - was enormous.

No formal vote was taken. It was a typical Philipp Brothers meeting. None of those present was aggressively for the proposed acquisition, but at the same time only one voice was clearly opposed, and that was that of the outsider Tom O'Malley - then in charge of the company's worldwide oil activities and by the same token somewhat removed from other activities. Against O'Malley's lone dissent, and he really based himself on increasing reports in the newspapers that the airlines were losing money caused by the severe _____ squeeze brought about by ever increasing fuel costs - the relaxed optimism of the others had quickly led to a continual authorization to put down US\$ 500,000 for each plane as option money to buy therewith a 60 day period during which they could, with only a total of US\$ 1 million at risk, negotiate the sale of the planes to third parties. They figured that they were taking a perfectly viable gamble - putting up US\$ 1 million option money for 60 days for a profit of between US\$ 1 to 2 million in total in case the re-sale of the planes could be arranged. And if not, they could still, at the end of the 60 days, decide to forego - say lose the US\$ 1 million option money already paid, or pay up the balance of about US\$ 31 million to complete the acquisition of the two planes.

- Michael Floersheim once flew down the west coast of South America. The plane developed a defect during the scheduled stopover in Quito, Ecuador. The customary one-hour stay got longer. Michael, always a nervous fellow, was not about to stay quietly in the lounge, as most of us do. He inquired about the reasons for the delay and after many non-committal answers was told that there was something wrong with one engine. He then made such a fuss that he was eventually allowed to go on the runway to join the captain and a few mechanics who were discussing the problem - the automatic starter on one of the engines was not working. This augured a delay of three to four hours until a spare could be sent down from the Caribbean.

This was ~~anathex~~ unacceptable to Michael. He suggested - and he was not one wanting of suggestions - that the starter of one of the other engines be taken out after that engine was started and was used as a replacement for the faulty one to also start that engine. The first reaction from the technicians was that it could not be done, but of course it could be done, it was done and the engine was started, and the plane took off.

- Henry Rothschild once went on a vacation trip to a far away country. Henry loves hiking. But he hit a period of very bad weather and was confined to the city. Also Henry is a nervous individual, and not one to be caught idle in a hotel room. He spent the major part of those days when it rained in the office reviewing the business, questioning and suggesting new approaches.

The resulting exhaustive analysis with the senior executives of the office resulted in the realization that the two ferroalloy producers of that country were running at only around 25% of capacity. Henry suggested that the local management obtain exclusive conversion rights from those two producers for a period of two years. As such a commitment on the part of the producer was coupled with a 90 day option for Philipp Brothers to guarantee a minimum 75% utilization factor, the exclusive rights were obtained. Henry a few days later returned to New York and work began to convince the U.S. government to buy more ferroalloy manganese

for the stockpile which was being built by the U.S. at that time. The interests of the U.S. government were indeed to increase the stockpile but at the same time they wanted to get rid of ^asurplus of grain product.

The government therefore only were willing to close a deal swapping one for the other. After the legal formalities and requirements of the U.S. government were complied with - public tenders, etc. - and Philipp Brothers had won the award, a series of businesses resulted. Grain was sold to a far Eastern country under public tender - via one of the big grain dealers. The resulting funds made available by the U.S. government for the grain-aid program, were used to acquire the ferro-manganese for the strategic stockpile. The ferro manganese was produced in the country where Philipp Brothers had obtained exclusive rights to conversion ~~intm~~ capacity of the two existing plants. And ferro-manganese was made, from manganese ore imported from a third country.

This type of transaction is obviously extremely difficult to put together and requires careful thinking, calculation, supervision. Many a complex deal of this nature is dreamt up and prepared and never comes about. But when one does work out, it can be unusually lucrative.

C-10

The iron fisted control of a handful of senior partners over all the activities of the company obviously is not possible in an organization which has thousands on its payroll. Also times have changes. People today demand, and generally get, more independence and they take it. Many stories can be told about that.

For instance, early in 1978 a middle echelon executive in one of the South American offices and a middle-echelon commodity trader in New York decided, no doubt for very valid reasons, that both should attend a continent-wide ferro alloy convention in Mexico. In completely routine fashion the office in Santiago was requested to register both at the ILAFA headquarters. This was done. Somebody else in the organization somewhat higher up, picked this totally routine communication up by means of a copy and asked the question who had authorized the trips of these two. The first answer was embarrassed silence. Then the need and justification for the trips was more thoroughly investigated and it was decided that indeed both should go.

If one travels from South America to Mexico, one can of course fly directly, but the South American executive decided that inasmuch as the travel expenses were being incurred, he should also "visit a couple of clients" in Bogota, Colombia, which added an extra day to the trip and a weekend of relaxation in Colombia. Then it was decided that the same man should return from Mexico via New York for some consultations with the head office personnel. That trip was also conveniently arranged to also include a weekend in New York. Thus, what was originally intended to be a three and a half day convention at Acapulco was stretched to a two week junket.

TODAY AND TOMORROW: THE DAVE TENDER YEARS.

The Philipp Brothers of the late 1970's is very different from the five-man operation of the Brothers Philipp at the beginning of the century. It is also very different from the scrap-and-residue peddler of 70 Pine Street, in New York, in the late 1930's. It also is a far cry from the 40 or 50 odd people who at the time of the late 1940's, set out to, literally, conquer the world, who spanned the world with subsidiary offices and changed a small metals trading house into a worldwide marketing organization with turnover of billions of dollars each year.

Legally speaking, Philipp Brothers is today a dormant company. The old Philipp Brothers Inc. is by now a non-operative subsidiary of Engelhard Minerals and Chemicals Corp. There are another three or four subsidiaries which perpetuate the name, and are operating, such as Philipp Brothers Far East Corporation, Philipp Brothers Latin America Corporation, and a few others. They continue to be used as wholly owned subsidiaries for a number of legal and tax reasons. ~~Subsidiaries of the~~

There are also abroad a number of subsidiaries, each established and operating in accordance with the rules and laws of their host countries which perpetuate the name, such as Philipp Brothers AG, Zug, Philipp Brothers Corp. Tokyo, and a number of others.

But the bulk of the business, is today transactive in the name of the Philipp Brothers Division of Engelhard Minerals and Chemicals Corp. In other words, the legal entity is the Corporation, the addition of Philipp Brothers Division of - is no more than that.. It is just an addition to the Corporate name.

All the transactions of these subsidiaries all over the world, and are provided, owned at least 50%, are incorporated permanently into the financial results of the Division. The same stringent American Accounting ~~Principles~~, controlled

by public auditors and the security exchange commission, which rule the day to day operations of the New York Parent, also apply to all the subsidiaries the world over, as a continuous flow of financial data to the head office, and the monthly results of each unit - domestic and foreign - are monitored by a large staff at the Corporate headquarters, at 1221 Blvd. of the Americas, in New York City.

A total of _____ people sit in New York. _____ work for the Philipp Brothers Division, and _____ are considered Corporate staff. Of the _____ million dollars turnover of the Corporation in 1977, _____ % were attributed to the Philipp Brothers group. But they only accounted for _____ % of the profit.

Directing the day-to-day activities of the Philipp Brothers division and of its _____ subsidiaries in _____ countries, is Dave Tendler, born in _____ in the year _____. That made him just 40 years old in 1978. He was appointed to this position in _____ after having successfully run the Japanese office, in Tokyo, and having shared for years in the responsibility of supervising the group's activities in the Far East.

Dave joined the firm in _____, just out of college (BA of _____, class of _____) and started, as did many of today's top executives, as a mail boy in the mail room. He opened envelopes, stamped them, distributed them and, in the process, picked up a word or two of the commodities he was later on to be responsible for, and also getting to know the people. After _____ years, he went into Traffic, and learnt how to make invoices, check freight bills, interpret time sheets in accordance with charter parties. The next step was then to become an assistant to a trader in Ernst Frank's non-ferrous metal and concentrates department. Assistant to a trader meant really to do the traffic work. To see to it that the actual traffic Dept. billed shipments out and to watch that accounting got the payment. Here Dave spent

D

years on end making interminable comparative calculations for one of the most demanding bosses - Ernst Frank. In those years Dave was involved in copper and zinc concentrates, but eventually began to specialize in lead concentrates, purchase contracts and sales contracts, conversion contracts, payment for by-products, penalties for impurities, return of metals, those were the details he learnt. The warehousing and loading charges in Callao became as familiar to him as railroad freights from Portland to the former and now dismantled Selby smelter of the American Smelting Company. Railroad freights from Tacoma to the Midwest were as familiar to him as lighthouse dues in Chile, port charges in the Philippines and the discharge speed at Hamburg and Antwerp.

But one or two or three commodities

~~AND HASTIKS - THE TAPE MARKED "02" WHICH HAS ON SIDE TWO THE MAX LUNER
TAPE THREE IS UNFINISHED AS FAR AS I CAN SEE ON THE DAVE THENDLER STORY.
IS THIS CORRECT?~~

This is Tape 5 of the Lenner story, although this is already
the continuation of the "last chapter of the Philipp Brothers
book". Their _____ and _____ were not sufficient for
Dave. He did not want to continue tied to only one or just
several commodities. He wanted to learn more, see the world,
deal in other commodities.

The first step for his curious mind was to question again and
again why the company was not involved in fertilizers. There
was no real answer except that none of the seniors of the
company at the time - we are talking of early 1960s - have had
ever had anything major to do with these commodities and there
was still a lingering attitude of the old German saying, "Shoe-
maker, stay with your shoes". The seniors did not know
the commodity, so nobody pushed forward. Except Dave. He
saw a chance. He saw that fertilizers were not very much dif-
ferent from bulk concentrates, bulk ores. Fertilizers were
also a basic commodity, some of them, in the form of raw
products like phosphate rock. Others, already in a half
processed form, such as diamonium phosphate, triple super
phosphate, urea, ammonium sulphate. The material also moved
internationally, not always in the same direction, just like
concentrates, some countries made these fertilizers and others
did not. Some had excessive production, others a deficit; some
of these excesses or deficits were temporary. This appeared
to be an ideal appeal for Philipp Brothers to get involved.

It probably must be held to the credit of the seniors who
were running the company in the early 1960s that they did

oppose an idea to wish to get involved but give support and encouragement and so Dave began to gather more and more information and to eventually move by himself to fertilizers.

After few years, he wanted to go on and put in his application for a job abroad.

Philipp Brothers were then still run like a closely controlled shop, literally by a handful of seniors. "To put in an application" therefore did not mean to write out the formal sheet but consisted merely of dropping a remark to Jesselson and the man in charge so when an opening arose in Japan Dave was sent over. He spent there from 19... to 19... for a total of years. During the time he was there, he worked himself up from the number 4 to the number 3, and then to the number 2 and in a way eventually to the number 1 position. In a way means that there was a co-management situation in the Tokyo office between 19... and 19.... There is someone in the organization who will say that it was really Dave who ran the business, who was the number 1 and who was responsible for the turnover of the Tokyo office growing from dollars in 19... to US\$ in the year just before Dave left. Others will claim that the real ~~man~~ behind the Tokyo office and with ~~the~~ behind the Philipp Brothers involvement in the Far Eastern countries was Michael Floersheim . He had gone there in coming from a junior position in Amsterdam and, after an interlude of years, Johannesburg.

You will never get a clear answer on who was really nº 1, from Dave or from Michael. Over the years the two became personal friends. They worked, so to speak, hand and glove, during the years they were together in Japan. Dave did the traveling, Michael did the running. Dave had the ideas, Mike had the execution. But not always. Mike was just as much an idea man as was Dave. Mike was the more ambitious, Dave the more measured. Today Dave is President of the Philipp Brothers Division, Director of the Corporation and its... at 40 years of age. His income, as per the 1977 Annual Report, is filed with the Security Exchange Commission, came to ... which puts him into among the better paid Presidents of American Corporations.

Dave puts in an 8 hour day, 10 hour day and 12 hour day and logs between and per year travelling between different offices. He sees his job as that of a catalyst, to be primus inter paris. By inclination and by temperament he does not want to be and is not a captain towering over the rest of the offices and crew, he is more one of the boys. His office is unpretentious in the wall one or two pieces of Japanese art, mementos of years in that country. He does not spend much time in the office. He does not pour over documents day and night, he does not even read anymore the cables, the endless telexes, stacks of mail. All of these are distributed directly to the department heads, to the commodity traders. Dave only sees what others want him to see. Matters considered important enough to be brought to his attention are given to him. And yet, even though not organizationally, literally any more on top of every detail that goes in and goes out of the company each day - and it would be physically impossible were

he to try - he knows what goes on. When in New York, when not busy with offices, with meetings with outsiders or with corporate or division insiders or with visitors, Dave just walks around on the 5 floors which the corporation today occupies.

It isn't really on all 5 floors that he walks around, it's only on 2, where he spends most of his time, the 27th and the 28th, where the traders sit, where the business is transacted and where the money is made or lost. Here Dave walks around and drops in, and it is to ask questions, give a friendly word of encouragement and to discuss a problem. Invariably Dave will concentrate on the difficult areas where business is done and good business he will have a friendly word and will inquire why not more. Where there are problems he will show his interest, will try to help, will give ideas. Where no business is done, because of a temporary slump, he will discuss ideas how to branch out. Dave will not ignore the juniors nor the secretaries, nor the traffic. It isn't too long that Dave was one of them. Most of the people in the company were there when he rose through the ranks, they are not just his employees, his subordinates, ~~xxxxxx~~ they are his friends, his colleagues, people he grew up with. He exudes a relaxed person. He always has a smile, always a friendly word.

But let it be no mistake, everybody knows he is the boss. But it is a different kind of boss. It isn't anymore Mr. Uhlman, whose towering rages, loud shouting, made everybody tremble. It isn't anymore Jesselson's

...

This is today a much more democratic organization.



H. WASZKIS

Tendler

interview

Feb 25, 1956

in NY

DT
2/25/84
NY

1938 in NY

city college BBA 1959

U.S. Army short ~~short~~ stint
~~leads~~ Traffic Dept Nov 1960

Banana imports | off several jobs
steel back

also had interview with Phillips Trucks
+ was turned down
whilst still in college
need to Army instead
answered a NY Times job

Nearfamous traffic

18 months

leaders - ones - under ELF
until early 1968 when need to Jaynes

Started making 75 week

1963 making 120 a week

wanted a raise in midges
as caught abroad to be less
why 1) need it
2) very much underpaid

you left it to Frank house and my
Elf said are you starving?

told Elf replacement would be
more expensive

Elf told him to wait
had to wait
have at end of yr, \$50 min
lead assist to setup a week

Elf would pay you share if you were
afraid of him
He let you advance if you were

1963 first as assistant to ^{Richard} ~~Wright~~
started fertilizers first when the job finished
to DT was assigned to our as yet uneventful
business also solved some OUSL
Kestrelbauma

1961-1966 Syntex

1962-1968 Rose + Fleischman (1966-73)
Tels 1968 DT

1/
6 years

~~1968~~

11

Inc. Div. in first year earned 100 000
a year which was a lot of money
inc. meted

Wanted to go abroad
as a mid student in geography + travel

Moorstadt
opole Japones
says Ali

Michael 1966
DT 1968

DT to late to manage place, Fleischman
became manager, SW DT No 2
became manager in 1973 - 1975

Michael did ferrous part
DT nonferrous

only David Roy stayed long
lived in 73 / 83
75 - 83 Tokyo

"A deal worse is this to get out
of anything they did not
mean to do

These guys grew up will teachable
curiosities

Or not anyone possible or
teachable

We (PG) had many & grew up
in our teachable curiosities

By god profits were made

DI goes

Sabs measure due to inflation
+ diversification

1983

→ return on shareholders equity
this is what matters
15% + is tops
we did 20-40%

sugar

grains

petrochemicals - plastics

lost with R&D half a dozen under two
people

Mellville - d - ~~and~~ 1974-79 no
more losses to R&D

Spent was clear
they pulled together

was a score fight after R&D dependence

it was in the air how much money
be paid

we were part of an exec
would still have paid it if the money
would have been there

capital of the company was planned
& increased
corp. never suffered from its
overhead.

in 1984-5 still owned 125/30
million overhead

bright people will work many
hours at all again

will never work

we saw how it could and so
on as it was

we looked for something

for company
References every people

The bullet from our car
had to find other ways to stand or

but did not see how deep to
break would be
pulley is O'Kelly was
admission we had a problem
+ could solve it

~~Now~~ Tom never created relationships

Different philosophy ✓
deal of trading companies

long-term contracts
downstream development
relationships.

They are steelwags +
Ferroalloys
South Africa - ferroalloys.
Steel
Nonferrous
Pig iron

will therefore join
to one end
Ore and
pig iron



Powerplay ¹⁹⁹⁰ 238
They wanted to power
The ^{shift} profit did not make

I was good to be company
gave leadership
gave it a forward thrust
everybody else is irrelevant

Wach
areal relativisierung

V. J. Hays
Brattle

Feb 74

treating of senior people in NY
and compensation, should be
high to motivate people
Motivate people
first of all.

AMERICAN METAL MARKET 4-9-92

Phibro's Tendler to Get Lehman Award

NEW YORK—David Tendler, co-chairman and chief executive officer of Phibro Corp., here, will be presented with the first Edith and Herbert Lehman Award by the Henry Street Settlement at a dinner dance at the Waldorf Astoria on April 28.

Tendler grew up on Manhattan's Lower East Side, around the corner from the Henry Street Settlement, and benefited from the settlement's many service programs. Proceeds from the dinner dance will be used to support the settlement's more than 20 social service and arts programs.

The award is named for former New York Gov. Herbert Lehman and his wife in recognition of their long service to the Henry Street Settlement as members of the board of directors and supporters of its programs. The award will be presented to Tendler by the Lehmans' son, John.

Willard C. Butcher, chairman and chief executive officer of Chase Manhattan Bank, is the chairman of the dinner. Co-chairing the dinner's executive committee are William F. May, dean of New York University's Graduate School of Business Administration, who is former chairman and chief executive officer of American Can Co., Greenwich, and Felix G. Rohatyn, senior partner of Lazard Frères and Co. here.

Ed Bradley of "60 Minutes" will serve as toastmaster for the evening. Milton Berle will provide the entertainment along with the Peter Duchin Orchestra. An audio-visual presentation depicting Henry Street's past and current activities will be narrated by Eli Wallach.

David Tendler



David Tendler stands alone as an embodiment of the result of Henry Street Settlement's efforts to make a broad range of opportunities available to neighborhood residents. The Settlement wishes to honor him tonight as a tribute to his stature in the corporate world, and as a grateful acknowledgement of the model he presents to the young people now using the Henry Street programs.

Mr. Tendler is Co-chairman and Chief Executive Officer of Phibro Corporation. He began working at Philipp Brothers in 1960, after graduating from City College of New York in international trade and economics in 1959 and completing a tour of duty in the U.S. Army in 1960. From 1968 to 1975 he managed Far Eastern Operations for Philipp Brothers, during which time he and his family lived in Tokyo. In 1975 he succeeded Mr. Ludwig Jesselson as President of the company, and during the same year he became a Director of Engelhard Minerals & Chemicals Corporation. In 1979 he was named Vice Chairman of Engelhard, and on May 21, 1981 he became Chairman and Chief Executive Officer of the company, then re-named Phibro Corporation. Mr. Tendler currently serves as a member of the Board of Overseers at the New York University Graduate School of Business Administration, as well as a member of the Board of Lenox Hill Hospital. In October 1976 he was presented with the Torch of Liberty Award by the Metals & Metal Products Division of the Anti-Defamation League.

10. Tendler 52

- in the early years, to 1945,
it mattered to be a
salesman. (40)
- 1945 to 1976 it
mattered to be a technician
- the changes since 1976
have stressed "business"

W



H. WASZKIS

Tender

The positions
we held in
PB + Cwps.
from the Annual
Reports

Tender

Began July 1, 1975

Comp.

AP 1975

D

3VP

1976 P

D - EVP

1977 P

D - EVP

1978 P

D EVP

1979 P

D VC

1980 P

D VC

1981 D

D CC CEO

1982 D

D CC CEO

1983 D

D CC CCCEO

1984

10. DAVID TENDLER

In the Philipp Brothers of 1980, one of the "special pleasures" of the managers of foreign offices are the lightning-fast visits of some of the New York executives.

Until quite recently such visits were planned, and planned ahead, and used to last a minimum of three days but often a week or somewhat longer. However, as the pace of business has increased, the visits are oftentimes not any more planned ahead but decided on the spur of the moment and oftentimes only last a day or two.

During such short stays a major part of the visit is then spent reconfirming the return voyage, respectively changing of flights.

March 21, 1979.
(Own observation)

Feb Tendler

July 1, 1975

Dave takes over
as President
(I give up presidency
IJ is still
Chairman until 1989)

RJD left at the
end of 1973

RJ and Roger
Olcyan has date

10. David Tendler

THE DAVID TENDLER STORY

About Telexes:

By early 1978 the telex volume in the New York office averaged 1500 messages per day. This does not sound like much, until one makes a little calculation. How much time does a man need to read a telex? Some messages are one or two liners, others 20 or 30" reports.

Dave never puts in less than .10 hours in the office. 10 hours is 600 minutes or 36,000 seconds. Were Dave to pretend to read with a reasonable degree of attention every single telex message which comes to New York, he would have to spend about 10 seconds per message. At that rate, about half the time he spends every day in the office would be needed to just peruse these messages to know what is going on.

It is obvious that this is physically impossible. In other words, Dave cannot possibly see every message that reaches Philipp Brothers each day. He must and does depend on a well-functioning system of delegation (down the line) and filtering and selection of matters (up the line).

HW/mwb.

July 10, 1978.

file Tandler



H. WASZKIS

IF says DT and his crowd
did ate as free as 1975 was,
especially by Brandenburg and
plus a number of new
areas and making many
kind over job. That example
in 1980 would already
110 billion in says, but
then could not result
free, expanded full
and how all plus
15 billion more.

10 - David Tendler ✓

Unless one works inside a company like this, one cannot understand the unbelievable pressure and tension under which most of the top people work, minute by minute, day in and day out. Each one looks at it in his own way.

About Arno Schallamach:

As an illustration of the crazyness of the pace and the pressure the trip ASC took at the beginning of March, 1979:

He had two business appointments of importance: one in New Delhi and one in Djakarta.

He left New York on Sunday morning by the Concorde (usually executives of Philipp Brothers do not use this plane for reasons of expense, but in this instance it was used, because only then was it possible to catch the connecting flight from London to Bombay and Singapore). ASC arrived in Singapore at 8:00 am NY time (but evening there). After sleeping he was in meetings all day Tuesday with the Singapore rep. - he also obtained a visa for Indonesia. Also saw the wharves.

Then flew Tuesday night to Hong Kong where the Hong Kong office manager joined him and flew to Djakarta, where they arrived 9:30 pm Tuesday night. After two meetings still that same night, there were full rounds of meetings Wednes-

day and Thursday. Thursday night ASC flew from Djakarta to New Delhi, had meetings all day Friday. Collapsed Friday night. As he is an orthodox Jew, he did no work on Saturday, but had dinner with Indian businessmen after Sabbath on Saturday night, then took the plane on Sunday to New York, where, after adjustment made for the time difference, he had an early Sunday dinner with his family, slept and was at the office early Monday morning.

Does he love it? Yes, he does.

Does he know that it is bad, and he may well have to pay a terrible price in terms of health etc.? Yes, but says it is like an aphrodisiac - he finds this sort of life exhilarating.

L.A.M.M.

A Latin American Managers' Meeting was held in Buenos Aires in mid-March 1979, where some 35 representatives of Latin American offices gathered, together with senior people from

SOURCE: ASC
March 21, 1979

New York and Europe, to review the business and have a frank exchange of ideas.

A Convention? Yes, if one wants to use the term.

A Conventional Convention? No way.

Most of the people arrived on Friday night, in many cases after having taken care of a normal day's work in their respective offices earlier in the day. A casual dinner in small groups Friday night, was followed by more informal meetings all day Saturday, a formal dinner Saturday night and an official meeting Sunday morning - then many of those present again flew back to their respective countries to attend to business "as usual" beginning Monday morning.

Any of the "usual" entertainment usually associated with a convention? There was really no time for it.

SOURCE: HW's thoughts
March 21, 1979

Year
Elias Philipp was born in 1824, three years after Napoleon died and one year after the Monroe Doctrine was declared in the United States against foreign intervention in American affairs. John Quincy Adams was the compromise president preceding Andrew Jackson's more popular reign.

Cur
Elias Philipp was a banker by profession and by hobby he was a singer. His first wife died leaving him eight children and he married secondly Mary Heine who had been his housekeeper and was twenty eight years his junior. It was her drive that started the firm of Philipp Brothers. She left school when she was fourteen years of age and became a servant to a woman who was a martinet and a dragon, she being forced into the position by the death of her father when she was fourteen years of age.

She had five children of whom four survived the oldest being Julius Philipp and the youngest Oscar Philipp. When her husband died Oscar was about nine years old. She was left with two houses; numbers 4 and 6 Steintorweg in Hamburg. She had to let rooms in order to support her family including some of the children of the first wife, whose maiden name was Lewison and who was related to the great American family of Lewison whose benefactions have spread across the United States of America and England.

curt Julius Philipp was born in 1878 and Oscar in 1887. (Julius started the metal business in his sister Martha's bedroom.) He had left school at the age of 15 and was apprenticed for eight years to the firm of Samuel Baer Sohne who dealt in new and old scrap metals on a wholesale basis. This in 1895 he sold to his brother Julius. The firm started on 1st April, 1901 with Julius as the head of it and Martha as his secretary. *He sold his first Anthoni bell* *in 1901* *and* *had* *to* *make* *more* *to* *pay* *off* Oscar Philipp who was born in 1888 also had to leave school when he was fourteen. He was apprenticed to a paint merchant, but carrying heavy cans of paint so distorted his spine during the years he was still growing that he had to give this up after three years, and he went into his brother Julius's firm having suffered a permanent curvature of the spine, which was present all his life, but which was well hidden by immaculately cut suits from the best tailors he could find.

cab Oscar Isaac Philipp with a broad outlook and an adventurous spirit had the urge to spread his wings, (with all this he managed to combine caution.) In 1909 after he had been with his brother for about 9 years he left for London and within a few days of his arrival in England took out naturalisation papers. This foresightedness was to prove of tremendous value, because he was able to be naturalised 5 years later, a few weeks before the outbreak of World War I. Had he not been naturalised he would probably have been interned for most of the War.

In June, 1914 Directly after becoming a British citizen he married Clarice Weil of Paris who had 6 brothers, three of whom were later to join the firm: Julius P.

CN Julius Philipp moved out of his sister's bedroom to a proper office within a year or so and Oscar Philipp started his firm under the name of Philipp Brothers at 118 Leadenhall Street in the City of London. The office staff consisted of three people and capital of £125 of which he immediately spent £25 on an impressive office desk. He was able to start business straight away successfully partly because of the good name Julius already had and partly because of the excellent connections his guardian Emil May had in London.

c/w The Leadenhall Street office opened on 11th June, 1909.) By the end of 1910 Oscar Philipp could show that the firm of Philipp Brothers London, had not only paid the rent of the office, but all Oscar Philipp's living expenses minus £3. Twelve months later there was a surplus of profit over all expenses of a little over £700; one year later the profit was over £2,000 and this steady progress continued, so that in 1927 the day ~~is~~ Oscar Philipp left the business he and his three co-directors were able to take out of the firm for one year a profit of £100,000. But by this time the firm was called Derby and Company Ltd.

We must now digress to see how the changes in the nomenclature of the firm occurred. In 1910 Mr Rudolph ^{Lion} ~~Jasch~~ became office boy in the firm and in 1913 the two were joined by the late Mr Siegfried Benheim who became a partner. In 1934 he was in London at the outbreak of war on ~~5th~~ ^{1st} ~~August~~ and died a few weeks later ^{15th} ~~Aug~~.

on 5th August. Oscar Philipp had been a British citizen for exactly 6 days. ^{but Mr. Cullen was still in} He travelled to Liverpool and happened to overhear at lunch in a Liverpool restaurant a conversation between an Englishman a friend of his. During this conversation he heard to his surprise ^{and learned} that an enemy alien could leave London. So he rushed back to tell Mr. Bensheim to pack his bags and go to the U.S.A.

Fortunately Oscar Philipp had been on a trip to the United States in 1913 and while in New York he had made notes and reports on hotel notepaper which he was able to show the British Home Office as a bona fide of his business connections in the United States. Siegfried Bensheim left London on 3rd September, 1914 on the S.S. Lusitania (later to be sunk) and arrived safely in New York one week later. There he started an office p ~~in~~ at (probably)

42 Portway.

In London from the moment that Mr. Rudolph Lyon became a partner which possibly was in 1916 the firm was called Philipp and Lyon. This change of name was necessary because a law existed in England that you had to head your writing paper with the exact nationalities of all previous nationalities of all the previous partners of the firm. If however the firm by its name gave away the identity of the partners it was unnecessary to mention the nationalities and that is why the firm became called Philipp and Lyon.

In New York, Bengheim called the firm Philipp Brothers (new York) and he started off within weeks of arriving in that city. *about starting his business like his Uncle Constance of Aug
Oscar had to leave business for military service - he became an
ambulance driver and his own private motor car was used as an ambulance.*

In 1917 he acquired as the result of an advertisement the firm of Derby and Co. Ltd., The owners were two "very kind gentlemen" who wanted to sell their business because they particularly wanted to become antique dealers, Derby and Company dealt primarily with scrap metal, especially silver.

In 1918 Oscar Philipp was forced to retire entirely from business because no license was granted to anybody of previously German birth. *and he went to a university tutorial college in London, to study chemistry and French. He was in fact already in a position to be able to retire permanently from business; but it was against his temperament to do so, but he returned to Derby and Co. and one of the first things he did was to make the firm members of the London Metal Exchange. In 1931 he also became a personal member, being one of the first naturalised British subjects to be allowed to do so.* *He ended up getting £100,000 in war*

In 1917 Rene Weil was wounded severely in the war and came to London to convalesce. Oscar Philipp immediately started to teach him the business and in 1919 Société Rene Weil was founded in Paris jointly by Oscar Philipp and Rene Weil. Soon after similar trading houses were established in Milan and Berlin.

inx#28x18

In 1929 the connexion between Derby and Company and Philipp and Lyon came to an end and from that time onwards the two companies and Rene Weil in Paris all operated as separate entities. It was in 1955 however, when Oscar Philipp retired from Derby and Company London that Philipp Brothers New York, started to acquire the firm. By this time, however, the head of Philipp Brothers New York was Siegfried Ullman who had been trained originally in the metal business by Julius Philipp in Hamburg.

I have of course considerably more information such as the role Edmond Weil played in opening up the business interests in Bolivia together with Gruenebaum and the present position of Philipp and Lyon, Rene Weil, Paris and the role played by Lucien Weil in developing a parallel business in France (Companie Des Cendres et Metaux Précieux). I have considerable information too of course about the personalities of my father's partners and in particular Mr Fred Rau, Mr Henry Levy (who is still alive in Geneva), Mr Adolph Lyon who is still alive in London, Mr Felix Lyon who died last year, Mr J.C. Gilbert with whom I am still very friendly and who trades in London under his own name and many others.

Question 9

This is indeed a very interesting story.

On the 5th August the first world war broke out and at that time Mr.Bendheim was not, as yet, a British subject, ~~is~~ naturalised / because he was in England for ~~only~~ a little over 3 years, ~~and~~ round about 3 years and three quarters. You can only ^{come} be naturalised, once you have lived in England for five years. Fortunately, as regards myself, I was naturalised on the 30th July 1914.

Business had ~~come practically~~ to a standstill ^{immediately after the out-break of war} suggested and I possessed protested to Mr.Bendheim that I

should spend a few days in Liverpool in order

to see if we could ~~not~~ do some business in selling Copper Scammy

Residue

^{to} with the copper smelters in Liverpool and particularly ~~in~~ ^{at} (now) which are the centre of the ~~that~~ neighbourhood, He did not like the idea of copper industry

that I should leave him because he felt that as

an enemy alien he might not be quite safe in

London. He was really in a very nervous state
but eventually I could convince him that nothing
would happen to him and that it could only be to
our good if I were to go up to Liverpool. In
fact, this journey made a very ^{had} ~~good~~ *satisfactory monetary result*.

and if it was really for the purpose of business
that he wished to go there. The answer to this
question of course, was answered in the affirmative.

Very fortunately, in 1913 in August/September
I happened to be in New York and Philadelphia for
the very first time in my life and I made some
very useful connections in the metal trade.

The Home Office wanted to have documentary
evidence that not only that I was in New York
and Philadelphia, but also that we had actually
done business with firms of importance in America.

Very fortunately I had made out all my reports
when I was in New York in 1913 on paper of the
various hotels at which I stayed and these papers
were shown to the Home Office and on the strength
of them, and also certain contracts were shown
them, they gave Mr. Bendheim the permission to
leave Great Britain for New York on one of the

ships of the Cunard line.

On these circumstances with this permit he booked his passage to New York for 3rd September 1914 on the ss."Lusitania" and arrived sound and safely in New York about a week later. There he had no difficulty in finding an office, which of course, at first was really primitive. He just had what is called "a desk office" a little desk ⁱⁿ and one room together with a telephone, and there he started.

Questions
10 and 11
are answered
together and
start some⁹
where on this
page.

Mr. Bendheim, of course, started in New York under the style of Philipp Brothers. He was, right from the very beginning, quite successful and ~~the~~ business was done between England and the United States because there was a particularly great demand for zinc, ^{as} and zinc had to be imported into Europe from the United States because the zinc supplies in Europe were partly cut off

on account
because of the occupation by the Germans of Belgium.

He bought quite a good deal of zinc both for ship-

ment to the United States and for shipment to

France. There was no difficulty whatsoever to

do business between the United States and England

because all the money that was needed ^{for purchases} was put

at our disposal ~~as~~ dollars. ~~He also exported some goods to USA~~

Philipp Brothers, London, never had to be

wound up. Mr. Rudolph P. Lion was taken into

partnership during the war, I cannot remember

the exact date, it must have been some time in

1916 and from that date onwards the firm was

called Philipp & Lion. This was necessary

because a law existed then in England that

you had to put on your writing paper exactly

the nationalities and previous nationalities

of all the partners. But, if the name of the

firm gave away the names of the partners, then it was unnecessary to have the name of each partner mentioned as I have just said. Therefore we called the firm Philipp & Lion. *further explanation on another sheet, reply to question 26*
 Philipp Bros.(New York) of course started very early in either end of September or ^{beginning} October 1914. The first office, if I remember correctly, was known as 42 Post Way, at 44 Broadway New York.

Question 12.

As regards question No.12, Derby & Co.Ltd.

was bought during the year 1917, I think, or
~~for the purchase of this firm lock stock and barrel~~
 negotiations were concluded in August 1917.

The idea was ~~that~~ business ^{having} became somewhat difficult as regards imports and exports into the United Kingdom and from the United Kingdom and we, as young people, wanted to ~~help~~ develop our business. Therefore, an advertisement was put in a trade paper telling that a firm of *in the city of London* metal merchants would be interested in the

purchase of a gold, silver and platinum refinery.

Personally, I always had the belief that business in these type of metals is a sound affair and that if we can find the right firm, we would probably be able to develop ^{it} quite considerably. This was the reason why we put the advertisement in and the only answer we received to our advertisement

^{the} was from a chartered accountant of Derby & Co.Ltd. who had their shop, office and smelting room in a house belonging to ^{the} ~~Mr. Charles~~ ^{John} ~~and~~ ^{John} ~~etc,~~ The owners, at that time, were two very kind gentle-

men who wanted to sell their business for the simple reason that they had a particularly good knowledge of objets d'art and wanted to develop this particular line of business by taking a very smart shop somewhere in the West End of London.

All the tales which they told us about the reasons why they wanted to sell were completely true and we found that whatever they had told us really was the fact. We remained always on very good

terms with the sellers of Derby & Co. and in fact, whenever they had in their new business some old scrap of gold, silver, or platinum, they immediately sent it to Derby & Co. so that they should buy it from them.

Questions
10 & 11

I wish to refer again to the answers which I have given under No.10 and 11. I once said that shipments of zinc were made to the United States. That, of course, is a mistake and should be to the United Kingdom.

A further addition, if of Importance, may be the names of the two partners from whom we bought Derby & Co.Ltd. They were: Messrs.Bishop and Downes.

Questions 13
and 14.

I retired from Derby & Co. only after the publication of a new law which appeared in 1918 to the effect that anybody dealing or producing or smelting and refining minerals and ores and particularly old and new metals, must have a special licence, to deal in these products, but that anybody of German, Austrian, Turkish or Bulgarian origin whether naturalized in England or not, would not receive such a licence.

I was therefore forced to leave Derby & Co. and started to study at the University Tutorial College in English, French and particularly chemistry.

This particular law was to be valid for the whole duration of the war and for five years after the war.

However, before the five years after the war were up, I ~~xxxxxxxx~~ returned to the ~~mineral~~-metal business again.

Question 15

In answer to question No.15 Derby & Co. became members of the Metal Exchange in 1925 and in 1931 I became a member also. Up til then naturalized British subjects were not allowed to become members but only British born subjects, but in 1931 this ruling on the Metal Exchange was changed and any British subject, naturalized or not, was entitled to become a member.

At first, Derby & Co. were ordinary members without a seat in the ring. That means they were not able to deal in the ring direct with any other firm, but had to do all their business through the services of a member of the ring. A ring member had to deposit a fairly large sum of money as a security for ~~maxim~~ ^{fixing} all its transactions. Derby & Co., when they wanted to become members of the inner ring, were granted all the facilities by depositing the sum of £6,000 at the time.

Question 16.

Archie Brooks was taken into partnership because Derby & Co needed such a partner & he was a Christian subject and was being a member of the London Metal Exchange, settlements ^{of Haworth & Co} easily take place on London town and one has to pay ~~any man due~~ or receive any money due on a whatever day in the week ^{which might fall on a Yom tov} the sum becomes due.

We never opened the office of Derby & Co.

on a Sabbath, for the simple reason that the

Metal Exchange is closed on Sabbath, but it ^{and a settlement of Haworth & Co} never takes place on a Saturday ^{which might fall on a Yom tov} was open for the purpose of complying with the

Rules and Regulations of the Metal Exchange on
days.

Question 17.

I have still to add to Question 17 that, before we opened our office for the Metal

Exchange business on the Jewish town

this matter was discussed with Dr. Malmgastein

and he gave us to understand that,

as long as a Christian ~~subject~~ is ^a partner of the
firm, and no Jewish employee or ~~any~~ Jewish partner
would ever come to the office on ~~account~~ to
we were perfectly in order, according to Jewish
law, of having the office open on ~~seven~~ ^{two} days

Question 18

As regards question No.18 it is has always
been my policy to employ young people of intelliq-
gence, good will, energy and ~~impartiality~~ ^{zeal} and
I am glad to say that I have never been dis-
appointed in any of them who had these qualities.

Question 20

As regards No.20, there were not so very
many people that left the firm of Philipp & Lion
and Derby & Co; and Mr.Gilbert left because he
could not get on with Mr. Henry Levy. Rudolph
Lion and his brothers left at the request of
myself and Rene Weil because we thought that

the brothers of Mr. Lion and of Mr. Leonard Gollancz
were not sufficiently efficient for us to carry
on with them. Leonard Cohen and the ~~three brothers~~ Ayton
~~left no~~ joined after we had separated from Mr. Rudolph Lion
and Mr. Leonard Gollancz because they wanted to
start ^{business} on their own and thought that was the
right opportunity for them.

Palister left our business because he ~~first~~ found
~~a friend~~
a partner who was employed in a very large
paint and colour manufacturing business and who
wanted to start on his own in this particular
line of business and therefore Palister joined
~~as he was a good friend of me:~~
him and gave us at first some ~~some~~ competition, ~~as we~~ canceled
~~the lease too~~
but later on was practically entirely taken up—attended to by
the paint business. I do not know what has
happened to him since.

Question 21

Philipp Bros 15.

Rene Weil, before the first world war was in the business of a carpet manufacturer. He was, during the war^{1914/15}, in the French Army and was twice wounded. The first time he was wounded it was not very serious, but the second time, was certainly very serious indeed. He was for a very long time convalescent and had to be treated at the hospital ^{almost daily} and although he was in uniform, he never joined the army again after he had been wounded. ^{The Second time} He had quite a lot of time on hand, and I therefore suggested to him, by letter because it was difficult to get over to France, that he should start ~~on~~ doing some business for us as our agent in Paris. He immediately agreed to do so and he was straight away somewhat successful. ^{so} When the first world war came to an end, he came for about 3 months to London, in order to be instructed in the matter of business

and also in all its branches and after these three months of thorough training, he opened his own office in New York under the style of Rene Weil. His office was in the Rue Richelieu and both Mr. Lion and Mr. Gollancz and myself went over to Paris very frequently in order to help him. He was, right from the beginning, very successful indeed. His business grew fairly quickly.

Question 22 As regards question No. 22, the firm of Rene Weil, as I mentioned before, started properly about 3 months after the end of the first world war, that is to say in January 1919. At that time an arrangement was made between Derby & Co. Ltd. Philipp & Lion and Rene Weil to pool the ~~profits~~ of all 3 firms, Rene Weil, Rudolph Lion, Richard Gollancz and myself.

Rudolph Lion, Leonard Gollancz and I
were the principal partners ^{of} this arrangement
but we also gave a small share of the profits ~~want~~
to ~~the~~ a number ^{of} ~~of~~ the employees.

This arrangement worked perfectly well until
a time arrived when, as I mentioned I think before,
the brothers of Mr.Rudolph Lion namely Mr.Bernard
Lion and Mr.Felix Lion and the brothers of Mr.
Leonard Gollancz namely Reggie Gollancz and Ernie
Gollancz were not pulling their weight and Rene
^I Weil and myself felt all the time that we should
part from them, if at all possible, naturally in
good friendship. This was arranged towards the end of 1928
from the 1st January
the year 1929 when Rene Weil and Derby & Co. continued to work
together
remained on the one hand and Philipp & Lion went
their own way.

Question 24

As regards question 24, it is somewhat difficult for me to answer that because Rene Weil was at all times on very good terms with Philipp Bros. in New York. After the outbreak of the second world war, Rene Weil and his whole family went to New York and as far as I know, very satisfactory arrangements were made between him and *Edmund* Weil and Philipp Bros.

The arrangement between Philipp Bros. and Derby & Co; were on the basis of joint account on all transactions ~~with~~ which Derby & Co. ~~made~~ ^{did} with any firm in the United States and ~~with~~ which Philipp Bros. in New York ~~made~~ ^{did} with any firm in the United Kingdom. This particular arrangement eventually ended in a merger between Derby & Co; Ltd. and Philipp Bros. New York, which came into ~~force~~ power some time in 1952 or 1953.

I cannot say why there is a split between Rene Weil and Philipp Bros. and I think it is only superficial because they are still doing quite some business together ^{and} a few articles, ~~but~~ Philipp Bros. offered ^{Edmond} Weil ^{for him} to take over their agency in France but he preferred to be entirely independent so that he could do what he liked, but he wanted to remain on good terms with Philipp Bros. and as long as he was alive I am quite sure he was on good terms with them.

The younger generation today namely Bernard ~~Weil~~ and Andre Weil are probably not on the very best of terms with Philipp Bros. but they are still doing business together. They are certainly on speaking terms.

Question 29

It is perfectly true that Sigfreid Ullmann was in London for about a year. He was in the office of Philipp Bros. and was very active indeed and brought quite a number of customers and new business.

I cannot exactly remember the year in which he came and when he left, but it must have been about 1912 to 1913. He left London to ~~go back~~ into his father's business in Schwanenfuerth first as I mentioned before. It was not until about 1923 that Sigfreid Bendheim made him a proposition to join him in New York. Sigfreid Bendheim considered this proposal with me at the time when I was in New York in 1923 and I ~~told~~ pressed upon him that if he could possibly get Sigfreid Ullmann to come, it would be a very good achievement. Well, in the end, he was successful. It must have been in the year 1923 or perhaps ~~in~~ in 1924.

that Ullmann actually came to New York.

~~that six Wittmanns came to New York.~~

Question 30.

Mr. Leo Forcheimer must have joined Philipp Bros. very soon after the Hitler ^{advent} event in Germany. He used to be with the Electro Metallurgic^s, ^{S. A. G. / K.} Company in ~~Nürnberg~~ ^{Nürnberg}. I cannot quite remember whether the firm was already in those days called Electro Metallurgie. This was the firm which was originally founded under a different name by Leo Forcheimer's brother, Dr. Forcheimer, who was a technically trained man and a very able, capable gentleman, and by Mr. Loewy. The factory was in Fürth near Nürnberg and was quite successful ^a concern manufacturing various ferro alloys really from the beginning. They increased and expanded their business and established opened a very large factory somewhere in the south of Sweden. You can therefore understand that Mr. Leo Forcheimer knew the business of ferro alloys

which his firm manufactured very thoroughly indeed, and it is the knowledge of this trade both for buying the raw material and for selling the finished products, that gave them ~~him~~ such a good chance to help Philipp Bros. develop this particular line of business *on a large scale*

With the answer to No. 30 I have also answered
No. 31.

Question 32 I think the answer is a very simple one indeed. Hard work, intelligent working, and trying to expand the business in all directions of the world, paro ticularly in those industrial countries where metals are being used and also in countries where minerals are being mined. Many journeys had to be undertaken in order to expand the business.

The answer to Question 33 is really the same
as the answer to No.32.

Question 34. Mr. Esteban Felsenstein who is now in Buenos

Ayres came to Derby & Co. after he had ~~infixxx~~
spent a few years of training at Aaron Hirsch ~~W&H~~
H- of Halberstadt, Germany

I cannot quite remember the exact year in
which he came but probably it was in the 1934
1935. This has to be checked. He went straight
away from Derby & Co. to South America where
he stayed for quite a long time in Bolivia.

He was fortunate enough that he could stand
the climate in Bolivia and I think he was of
great assistance to Mr. ~~Gruenberg~~
who was then in South America.

I have failed to add something to question

No. 34.

Mr. Estenam ^{elstenspmann} is still working
atting as ^{attling as} ~~this~~ ^{you} ~~they~~ ^{they} ~~have~~ ^{have} very large
together with Philipp Bros. who have very large
of his business in Buenos Ayres, although the
firm in Buenos Ayres is being carried on under
his own name.

Question 35 Ernst Philipp joined Derby & Co. about 1936

and he left after about a year and a half to
two years in order to go to Bolivia ^{and}
join there the firm of Philipp Bros. <sup>-de-
AMERICA</sup> ~~AMERICA~~
Ltd.

In South America in
I have to add that the firm was originally
founded by Mr. Arturo Gr ^{benedicto} ~~benedicto~~ ^{in the}
year 1928 under the style of Derby & Co. Ltd.
but it was later on changed into the style of

Philipp Bros. South America Ltd., With ~~an office in~~ ^{an office in} ~~Buenos~~
~~La Paz, Bolivia~~
in New York and an office in London. The holdings
of the shares between these two companies was always
50 per cent. Derby & Co. and 50 per cent to Philipp
~~Gremelmann~~
Bros. He left the firm of Philipp Bros. (South
America) Ltd. for reasons of political upheaval
in Bolivia where foreigners were not wanted any
longer. He then went and joined the firm of
H. I think of Buenos Ayres
and stayed with them for some time and later on
he joined a gentleman called Mr. Goldfari.

I think it would be advisable that you get
~~from~~
some further details from him direct and his
address is I shall write in a special letter.

Scheverria 1905 Buenos Aires

Question 36.

Richard and Herbert Philipp were both in the
firm of Julius Philipp but never in any of the
firms of Derby & Co. or Philipp Bros.

Questions 36
37

Max Philipp has never been in the metal
business at all and none of them is/either
Derby or Philipp Bros. today because they
prefer to live in Israel.

Question 38.

The answer to question 38 I think is in
the affirmative that Richard was most probably
the most active son of Julius.

Question 39.

My brother Julius was certainly a very
active gentleman. He started his business on
an exceedingly small scale but he did not want
to undertake business on his own account and
remained an agent and broker til the very end.

As regards Max Philipp, there is very little
I can say because I have never worked together with
him. He is a very likable fellow and I think he
is getting on fairly well in Israel as a mechanic.

Business during the last war was not very different from business in peace time, that is to say as regards the working in the office. Of course, to some extent we were interrupted by air raids but after a certain time one got used to it and just carried on with our daily work. There were a number of restrictions for imports and exports and there was a special control of ~~non-ferrous~~ non-ferrous metal. We were, however, on very good terms with this control and could carry on our business on a reduced scale. We did not make very much money during the war, but when the war came to an end the business developed fairly quickly and the profits ~~were~~ accordingly ~~increased~~.

The daily routine of the office was just the same as during peace time. We came as early as we possibly could get to the office.

and we left roundabout 5 o'clock or just between 5
and 6 o'clock, in the evening. Of course, in
New York we were not interrupted by air raids
and furthermore, the restrictions on trading
was by no means as strict as in London. Further-
more, they had in New York no ^{civilizing} restrictions on
money and could therefore buy and sell as large
^{thus} quantities as ^{we} wanted. This of course gave
Philipp Bros. New York a wonderful chance to
expand their business, particularly with Bolivia
and other places in South America, like for ~~the~~
instance Peru and enabled them to make very hand-
some profits indeed. Apart from this fact, the
income tax law in America was by no means as
strict as in England and certainly the income
tax was nowhere near as high as in England.
That all helped Philipp Bros. in making their
profits.

As regards Gruenebaum's return from Bolivia to America, I do not exactly know in which year he came back to America, but he was so very fortunate that whilst he was in Bolivia he spent very little money on himself and his family, because life in Bolivia ~~there~~ was very cheap; therefore, he was able to save quite a lot of money because he always had a good salary and a very ~~fine~~ share in the net profits. When he had decided/^{large} I think it was for health reasons, ~~more than any other~~ and political upheaval in Bolivia reason, to leave Bolivia and settle in America, he had no difficulty at all to find a place in Philipp Bros. New York who made him a partner.

As regards Edmond Weil, he was sent out to Bolivia in the year 1930 or 1931 and ordered to warn Gruenebaum not to give too large credits to the small mine owners of Bolivia. ^{He} he was successful in this mission and the business in

?

Philipp Bros. 30

Bolivia was then carried on by Gruenebaum after Edmond left, on the lines which Edmond had laid down there. Edmond was probably in Bolivia for something like 2 or 3 months.

When Rene Weil and Edmond Weil came during the war, I think it was the year 1940, to New York, they started under their own name but with the help of Philipp Bros. and also dealt in metals and certain metallic products, but here again I have not enough information to give all the details.

INTER COMPANY CORRESPONDENCE

RIO

TO: Mr. H. Rothschild - NY

DATE: November 27, 1978

SUBJECT: HISTORY OF PHILIPP BROTHERS

COPY TO: EF - B.Aires

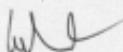
Dear Mr. Rothschild,

Attached please find, for perusal and your files, a copy of a letter I just received from Nigel Lion, nephew of Rudolph Lion of the firm Philipp and Lion. Rudolph Lion was Oscar Philipp's first office boy back in 1910.

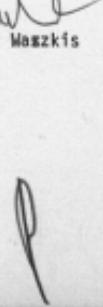
When I was in London in August, Stephen Dale suggested I see the Lions and Nigel then told me of some notes his uncle had made. These notes are the 43 pages of the text attached hereto.

The material I had so far collected, was a bit weak on the early history of Derby, especially the 1920's, and these notes go a long way to clear up the questions.

Regards


H. Wazzkis

This is very
long but some
part is interesting.
encl.



HW/lmg

Philipp & Lion

METALS & MINERALS

CABLES: CUFENAG, LONDON, E.E.2.
TELEPHONE: 01-885 3050, 01-836 0068
TELEX: 84888 & 84890
REGISTERED IN LONDON NO. 1291

GEOFFREY R. LION
JACQUES R. LION
ROBERT A. ALMOND,
MICHAEL J. FRANCIS,
NIGEL R. LION
A. W. TAYLOR.

[REGISTERED OFFICE]

Moor House,
London Wall,
London, EC2Y 5AR

20th November 1978

YOUR REFERENCE

OUR REFERENCE NGL/DSB which please quote

H. Waszkis, Esq.,
Phibro S.A.

Dear Mr. Waszkis,

I am sorry about the delay in replying to your letter of 25th September but we have now finally produced for you a photostat of our notes concerning the history of Philipp & Lion.

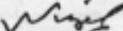
Regarding your notes, might I make the following comments:-

1. Spelling of Rudolph with a ph and not an f.
2. In 1916 Oscar Philipp could not continue along (not Julius as you state).
3. I do not really know the reason for the split in 1927 and I think it would be very inadvisable to try and speculate about this as one could very easily infer all sorts of things which might be entirely wrong and which could easily cause offence to someone in some part of the world.
4. Leonard Gollancz was the son of Dr. Hermann Gollancz.
5. Leonard Cohen, as you may know, has just died. I think it would be better to say that he became active and successful in many spheres of business outside those of non-ferrous metals.
6. Philipp & Lion was established in 1909 and that change of name to Philipp & Lion & Co. took place on 1st December 1916 and was then changed on 19th February 1917 to Philipp & Lion. We know that it is curious that Philipp & Lion's U.S. representatives have their office at 70 Pine Street but as you may know this is a very large building, and it is no more coincidental that the fact that today both Derby and Philipp & Lion are back under the same roof at Moor House, although there is no other connection of any type.

I am looking forward to seeing the suggested version of what you want to write about Philipp & Lion which we can then check and o.k.

Once again, my apologies for the delay,

Yours sincerely,



Nigel Lion.

1909 - 1945

Established June 11th, 1909 at 118 Leadenhall Street, under
the name Philipp Brothers (Partners O. Philipp & J. Philipp).

I came to firm May 9th, 1910.

Moved to 133 Fenchurch Street, 1912.

S. Bendheim became partner October 1st, 1913.

S. Bendheim retired August 1914 on outbreak of war.

I was admitted to partnership December 1st, 1916 and name of
firm changed to Philipp, Lion and Co.

Moved to 2 Broad Street Place, 5th February, 1917.

Name changed to Philipp & Lion, 19th February, 1917.

O. Philipp retired and Leonard Gollance admitted to partnership.
30th April, 1918, partners thus being R.P. Lion and L. Gollance.

January, 1928 moved to 28 Finsbury Square.

F.J. Lion became partner 1st January, 1929.

Leonard Gollance died August 1929 and partnership was then
R.P. Lion and F.J. Lion and remained so until E.H. Gollance and
R.S. Gollance became partners after the second world war.

11. 6. 59

This is the history of the 50 years existance of my firm, Philipp & Lion, the 50th anniversary being on June 11th, 1959.

The story really starts on May 9th, 1910 when I first entered the employement of the firm. It was then known as Philipp Brothers and was founded by two brothers, Oscar and Julius Philipp. Julius Philipp was the owner of a metal brokerage firm in Hamburg and he arranged with his brother Oscar for him to go to London and open an office here. They were thus the first two partners, although Julius Philipp did not take any active part in the running of the London office. One can, therefore, say the business was started by Oscar Philipp and it is interesting to see at this stage what has developed from the business Oscar Philipp started in that one-roomed office at 118 Leadenhall Street, E.C.3.

- (a) The firm Philipp & Lion, which is the continuation of Philipp Brothers, London.
- (b) Derby & Co. Ltd. which was bought in 1916.
- (c) Rene Weil, Paris which was founded in 1918.

These are the three main firms.

Then Philipp Brothers, New York, founded by Seigfried Bendheim in 1914 (the reason for including this will be seen as the story unfolds) with Philipp Brothers (S. America) Ltd.

Two firms in France:

Comptoir des Cendres et Metaux Precieux

Affinerie de St. Denis

both of which are still in existence. (not now - Oct 1959)

Philipp & Lion, Milan, and Grunbaum & Lion, Berlin, both of which have meanwhile been closed, chiefly on account of political reasons.

Then a series of firms:

Pallister, Luck & Co.

Fleischman, Bird & Co.

Ayrton, Cohen & Co. which changed to three firms:

Ayrton Metals, London.

Ayrton Metal & Ore Corpn., New York.

Leonard Cohen Ltd., London.

Then Philipp & Lion, Paris, which is now merged with the Affinerie de St.Denis.

All these firms with their combined employees running into hundreds, with their profits running into thousands and their turnover running into millions can be said to have had their birth from that one-roomed office at 118 Leadenhall Street, as they were either built up by the partners of that firm or, in the case of the series of firms, they were started by those who were employees of one or other of the three main firms and acquired all their knowledge of business and of the metal trade whilst there.

This does not, of course, detract in any way from the energy and work the various individuals put into their various firms and the success they achieved when working for their own account. It is mentioned simply with the idea of showing what that one-roomed office has led to.

As I said, this story really starts on May 9th, 1910, so that although the firm of Philipp Brothers was established some months earlier, June 11th, 1909, it does actually start in its first year and thus I can claim having worked in

it from its first year, longer than anyone else, and one of its founders.

How did I come to be employed by Oscar Philipp in the first place? This itself is interesting - if only on account of subsequent events in just these last few years - but I venture to say for other reasons as well.

A mutual acquaintance knew I wanted a job and that Oscar Philipp wanted a young lad in his office. I was then 16½ and had just left University College School. The point of interest is the name of the mutual acquaintance. It was Ullmann. No, his first name was not Siegfried, who came to Philipp Brothers in 1913 and is now the chief owner of Philipp Brothers, New York (the way Philipp Brothers, New York, although an entirely independent firm comes into the story will be shown later). It was his elder brother Charles and what is interesting is that Philipp Brothers, New York, whose partners, Bendheim and Ullmann, were at one time in Philipp Brothers, London and did their share in building it up (their activities there, though short, were of great value as will be seen later in the story) are now the chief owners of Derby & Co. Ltd., the second firm that Oscar Philipp, the original founder of this firm, started, or, to be more correct to say he took over and built up to its present large position. Thus a circle has been completed.

At this stage, I should state my first impressions of Oscar Philipp - my first partner. As a lad of 16½ and he in his early twenties he seemed to be to be much older and naturally more experienced in business as he had worked in Hamburg for a few years and I was fresh from school. The impression I had - and the future has proved I was not mistaken - was that there is a man who works hard

himself and that if you show you are willing to also work hard, he will not only give you opportunities but will even make the opportunities. I and many others know - from our own actual experience - that it is so.

At that time I wanted a job. I had not chosen any particular career I would like to follow. I was young enough and conceited enough to think that it didn't matter what branch of business one entered into. One could make a success in any trade with hard work and luck. Which of these two points helped most in my success, I must leave to others to judge. Perhaps it was neither.

At any rate, with the impression I had received of Oscar Philipp, I decided that I wanted that job. I had other opportunities in view and I daresay there were other applicants for the job - I know for certain of one other as Ullmann (the senior) told me about it and also gave me some very friendly and useful advice to use if I wanted the job. Yes, the two brothers Ullmann have been very good friends to me (Siegfried's help will be seen later).

I was not engaged at once, but asked to call again in two weeks. Whether Oscar had to consult his brother and partner Julius, which was the reason he gave me, or whether he had to work out if the firm could afford my salary - I said I would not start for less than 10/-d. per week and it must go up to £1. within a few months if I was satisfactory (values were different in 1910 as against today - a feeble remark to make) or whether it was some other reason I do not know. But during those two weeks, I studied hard the subject of Non-ferrous Metals, so that when I came for my second interview two weeks later, there really was

nothing about Non-ferrous metals that I did not know! This, anyone in the trade will appreciate. Since then I am wiser and still learning new things. I will always remember Oscar Philipp's face when I explained to him the actual difference between Zinc and Spelter. Perhaps that was why I got the job. He might have thought that anyone who could work out such a reason must have some intelligence. Who knows?

That was not the only gaff I made. We had done some business in Wolfram Ore in the early years - 1931 I think it was and in view of the position of Oscar Philipp's firm, Derby & Co., in the Wolfram trade today, I daresay even he has forgotten that his first deal was so long ago. We had a letter from a firm saying that we had sold some Tungsten Ore to friends of theirs and would we offer them our next parcel as they were buyers. I replied their information was not correct. We had never dealt in Tungsten Ore but would look round for some. Fortunately, the letter was seen by Oscar Philipp and not sent off.

Now to describe the office when the firm started and the kind of business that was done.

A one-roomed office on the top floor (no lift) of 118 Leadenhall Street (now part of the P.& O. offices). On the door was painted the name Philipp Brothers and the word "Entrance". It could also have said "Exit" as it was the only door. Likewise the other words one sees on doors: "Private", "General Office", "Enquiries" were not there as it led to all. As soon as the door was opened, you were bang in the centre of the office. Oscar Philipp sat at - what is today - an old fashioned roll top desk with the telephone (one line - no

extension) on it. He did all the telephoning and interviewing of callers and it all being in one room had the disadvantage that the typewriters had to stop - otherwise he couldn't hear - and this slowed down the work. It had, however, a great advantage for me as I could hear all that was said and thus learned a lot.

Our office hours were 9 to 6, but one seldom left before 6.30 and often 7. On the other hand, one sometimes did not start till 9.30 - at any rate some of us!

On the other side of the room were two tables with two typewriters. Next to them was the letter press. In those days there was a different method for making copies of the letters sent out. Whereas today carbon copies are made and they are filed with the incoming letters, in those days only the incoming letters were filed and copies of the outgoing ones were made in a book and indexed. These copies were done by putting the typed letter in the book, covering it with a page of the book, then putting in a sheet that had to be moistened in a certain way, then another page of the book and lastly a second letter. Thus, each damped sheet served for two letters. When all the letters were in, the book was put in a press and left for a few minutes. One had to be very careful in the work, as otherwise the letters got smudged and then had to be retyped. This - the copying not the retyping - was one of my jobs. The typist was a young chap from Hamburg, named Mühlbach, with whom I became quite friendly. He typed most of the letters in German and I the ones in English, 'though' each of us tried to get as many letters as possible in the other language as each of us wished to learn.

Next to the copying press was the filing cabinet, then a small hand basin

for washing and at a right angle to that, opposite the window, was the sample 'room'. This was the mantelpiece!

In between Mr. Philipp's desk and the typewriters sat the rest of the staff, which consisted of myself. Apart from typing, I did all the other office jobs, kept the books, filed and copied the letters, made up the samples and even fetched a cup of tea each afternoon for Mr. Philipp. This may sound a lot but the start of our business was small. Keeping the books - all of them - took only about half an hour daily at first. It is a little different today!

Mr. Philipp did all the business, all the 'phone talking, all the dictation and kept the petty cash.

Our business at the start was nearly all on a commission basis. Two shillings and sixpence per ton was our average commission on residuals worth under £10. per ton, though sometimes we were lucky to make 5/-d. per ton. Another source which represented quite a good proportion of our income was commission on arbitrage business between firms on the London Metal Exchange and the Hamburg Copper Exchange (only Copper was dealt in in Hamburg but one could deal for up to 12 months ahead, whereas in London the maximum period was 3 months - thus the arbitrage business had a double value). This business enabled us to get introduced to a large number of the larger firms here.

In 1910/11 we did very few deals for our own account, the chief ones that we did do were done jointly with another firm in London and which joint account went on for a long period of years. Otherwise, we were making steady progress,

increasing the volume of our business each month, although still a staff of 3 - one boss and two clerks.

Then in 1911 and early 1912 there were two big changes. A new partner came into the firm - Siegfried Bendheim, who already had some experience in the metal trade, having been with the firm of Herman Bodenheimer of Frankfurt on Main (now no longer in existence), so there were three partners: Julius Philipp in Hamburg, and Oscar Philipp & Bendheim in London and, as before, Julius Philipp was not active in the London office. The name of the firm remained unchanged. The second event was our move in 1912 to our offices at 133 Fenchurch Street, Tel.No.Avenue 3137 - still one line, but we had an extension and our cable address CUFENIAG London remained the same, as it is still today, but the telephone has changed to nine lines.

It was at first just two rooms but soon became a real office, an entrance hall, a general office and a private room. Our staff had now increased - an office boy named Rifka (I am not sure what happened to him - I think he became a doctor), and a chap named Rosenfelder. Rosenfelder's stay with the firm was short, but noteworthy, as he encouraged the business in France, travelled there extensively, and opened up our merchant business. (He left early 1914 and went to a firm in Cologne - Mark, Schwarzschild & Co., but is now in London with another firm of metal dealers). We were now five in the office - 2 partners and 3 in the general office.

Business steadily improved and we were gradually doing more business for our own account and less on a commission basis. We also started to do more business

abroad, in addition to Germany, and concentrated chiefly on France and in a lesser degree on Belgium.

Then Oscar Philipp gave me a wonderful opportunity. He had apparently seen I was keen on learning German (I used to go to evening classes at the Polytechnic) or perhaps he got tired of the constant mistakes in my German letters. Whatever the reason is not important, but he said I could go at the end of 1912 or early 1913 to his brother's office in Hamburg - Julius Philipp - and learn the language properly. It was also said I might be of value to Julius Philipp in doing business there as a merchant, as his business was a broker's one and I could use the experience I had already gained in London in trying to do similar business there.

During my absence a young man, Siegfried Ullmann of Schweinfurt, was coming to London to perfect his knowledge of English and would work in the office in my place as regards correspondence and seeking business by travelling in London and the country. His coming made a very big difference to our business, as he was not too keen on the brokerage part and wanted only to do business as a merchant. From his arrival this part of our business entered a new phase as the merchant business then became the more important side and during his one year stay in 1913 many new clients were found and in particular our business in France was intensified.

Before I could go to Hamburg someone had to replace me for the books, all of which - cash book, invoices, ledgers, I had looked after. We advertised and one of the applicants was Leonard Gollancz - youngest son of the "Rev. Prof. Dr."

- as we were to call him - Sir Hermann Gollancz. It is interesting to record his report of the interview which he had written to his mother, strangely enough on the back of the firm's letter asking him to call (typed by me and signed by Bendheim) and I quote:

It did not take him long to become as proficient as me in bookkeeping - of course, in addition to this work, he had part of the correspondence to type and was to visit clients in the London district as I was doing. From the start we worked well together and continued to do so until his untimely death in 1929 at the early age of 35.

He started in January 1913 and in February I left for Hamburg, staying there for six months, coming back to London for one month to help during holiday time in the London office and then going back to Hamburg for another four months. This was marvellous experience for me and during the whole time I was kept informed as to what was happening in London by Seigfried Ullmann. We became very friendly and I think were of great help to each other by the advice we gave each other in our early youth. At any rate, he was to me. We used to write each other regularly and kept it up in 1914 when I was back in London and he had returned to his family business in Schweinfurt-on-Main. I used to write him in German and he to me in English and we used to send back the other's letters corrected. Ullmann kept a batch of them and in 1931 when I first went to the U.S.A. he gave me a number of them. It is remarkable how many of the things we said then are true today. They are very interesting letters, but I refrain from quoting them as they contain opinions and criticisms of other people and the details of the business done by each of us are not very interesting today, although it is a fact that some of the firms with whom we started business then are still dealing with us today. It was considerate of Seigfried Ullmann to go to the trouble of keeping me so fully informed as he knew I was coming back to London and wanted me to carry on with the deals he had initiated, whereas he had no

intention at that time of keeping in the metal business, but was returning to his family's manufacturing business in Germany.

Early 1914 I was back in London. The year started well and business increased steadily. We soon became a larger firm. The two partners in the private office, five of us in the general office: Leonard Gollancz and myself, Rosenfelder and two other young chaps, Linz and Schultz. Linz was a protege of Bendheim and was engaged chiefly for travelling abroad, but he did not stay long and Rosenfelder also left in 1914. There was keen competition between the five of us in the general office to get the best results and sometimes there were bitter words between us. Leonard Gollancz and I were always on the same side. If one can say the partners favoured either side - which they didn't, they saw the advantage to the firm - then one might say O.P. favoured us, Leonard and myself, and Bendheim the others. In addition, there was the office boy, Rifka, soon followed by a second one, his young brother. It is a remarkable thing to note that in Oscar Philipp's business career during the time we were working together, how very often he had the idea and followed it up, of engaging in the business the brothers of those who were already working there. Perhaps it sprang from the name of the firm Philipp Brothers - or Mr. Brothers as one foreign gentleman once addressed me.

In 1914 there was a major change in our office staff - the first member of the opposite sex. Soon followed by a second one, so that we had two typists and thus the period of typing letters ourselves was over and it was all dictation. A third one was engaged for the bookkeeping department so that Leonard Gollancz

and myself could devote more time to actual business. A new office boy was also taken, Richard Ayrton, and then a young girl to help with the filing and similar office work. In fact, we were becoming a 'large firm', although small in comparison with today. Much more travelling was done, chiefly in the U.K. and it was in 1914 that I made my first visit to France.

Then came August and the first world war. Julius Philipp and Seigfried Bendheim, being German, automatically ceased to be partners at the outbreak of the war and thus Oscar Philipp became the sole partner as from 1.8.14. The position of Julius Philipp was clear - he was in Hamburg, but that of Bendheim was not so simple. He did not want to go back to Germany and obviously could not stay here. It was, therefore, decided that he should go to New York and open an office there, which he did under the same name, Philipp Brothers, and the same telegraphic address of CUFENIAG.

Whether his idea was that it would remain part of the London firm and he would return later to London or whether he intended from the start it should be his own independent firm, one cannot say. He probably did not know himself but one might presume the former as until the end of 1916 the business was financed from London and the profit included in the London accounts after deduction of 50% which went to Bendheim. The business that he started there at first, and which became the foundation of the firm there, was a continuation of business that had been done from London and in particular in Copper Sulphate through a very personal connection of Oscar Philipp, which he had fostered. This is why I bring Philipp Brothers, New York, into the story. Out of this 50% he had to

pay the expenses of the New York office. This did not leave him a lot over and Philipp Brothers, New York, is a very different firm today, both in size and profits. It can, however, be seen from this how it originated from the original firm Oscar Philipp started in London and until the dissolution in 1928, the European firms did all their business in the U.S.A. through Philipp Brothers and looked upon them as the New York office. I think it is a credit to both sides that during that period 1.1.17. to 31.12.28. a series of transactions of all kinds, some on a joint basis, others on a trio basis, a few on commission and some as outright purchases or sales, was carried on without the necessity of any correspondence except that referring to the actual business. There were never any recriminations. Each side knew the other was doing their best and accepted it as such and Bendheim always accepted the request of the European side as to whether it should be a joint basis or any other basis.

Business naturally slackened towards the end of 1914, but then picked up again and as we were a smaller staff in manpower we were more than busy.

In 1916 Oscar Philipp admitted me into partnership and on 1.10.16. I became a partner on a 75/25% basis and the name of the firm was changed to Philipp & Lion the same name it bears today.

We were still at 133 Fenchurch Street but in 1917 we were fortunate to find a very nice self-contained office on the 5th floor of 2 Broad Street Place and stayed there until 1927. It was somewhat larger than we required but our optimism proved justified as in 1925 we had to take two additional rooms on the 6th floor to house our increasing staff.

The war years had their steady increase of business. We were able to travel in those days and I made various trips to France. We did so much more business there from 1916 onwards that, having the opportunity of engaging a young Belgian, who knew something of that particular business, we did so and he remained there, making periodical journeys when he bought residuals that could not be treated in France at that time and shipped them here. This business naturally came to an end when France recovered and the young Belgian joined the London staff and remained as a sampler for some years.

In 1917, we branched out in other directions by buying other firms, or rather two firms. One, the Holloway Foundry, where Brass and Gunmetal Castings were made and which became a paying proposition. We disposed of this firm later with a decent profit. It was run by our successors in a similar way and was then taken over by a firm of engineers, who had been the chief customers - a logical result. To help in the running and also in our merchant business, we engaged a young fellow, Charles Pallister, who had been released from the army on account of wounds. The second firm we bought was a shop in Clerkenwell Road, which dealt in old gold and silver, named Derby & Co. Ltd., and owned by a Mr. Bishop and a Mr. Down, ~~who wished to retire~~. This is the start of Oscar Philipp's ownership of Derby & Co. Ltd. (he had most of the shares, I a small proportion) and which he built up to the large firm it is today.

In 1918, Oscar Philipp decided he would like to take things easier and retire which he did on 30.4.18. and on the same day I took into partnership Leonard Gollance, the name of the firm remaining unchanged, the telegraphic address the

same, but we then had four telephone lines. Oscar Philipp thus made over the firm to us but he also helped us in deciding the terms of the new partnership and how we should carry on to the best possible advantage. In fact, he took almost as much interest in what we should do and how we should do it as if he were still a partner and I am always thankful to him for the advice and guidance he gave us.

There were two conditions of his retirement, one, that he took over Derby & Co. and would deal there in precious metals, but I was to still retain my shareholding and, the second, that we should start an office in France with his brother-in-law, Rene Weil, who had some months previously been invalidated out of the French army and had been working with us to gain knowledge of the trade. He and I had become exceptionally good friends and I welcomed the idea, as did my partner Leonard Gollance. It was decided that we should open an office in Paris as soon as possible after the end of the war and at the end of 1918 the firm of Rene Weil was started at 104 Rue Richlieu, Paris. This firm is still in existence today, run by Rene Weil's brother, Edmond Weil and if the old files are still in existence, it will be seen that file No.1 'Fontgibaud' is in my handwriting.

The firm Rene Weil thus became the Paris office of Philipp & Lion. The two firms were to work together, but under the different names and one had to work out a scheme so that the approximate correct share of profits came to each individual, irrespective of which firm did the business. This required a lot of thought, as it was not just a question of the owners' shares of profits (if it was, it would have been a very simple matter to divide out the combined profits)

but various members of the staff were to receive their remuneration, partly in salary and partly in the form of a percentage of the profits of the firm in which they worked. We, therefore, had to divide out the business, so that it was as fair as possible to all parties. Rene Weil received part of the profits of Philipp & Lion and Leonard Gollance and I part of the Rene Weil profits, in such a proportion that it gave us the correct shares between the three of us that we had agreed. This was simple enough, but to devise a means so that the employees could see they were fairly treated and at the same time not stop their incentive required a lot of thought. We eventually arrived at a scheme that afterwards became the pattern for the more comprehensive pool arrangement of the three firms. This is why I have referred to the three main firms at the beginning of this history. The scheme looks simple enough when made but it was not so simple to arrive at.

It sounds easy. On business where the purchase and sale was done in France it was a Rene Weil business. If the purchase and sale was in the U.K. all the profit went to the Philipp & Lion accounts. If it was a purchase in U.K. or France and sold outside these territories, or a purchase anywhere else in the world, it was done on joint account and half the profits went to each firm. Simple enough now, but it entailed a lot of negotiations to arrive at this best method and entailed 'give and take' on both sides, e.g. Philipp & Lion were doing business in Egypt, Morocco. Why should they give up half that profit? Rene Weil had in view certain business between France and Belgium. Why should he give up half that probable profit? The underlying idea was to satisfy everyone and to carry on the two firms together so that in the long run it made no difference to

the individual which firm did the business and thus our energies could be expended in the most profitable way.

All these negotiations took place prior to November 11th, 1918, so that when peace came we were all set to start and had very large ideas of all the marvellous things we were going to do - which, on looking back, we can say were in the major part achieved.

1919 saw us all working very hard and a rapid expansion in our business.

We were now four people doing business, my partner and myself, Leonard's brother, Reginald Gollance, who had been demobilised and took a position with us and Richard Ayrton, who had picked up the business exceptionally quickly. In addition, there were two young chaps - brothers once again - named Schipp. They afterwards left us and joined their father's manufacturing business. We had a complete staff very soon, typists (plural) and a girl for forwarding, another for bookkeeping and a third one as 'phone girl. We now had five lines. Later - in the early twenties - we engaged another young man, Solomon Lebrett, who also picked up the business very speedily and today is one of the partners. Later his young brother came to us but he left us in 1929 to go to the Commercial Smelting & Refining Co. (who come into the story again later). Another series of brothers, the younger of Richard Ayrton, both of whom left us in 1929 to form part of the firm of Ayrton, Cohen & Co., also came to the firm. Meanwhile, we had engaged two other young men, Gold and Mann, who left us to join a Birmingham firm in 1948. By then, our staff was increased by six other 'youngsters' - to whom reference will be made later. In 1922, a young girl, Miss. Betty Cohen, joined our staff and she is still with us today as head of our bookkeeping department, with three

others under her. In those early days she was the sole one in that department.

Rene Weil likewise had four 'business' seekers. Himself, my brother Bernard who had been demobilised and wished to settle in France, Rene's brother Edmond, who joined the firm a little later and a young Englishman, Michel Schamasch, who had been at school with me and spoke English as an Englishman and French as a Frenchman, his mother being French. A very suitable acquisition for us at that time. In addition, of course, the usual staff of typists, bookkeeper, etc. The office was soon too small and we moved to 115 Rue de Faubourg Poissoniere, which was a very happy office all the time we were together and our visits to each other were frequent. This will be amplified when I come to write about the actual business.

I now come to Derby & Co., the third of the major firms, at that time the smallest and now the largest.

Oscar Philipp's 'retirement' or rather his idea of working half a day and keeping to precious metals did not last long. We had with us at that time Charles Pallister and as we were many and Oscar Philipp would be alone at Derby & Co. (with the exception of two assistants - Spice & Jenny), he asked if Pallister could come to him. He was agreeable to work there and we, therefore, released him. Soon afterwards, my brother Felix was demobilised and was offered a position there that he accepted. Richard Ayrton's brother Samuel had now left school and wanted a job and he likewise joined Derby & Co. at Clerkenwell Road (after consultation with us, in view of the fact that his brother was working with us). Their office soon became too small and they moved to Hatton Garden

but still keeping the shop in Clerkenwell Road. Later, about 1923, Leonard's elder brother, who had been at the War Department, was offered a position with Derby & Co., which he accepted. Then later, in the middle twenties, Derby & Co. engaged three youngsters: Leonard Cohen, Fred. Rau and Arthur Fleischman.

This is a history of Philipp & Lion not of Derby & Co. Ltd. but I bring them into the story because of the way we worked together during all those years and the intermingling of all the "brothers". It is remarkable how the original name "Brothers" pressed our history so much.

Now, to go back to the time Rene Weil started and we worked together with him, Derby & Co. doing their business in precious metals independently.

We naturally carried on with our internal business in the U.K. and Rene Weil started to do similar internal business in France. We soon saw that the more profitable business was when one could export from the one country to the other and also from other countries. We, therefore, travelled extensively and I should say that on the average both Leonard and myself spent four months of the year on such journeys but we always arranged it so that after each journey we were together for a period so that the one who had been away was put "au fait" on all points before the next journey was started. Visits to Paris were naturally frequent and the business between France and Belgium developed so rapidly in a certain direction that Rene and I used to make a regular journey there each year to fix up running contracts and both he and I would make at least two other similar journeys during the year independently. Leonard Gollance concentrated on Spain and we eventually had two offices there in which we were interested, Gasca

& Roig in Barcelona and Bilbao and they only dealt for us in non-ferrous metals. I concentrated at first on N. Africa and arranged agencies in Egypt and Morocco. That in Egypt was interesting, as it was an employee of the Railway Administration who only worked half a day there. The mornings for the Railway Company and the afternoons for us.

From a geographical point of view, it might be thought that Spain, N. Africa could be better looked after from France. True, but there the advantage of our arrangement was seen. As Philipp & Lion had already built up some connections there, it was obviously best for them to carry on with them.

The first new result of the combination was to build up business in Italy and Germany. We thought there were good opportunities in Italy and Rene Weil and I very early in 1919 made a journey to see what the prospects were. We were surprised at the result. Although we travelled together, we called on different firms during the day and when we compared notes in the evening we found that our journey, made with the idea of seeing what might be done, had resulted in our purchasing large quantities on favourable terms. This showed me how very advisable it is to travel and see people, even if one only thinks there are prospects. I am not going into further detail of the actual business and have just referred to the above as an example.

We fixed up an agency with the Soc. Co. Levantina of La Spezia who worked for us until we opened our own office. We had with Levantina our first experience of breaking up ships. It was not a financial success - possibly because it was looked after by them instead of us - which shows that as a general rule transactions

that are not looked after personally seldom have the anticipated beneficial result.

Now, here in London, 1919 saw a change in Oscar Philipp's ideas. He was steadily doing more business in precious metals but he couldn't keep away from the non-ferrous ones. It is understanding. (At this point I should explain that although Philipp & Lion and Derby & Co. were separate firms, we knew what each other was doing, for the simple reason that we told each other and I often used to go to Oscar Philipp for advice).

Our business in 1919 increased greatly, we were now a well established firm with a very nice self-contained office, a full hard working and enterprising staff and were gradually doing business in more and more different countries. Our only drawback was lack of capital and here the Westminster Bank were very helpful. They made us unsecured loans on production of the contracts we had or might enter into and I heard at a later date that, of all the clients at their head office at Lothbury, we were the ones who had the highest percentage of unsecured loans amongst all their customers. I had the opportunity of reading, some years later, a report on us that was sent to a third party and which said "They are, in our opinion, capable of carrying out any obligations they enter into". A higher report than this could not exist.

As our business - and that of Rene Weil - expanded, so did that of Derby & Co. We each had a fair sized energetic and enterprising staff (see pages 18 & 19) who wanted to do more and more business. As I have mentioned, Derby & Co. were going to deal in precious metals only, but they started to do business in non-ferrous metals and it was natural for Oscar Philipp and myself to think along the

same lines and to go after similar business. We, therefore, did such deals for joint account but this cut across our arrangement with Rene Weil in certain cases so that it meant we were receiving only 25% of the profit. The same position arose with joint deals between Derby and Rene Weil - the latter received only 25% of the profit. This method involved a lot of accountancy work and also discussions as to which firm should do the deal. Unproductive, though necessary work and corresponding waste of time. We had also developed some deals on the basis of one firm making a sale of a fair sized quantity and each firm delivering material against the contract. Again, a lot of extra work for one of the firms, who received no profit for their work. It was very much on a give and take basis, although in the long run it probably evened itself out.

We, therefore, decided late 1919 that the three firms must have a closed working arrangement. Meanwhile, a fourth firm comes into the picture. We bought a firm in France - Desbats - dealers and refiners in precious metals and scraps and Lucien Weil was put in charge (this firm is still in existence today under the name of Comptoir des Cendres et Metaux Precieux, part of a larger organisation in France and some of the original shareholders still have their holdings. We sold ours). After deduction of a holding for Lucien Weil, the balance was held equally by the four of us, Oscar Philipp, Rene Weil, Leonard Gollance and myself .

Oscar Philipp wrote a letter 24.1.22. to me from Mentone, "As regards myself I am hereby putting it on record that I am very satisfied perhaps even proud of the organisation which we possess in the four firms (I now include Desbats).

It is strange how small unimportant points lead to big things. I do not say

that what I am going to relate now was the reason for the formation of the "pool", we were gradually tending that way without really knowing it, and I suppose it was the culminating point, at any rate it influenced me greatly. Derby & Co. had entered into a sales contract and were short of material. Rene Weil had bought some material, which could be delivered against the contract. If so, there would have been a loss. If it, was sold elsewhere there would have been a profit for the joint account of Rene Weil and Philipp & Lion. If Derby had bought other material to complete their sale, their loss would have been higher than if the material bought by Rene Weil was delivered. Derby, therefore, wanted to take over the material at cost price. This would not have been fair to the Joint Account RW/PL. Derby contended we should help each other as we had done in the past and quoted various cases where they had helped the other parties. We quoted other cases where we had helped Derby & Co. What a waste of talk, when each of us might have been spending the time seeking and completing new business. Also the complications of accounts, seeing that the right debit and credit notes were sent, which work fell chiefly on my shoulders. (It is interesting to quote a letter from Rene Weil to me in January 1922, when the pool arrangement was readjusted).

"Je suis heureux que nous nous sommes mis d'accord sur cette grave question et suis persuadé que notre nouvelle organisation sera un bien pour nous tous. Il sera nécessaire toutefois que dès le retour de Lennard nous nous réunissions pour fixer nos liques de conduite.

Des à présent de dois vous dire que je reconnais que votre tache était jusqu'à présent trop lourde".

We, therefore, became wise and sat down to discussions to develop a scheme so that it was fair to all and enabled us to devote our full time to increasing our business (and profits) for the benefit of all and to avoid duplication in going after the same deals. At the same time, we wanted each firm to retain its own identity.

After various discussions, we decided the best method was for the four of us to pool our individual nett profits i.e. the profits after deduction of tax paid in that year. Thus it made no difference to us which firm did any particular deal. This arrangement started with the profits of 1920 and in January 1922 we adjusted the percentages so that Oscar Philipp received 29%, Rene Weil 21% and Leonard Gollance and myself the remaining 50%. It remained like this until the arrangement came to an end on 31.12.28.

Thus, having come to this agreement in 1920, we could now devote all our time and energies to increasing all the businesses and we really got busy. By the end of 1921, we had increased substantially and it is interesting to quote a letter of 24.1.22. from Oscar Philipp to me (see page 23), which shows that already in those early days, we considered we had achieved something and were of some importance in the trade. The trade knew, of course, that Rene Weil was, so to say, Philipp & Lion's Paris firm and that Philipp & Lion were Rene Weil's firm in London. Also that we worked closely with Derby & Co., although, naturally, the actual details were not known to the trade.

The first point we had to consider was the position of the various employees in the firms - a lot of whom were brothers - and who received the major part of

their salaries in the form of a percentage of the profits. Naturally, each of them wanted to do the best for the firm where they worked. They would, however, be seeing and hearing what the other firms were doing, post extracts were exchanged daily between the three firms (not with Desbats which worked on its own) and, obviously, would want to go after the best paying deals.

We, therefore, decided that having formed ourselves into a pool for our profits, we would do the same for them so that they received their percentage of profits based on the average profit of the three firms and as we called ourselves the 'pool' we referred to them as the 'puddle'. The advantages to both the individuals and to the firms were so obvious, that there is no object in pointing them out.

1920/28 were very successful years, we could work in different directions for the benefit of all, without that feeling that it was necessary to try in certain directions, as we divided out how our different energies should be spent, and knew, therefore, that that particular thing was being looked after by one of us.

The first big result of our co-working was to have our own laboratory. This was looked after by Derby & Co. We bought a piece of ground at Wealdstone and a head chemist, Landau, was engaged, who saw to its full installation. He had a full staff under him, his chief assistant being a man named Keen. Samples from all the firms were sent there for assaying thus making a big economy against the cost of sending them to an outside laboratory. Also, the advantage of getting quicker results.

Whilst on the subject of the laboratory, I must record that it was there that the start of the "film" business - for which Landau was responsible to a very large extent - took place. The recovery of Silver was a paying proposition. It was afterwards moved to Brimsdown and as far as I know is still carried on there by Derby & Co. We gave up our interest in it at the time of the dissolution.

The next big step was to become ring members of the London Metal Exchange, thus saving commission on our own covering transactions, we had up to then given our orders to Vivian, Younger & Bond on a half return commission basis - and also getting commission on orders we might obtain. Thus it was both our economy and an opportunity for new business.

This department was started by my brother Felix when he was with Derby & Co. and later he had an assistant, Archie Brookes, who is now with another firm on the London Metal Exchange. Further help was required in that department and a young lad, Mason, was engaged in the middle twenties. He is still with Derby & Co. as head of that department.

We then had to plan to what each firm should direct their energies, so as to avoid duplication and obtain the best possible result. This was adjusted from time to time at meetings of the "pool" which were held regularly.

A general pattern was as follows: Derby & Co. looked after precious metals, especially Platinum, where they held a very nice agency contract, everywhere in the world except France, which was covered by Rene Weil. At a later stage, we bought a firm in France named Desbats, Rene's brother, Lucien Weil, was put in charge and they dealt in precious metals and treated scraps. The name was

changed to Cie. des Cendres et Metaux Precieux and still exists under that name. The pool had all the shares and made some over to lucien Weil and others. At the dissolution Leonard and myself disposed of our shares to Oscar Philipp and others. Some of them are still shareholders but the management is different.

As regards business in non-ferrous metals, new, scrap and residuals, Derby & Co., as well as Philipp & Lion, were to do local business in the U.K., but the Far East, Japan especially, was where they were to devote their greatest energies and Arthur Fleischmann, who has since left Derby - he settled in Japan for some time and is now established in New York - and Ernie Gollance, who became a partner in Philipp & Lion, looked after this business whilst they were with Derby & Co.

Rene Weil concentrated on France, where there was a big field and also opened an office in Brussels under the same name. This, however, was chiefly for buying. Sales to Belgium were still made, chiefly by Philipp & Lion and usually resulting from the regular journeys that Rene and I used to make there. One of the interesting deals we did there was buying from the Lead works of Dumont a certain by-product, which we sold to their sister firm, Overpelt. Rene Weil also looked after Algeria and Tunisia.

We at Philipp & Lion had the largest share to look after but we were the greatest in numbers and facilities, so it was planned out fairly equally.

We opened an office in Milan, Philipp & Lion, Milan, and put an Italian, Dr. Rozzetti, who had been in England, in charge. Later we engaged a young boy,

Picchi, who later took charge. This business developed rapidly. Although it was looked after by Philipp & Lion and the accounts kept in London, a lot of work was put into it by the other firms. Both Oscar Philipp & Edmond Weil, particularly the latter, spent long periods there, but the chief 'builder' was Leonard Gollance, who spent months at a time there. In London, the extra work caused us to engage someone with a knowledge of accounts, named Mann, who remained with us until 1948.

Spain, and Portugal, were looked after by us, we having already built up a very decent business there, with Gasca & Roig office at Barcelona and we opened a second one at Bilbao. Derby & Co. used our connections for their precious metal and Rhodium business, but, strangely enough, although we were, so to say, outside the precious metals business, most of the precious metal residuals bought by our group in Spain were made by us. This is just an example of how the 'pool' arrangement enabled us to work in the most advantageous way.

Morocco and Egypt were fields we looked after, although at times certain Egyptian enquiries were better dealt with from France. Here again was another example of how we could fluctuate our arrangements to get the best possible result, in that on one journey I was sampling material bought in Derby's name, doing other business for Philipp & Lion and arranging despatch for Rene Weil. I had to be careful not to hand in the wrong cards.

Business in Japan, both non-ferrous and precious metals, was looked after by Derby & Co. as regards sales, but we all did the buying. China was looked after by both Derby and ourselves, but the deals done were small.

As regards the Balkan states, we looked after Rumania, where we had a firm to represent us, the Commercial Representata. Turkey and Greece were looked after by Rene Weil, but in general all the Balkan states were "open" territory for all of us, with the idea of seeing what could be built up there.

Business in South America was started and we looked after that. We had an agent there and this business developed rapidly. At one period, we were buying the major part of the scrap produced by the two Railway Companies there, the export of which is now, unfortunately, prohibited. We also did a fair business in Lead Ore. We concentrated on the Argentine and had the intention of spreading out, but when Philipp Bros., S. America, was formed our activities were chiefly diverted to that. This started on a joint basis between Philipp Bros., New York, and ourselves, we naturally acting for the group on this side. It was decided that we should look after the European end because of our previous experience and Philipp Bros. looked after the S. American end. This started in 1927.

The years 1920-1928 showed remarkable progress. All the firms increased their business and likewise their staffs and there were few places in the world where we were not doing or trying to do business.

During this period Pallister decided to leave us. We, "P & L" lent him to Derby & Co., when they first started and he moved with them to Hatton Garden. He decided to team up with a man named Luck, who he had met in the course of business, and formed his own firm, Pallister Luck & Co. They caused us some competition and loss of business at first, in particular they fixed up a sole agency for the supply of Lead residuals to Dumont for a year. This business in

Lead Residuals with Belgium had been a very important one for us and at first we were upset at being cut off from our chief buyer. We were, however, successful in finding others and by keeping our supplies of material away from Dumont - as we would not sell to Dumont through Pallister - they, Dumont, did not renew their arrangement with Pallister. I don't think it paid him in the long run, as he was short of material on his contract towards the end.

Rene Weil did the same thing later on but only for a year, for the same reasons. It showed me that this sort of thing does not pay and the important point is to have the supply of material.

One result of Pallister's competition in Lead Residuals led to our advantage. After a time we, Philipp & Lion & Derby & Co., decided to work together with Pallister and another firm, Elton, Levy & Co., and to pool all our purchases in the U.K. We formed an office, which we called the Central Office and each firm sent a statement of each deal to this office together with a remittance. The Central office at periodical intervals distributed the profit, after deducting their expenses, equally to the four firms.

The underlying idea was to avoid competition and buy cheaper. We four firms were the largest buyers of this class of residue in the U.K. at that time. The method of working became very simple after we had given it some thought. Five lists were made, which in total consisted of all the suppliers we knew. Each firm had one list and the fifth was a general list. If material was offered by a seller who was on one of the firm's lists, that firm went ahead and tried to buy it, telling the other firms what to bid, if it was offered to them, without consulting the Central office. If it was on the fifth list, then it was reported

to the Central office, who decided, after consultation, which firm should be the highest bidder.

Sales were made by agreement and it did not matter who made the sale. It was a sale on behalf of the group and we each could deliver against any sale.

At first it worked well, each firm was keen to be the buyer and make their list as long as possible but after a time I am sorry to say it rather went the other way - we became slack and, sad to say, let one of the other firms do the buying as it made no difference in the long run. The arrangement only lasted a few years and we had a similar arrangement for Zinc Residuals, but with three firms only, Pallister and our two firms and this likewise came to an end for the same reason.

We also sent in for some business outside our usual lines, but in neither case did it pay. We, or rather Derby, had been supplying pen points to a firm in Newhaven who manufactured gold nibs and fountain pens. It was run by a Mr. Wade. They wanted more capital and we decided to advance it, Oscar Philipp, Leonard Gollance and myself becoming directors. We had a retail shop in Piccadilly and at the first Wembley Exhibition we opened a branch on London Bridge. Fleischmann of Derby looked after it and we sold quite a fair number of pens, but all in all it did not pay, taking into consideration the time it took up and we were quite pleased to get out of it later, even though it meant a loss on our investment.

Another proposition, likewise out of our ordinary run of business, was an invention of one of the chemists at our laboratory at Wealdstone. It was a

composition for stopping ladders in silk stockings. Whether it was the fault of the composition or we did not know how to market it, I cannot say, but it was not a success. However, that cost us little.

Apart from these "adventures" we kept strictly to our business in non-ferrous metals and precious metals. I could write many pages regarding the business we completed in those years until 1928 and the discussions at our various meetings. The four members of the pool held regular meetings two or three times a year, when not only policy but all office details were discussed and decided on. Further meetings were held from time to time at which some or all the "puddle" members" attended and could express their views. By this means we considered we arrived at the best possible results as all matters could be viewed from different aspects. But this history is to show the general progress of the firm, not the detailed deals. It will suffice if I say everyone in the different firms worked hard and what is more important with intelligence - each individual liked to see his firm doing the best, but at the same time could realise it was the general good that counted and did not mind seeing one of the other firms reap the benefit of his efforts - on paper.

I cannot do better than end this part by quoting from a letter Oscar Philipp wrote me from Mentone:

"As regards myself I am hereby putting it on record that I am very satisfied perhaps even proud of the organisation which we jointly possess and I claim for myself having contributed my due share, which was by no means a small one to the work that was necessary for the up-building of this organisation".

This was written early 1922 - how much greater must have been the feelings of satisfaction in 1928, when a further large step forward had been achieved by all the firms.

In 1928 both we and Derby & Co. moved to new offices at 28 Finsbury Square. It was a new building - we took most of the 5th floor - so that we could plan our rooms exactly as we wanted them. There were separate entrances for the two firms but "behind the walls" we could move from one to the other without being seen by the "outside" world and could also use the waiting rooms for either firm .

PART II - THE DISSOLUTION

All good things come to an end - that is said to be a recognised quotation - but I would add that they can come to an end and then continue in another form and become even better things. That is what happened to us. What the result would have been if we had continued working together in the same way, no one can say, but it is an undisputed fact that by our dividing out the three main firms, we each went to bigger and better results.

The reasons for the dissolution are hard to define. Was it due to jealousy between the firms or individuals? Had we become top-heavy and spent too much time on meetings and planning? Were things being duplicated? Who can say what was the reason? It is the fact that counts and it was decided each firm should from 1.1.29. stand on its own feet and go its own way.

How could this be done without causing too much interruption to the carrying on of each firm's activities, when for years everyone in the three firms - and there were some twenty people or so doing actual business - were working for a common goal. Further, there were Ayrtons, Gollances and Lions working in the different firms and it was hardly feasible to carry on with brothers in different firms when the common pool ceased to exist.

At first it looked simple. Oscar Philipp would carry on Derby & Co. Rene Weil would carry on his firm and Leonard Gollance and myself would remain the owners of the firm Philipp & Lion. But how could we remain with our staffs as they were at that time if we no longer worked together? An Ayrton at Derby & Co.

with his brother working for Philipp & Lion. A Collance in each of the two firms and a Lion in each of the three. And what about all the deals entered into, some running for a year or more, which were naturally not yet completed?

Well, everyone helped to arrive at the best and fairest solution, but it fell chiefly on the shoulders of Oscar Philipp and myself to find ways and means and now looking back at how we did arrange it and even though it may sound as self praise, I think it really marvellous, not only the way we planned how the new firms should be constituted but how we settled all the outstanding transactions, in a way that was as fair as anyone could reasonably expect or hope for.

It took a few years before all these transactions were settled and they became known as the 'unfinished transactions'. It would obviously be unfair if, at the time of parting, each firm kept its own transactions for itself as although a transaction must obviously be in the name of one firm, it represented combined efforts and was the property of the pool. Further, the way in which overseas branches and agencies had been built up gave one firm or another an advantage. Likewise, the way departments had been run i.e. Metal Exchange business, would have a similar advantage to that firm. We had to arrive at something that was fair on these points as well.

Well, first the composition of the firms:-

In Paris, Rene Weil was to carry on his own business with his brother Edmond as chief helper and he was to keep most of the staff in Paris. In return, we were to open a firm in Paris, under the name of Philipp & Lion and my brother Bernard was to run it with, as chief helper, Michel Schamasch, who had already worked with

us in Rene Weil for some years. Also two, or if we requested it, three of the general staff came to us. We were to keep and run the Affinerie de St.Denis but our shareholdings, those of Leonard and myself, in the Comptoir des Cendres et Metaux Precieux were sold to Oscar Philipp and Rene Weil.

Likewise, I was to give up my directorship and share holding in Derby & Co.

In Derby & Co. Fleischmann decided to leave and settle in Japan, dealing in precious metals chiefly (since, he has settled in New York and established his firm Fleischmann, Budd & Co. there). Sam Ayrton & Leonard Cohen decided to leave Derby & Co. and with Richard and Alfred Ayrton, who were with us, to establish their own firm, Ayrton, Cohen & Co.

My brother Felix, who had charge of the Metal Exchange department at Derby & Co. was to come to us, as a partner, and to establish our Metal Exchange department. The others in this department, Archie Brookes and Mason, were to remain with Derby & Co.

Leonard's brother, Ernest Gollance was to come to us.

The laboratory and the film business were to remain with Derby but the second chemist was to come to us and start a laboratory.

Rene Weil was to keep his firm in Brussels and which he soon closed up.

We were to keep Philipp & Lion, Milan and likewise our connections with Gasca & Roig in Barcelona and Bilbao but Derby were to have the right to use them for ^{their} Rhodium business.

Grunbaum & Lion, Berlin - which was used chiefly as a sales office - was to be closed up.

One of the more difficult problems was Philipp Bros. (South America) Ltd. This business had just been started and was done on a joint basis between Philipp Bros. of New York and our side and we, Philipp & Lion were looking after the sales end on the European side. What was to happen here? From the point of view of Philipp Bros., New York, they had made arrangements to work the business jointly with a group here. Now this group was to be disbanded. With whom should they now work. With us, because we were already looking after this side? With Derby & Co. because their connections there were closer? With Rene Weil? This could be ruled out as they did not fall into either of the above categories.

Philipp Bros. then made what I consider was a generous proposal from their point of view. The firm was established in Bolivia in Oruro and Philipp Bros. looked after that side i.e. all the purchases and sales, when made in the U.S.A. We looked after the sales made in Europe and each side provided half the finance necessary. Thus Philipp Bros. were doing more than half the work and they proposed to carry on their part, we or Derby should look after the European sales and each firm should finance one third. It was certainly an example of their being willing to make a sacrifice to help us settle this point but after due consideration we regretfully had to decline it. We felt that if we were breaking up an organisation, it would not plan out well to keep together on one point. Also we had another reason. Our organisation had been built up with Philipp Bros., New York, acting for all of us. All our sales in the U.S.A. were made through them

either on joint, trio or quattro basis according to circumstances or by giving them a commission. Sales from the U.S.A. were made by all of us likewise according to circumstances. If the sales were in France, the business was done jointly with Rene Weil. If in Spain or Italy with us. These are just examples and naturally any Metal Exchange business went to Derby & Co.

Philipp Bros., New York, suggested they should deal with all of us - they were an independent firm and would not disclose the business they did with one of us to the others. They would look after the sales and when we wanted to buy in the U.S.A. they would quote each firm according to the enquiries they received. This sounded all right but it left two very important points open. To whom would they pass Metal Exchange orders and if new business was proposed from the American side to whom would they offer it.

We thought most of it would go to Derby & Co., as their connections were closer with Oscar Philipp than with us.

We, therefore, decided to have our own connections in New York and appointed the Pope Trading Co. as our agents but we now deal direct with various firms in the U.S.A.

PART III

The year 1929 was naturally a difficult one for us. For me, personally, it was not so difficult as in 1928 I was married and it was then and always has been a great help to me to be able to discuss problems with my wife and have the advantage of a, so to say, outside and unbiased opinion.

In manpower we were sufficient: the three partners, Leonard Gollance, my brother Felix and myself. Next there were Leonard's brothers, Ernie and Reggie and then Lebrett. In junior positions we had Mann and Gold, so there were eight of us who could do business.

Lebrett junior, who had been with us for some few years, left and started a business in precious metals and was known as the Commercial Smelting Co. We have had close connections with them, especially during the war period when we jointly went in for the manufacture of Gunmetal Ingots.

Our finances were satisfactory, chiefly owing to the unsecured loans we were able to obtain from the Westminster Bank and which were granted owing to their high opinion of our reputation.

The year 1929 and subsequent few years were difficult for two reasons. Firstly, we, and myself in particular, had to spend a considerable amount of time on the transactions that had been entered into by all the three firms prior to the dissolution and which had to be settled to the satisfaction of all of us. The major part of this work fell on my shoulders and it was a few years before all these transactions - which we referred to as the Unfinished Transactions - were cleared up and they were all satisfactorily settled and not left as Schubert's Unfinished Symphony.

The second difficulty was the competition that we had from Derby & Co. and Ayrton, Cohen & Co. At the time of the dissolution, the two Ayrton brothers who were with us and the third brother and Leonard Cohen, who were with Derby & Co. decided to start their own firm.

It was natural that to some extent we should all go after the same business but this seemed to sort itself out and we soon saw there was sufficient for all and we could work without treading on the others' toes to any large extent.

We had remained in our own offices on the 5th floor at 28 Finsbury Square. Derby & Co. were on the other side of the corridor - which was of great help to the Unfinished Transactions - but soon afterwards they moved down to the 3rd floor in the same building.

As 1929/30 progressed, we were gradually finding our feet, when we received a terrible blow in the sudden death of my partner, Leonard Gollance, at the early age of 35, in August 1929. I felt this loss very deeply as from the early years of 1912 we had always worked so very well together. We always fitted in so well, the one with the other. We could discuss things so well together, appreciating the other's point of view and thus arriving at the best result.

From then, we carried on the business as a partnership between my brother Felix and myself with Ernie and Reggie Gollance, who were really partners in everything but name, but even in those early days we worked in a co-operative way; our five helpers received the main part of their remuneration in the form of a share in the profits, which method we have continued and still do so today.

In general, one might say the next ten years 1929-1939 showed steady progress. Our Metal Exchange business increased, although the transfer back of business we had passed to Derby & Co. took naturally a little time to organise.

We had our own firm in Paris, Philipp & Lion, at 6 Rue de Petrograd and a major interest in the Affinerie de St.Denis, where we put in charge Pierrot Leog, the brother-in-law of Michel Schamasch, who helped my brother Bernard in the running of the Paris office.

Philipp & Lion, Milan, carried on its business, where Guido Picchi was in charge but political events there caused us to hand over the business to Picchi and we were fortunate that with his help we were able to recover all the capital invested there.

Our Spanish firms, in Barcelona and Bilbao, brought in favourable business both in import into Spain and export from there. In fact, we were at the height of the business exporting more residuals from Spain than any other firm. Here again, political events put an end to the business. We lost a certain amount of capital there, the profit we had made over the years was fortunately much greater than the capital lost. In fact, the profit of the last year covered it. Business with Spain - except for isolated deals - became dead for many years, but will surely be in the picture again.

The business with S. America - which was centred in the Argentine - increased considerably through an agency office we established in Buenos Aires and most of the exportable railway scrap came our way. Here again, the business came to an

end through export restrictions, which is still the position today, but is expected to be amended sooner or later.

Our business at this stage was confined to non-ferrous metals and residues. It is only recently that we started dealing in ferrous scrap. Europe, India, N. Africa and S. America were where we did the major part of our business but we started about 1936 going further afield and had deals with Japan, China and S. Africa and had also fixed up a connection with Australias.

This was roughly the position at the outbreak of war and during the war years our business was naturally limited.

Prior to the outbreak of the 1939-45 war, we had engaged two young boys, Almond in 1933 and Taylor in 1935.

During the war years they were "otherwise engaged" and Almond received the honour of a B.E.M. They came back to us when the war was over and today Almond is a partner and it is only a matter of time before Taylor also becomes one.

As regards our further history - the new businesses we took up, the new and larger offices we occupied, the re-opening of our Metal Exchange department under my nephew Nigel Lion, the entering into the firm of Brian Gollance, son of my original partner Leonard Gollance, after his war services, both of whom will one day be partners, the admission into partnership of Jacques Lion, Robert Almond and Rodney Gollance, the son of Ernie Gollance, the sad passing away of Reggie and Ernie Gollance - this will be related in the story from 1945 onwards.

MEMO

DERBY, LONDON

TO : H. ROTHSCHILD - NEW YORK

DATE : 2ND OCTOBER, 1975.

FROM : S.P. DALE

COPIES TO :

SUBJECT : PHILIPP BROTHERS/DERBY

Ernst Fraenkel told me that you were looking for some data concerning the history of our organisation. I had an opportunity of speaking to Elliot Philipp who is an absolute mine of information and if what I am telling you below is not adequate for your purposes then I can easily contact him again.

Oscar Philipp was born in 1887 and joined his brother Julius Philipp in his Hamburg metal business in 1907. (Julius started his business in Hamburg in 1901). OP arrived in London in 1909 and on the 11th June started Philipp Brothers at 118 Leadenhall Street, employing three people with a capital of £125, of which £25 were immediately spent on a desk (obviously this must have been an impressive show piece for visitors but at the same time it underlined OP's need for self confidence).

PROFITS:

1910	:	£ 3,00
1912	:	£ 700.00
1913	:	£ 2,000.00

Rudolph Lion joined in 1910 as office boy. Siegfried Bentheim became a partner in 1913.

OP became a British citizen five days before the outbreak of war in 1914 having married in the same year.

Bentheim went to the United States on the 3rd September 1914 in the LUSITANIA. He arrived 10 days later and immediately opened Philipp Brothers at 42 Portway, New York.

Siegfried Ullmann went to New York according to Elliot Philipp between 1920 and 1923 but he is not entirely sure of this and you can no doubt check these facts easily in New York.

Rudolph Lion became a partner in London in 1916 and this was the beginning of Philipp and Lion.

In 1917 OP bought Derby & Company from two old gentlemen in the precious metal business who wanted to retire and concentrate on an antique furniture business.

Rene Weil OP's brother-in-law joined in 1917 and opened the office of Soc. Rene Weil in Paris in 1919.

In 1918 OP "had to retire from business" for reasons which are not quite clear. He joined the London University Tutorial College and studied chemistry and French. Although he realised that he could then afford to live in retirement he realised in 1919 that he enjoyed work too much and therefore resumed his activities.

In 1929 the connection between Derby and Philipp Brothers came to an end and so did the connection with Weil in Paris. The reasons for this were 'obviously' OP's temperament; he wanted to be the undisputed man in charge.

In 1931 OP became an individual member of the London Metal Exchange, the company having been members before that. This was quite a triumph for a naturalised British subject at the time.

Julius Philipp was all the time in Hamburg until he was forced to give up work in 1934 and of course it was he who originally trained Siegfried Ullmann whereas it was OP who was originally responsible for sending Gruenebaum to Bolivia.

The history from then on is probably known to you or easily ascertainable in New York including the move "back into the fold" by Derby. I hope the above is of some use to you but as I said before if there are any specific questions I shall gladly try and find out more from Elliot.

Best regards,


S.P. DALE

July 19, 1979

To: HR
copy to: H. Waszkis
Subject: Acquisition of Derby Companies in London

A) Derby & Co. Ltd.

On July 3, 1953, Philipp Brothers Inc. paid for 15,000 shares
25% of outstanding preferred shares, the amount of \$ 42,234.38
By Nov. 30, 1953 we additionally acquired a 25% interest of the
outstanding deferred shares of Derby & Co. Ltd. for 268,073.29
12/31/53 Total 25% investment of \$310,307.67

By 12/31/54, we had increased our shares of preferred stock to 33-1/3%.

By 6/30/56, we had increased our ownership to 78.6% of outstanding
preferred shares up to 75.5% of deferred shares.

by 6/30/57, we had acquired 100% of preferred shares at a total cost of \$ 168,142.57
and 100% of outstanding deferred shares for a total cost of 1,497,145.97
or 100% ownership for..... \$1,665,288.54

B) Derby Luminescents Ltd.

On Nov 3, 1953, we acquired a 25% interest in the outstanding shares
of Brimsdown Chemical Works Ltd. at a cost of..... \$ 33,286.44
During fiscal year 6/30/56, we acquired an additional 50.5% of
outstanding stock for..... 91,296.31
and in
Fiscal Year 6/30/57, an additional 24.5% of outstanding stock for... 47,132.99
Total 100%..... \$171,715.77

Arthur A. Simons

AAS:rg

PREFACE

This is the story of a business house which started from the smallest beginnings in a tiny office in Hamburg and has reached the status of an international firm with branches and agents in almost every country in the world and with business contacts everywhere.

The commodities it deals in are metals ^{and} minerals ^{and all kinds of articles}. The people it deals with are men of all nationalities, colours and races.

It is, therefore, undeniably, a success story, but one that has ~~not~~ been unadulterated by the touch of occasional tragedy and failure. It is a tale of professional expansion and this expansion has always been on a solid basis.// To seek the reasons for and to trace the basis of this expansion, which came in spurts, ~~but always~~ progressed; and to trace the interchange of temperaments and personalities that guided the business in the more than half century since its foundation, is to examine a specialised cross-section of humanity.

To success in

every place & form is always interesting; and the people who combine to ~~success~~ usually take spirit.

The two brothers who founded the firm were born in near the town of Hamburg in Germany, the sons of Elias Philipp and his wife Mary. They were brought up as strictly orthodox and observant Jews and remained so. Their religious upbringing guided not only their home lives, but their business behaviour so that the basis of their business morality was the Old Testament and their code always that of honesty, and integrity. In personality, they were vastly different. Julius, the older by ten years, who started the business, was more solid in every respect. Oscar, the younger, had the broader outlook, the more adventurous spirit and the urge to spread his

few larger deals, there was always a partner or a co-director, whose outlook was smaller and concentrated on smaller businesses bringing in smaller returns: but with lesser risks.

~~Where one wanted to reventure, another would probably counsel caution.~~ And it has been a fortunate circumstance that expansion while always steady, has never been too rapid for the personal touch throughout the organisation,

~~ever to be completely lost.~~ ^{in for to relate}
~~to be depleted~~ ^{with his first duty is} Sometimes, the pace ~~has~~ not been sufficiently

fast to allow scope for the many men being trained in the firm, to get ahead as quickly ^{some may have} as they wished and for this reason, many broke ^{others did not seem to be willing when they got it in} away. Thus we find, throughout the metal trade, in many countries, the influence of the training received originally from the brothers Philipp in other firms such as Rene Weil, in Paris, Ayrton in London, Gilbert in London, Philipp Brothers (Chemicals) in New York, Leonard Cohen in London, Compagnie des Cendres et des Metaux Precieux in Paris, and ^{several} other firms in other countries.

Today, the directors in New York are Siegfried Ullmann, ^{and} Luitpold Jesselson, ^{and} Lew Forchheimer ^{of Kise Ullman alone} received ^{one} of his apprenticeship ^{jobs} - ⁱⁿ Fabrey

In the metal trade firms are frequently disappears because of an over abundance of fallowing spirit or lack of initiative
? spelling
Shipping business
It is the belief that
they will try

relied on
to support it
and to face
it later
and

letting his main business to the war
several setbacks; and one could be 5

^{Father} He had had a very sharp lesson from a business letting him down in the first World War, when he was forced to get out of his business because he was a naturalized alien, and this taught him that he must cover his tracks in as many ways as possible. Probably, for this reason too, he had very large insurances always and he has life insurance policies that were due to mature at all sorts of different time and even one big one that was a full total life insurance. He always felt that the money should be coming in from his policies at times when he might, or his children might, need the money so they were covered to receive money at various times. This was a form of safeguarding all the time and possibly counteracting anxiety.

His successors, however, have taken over Fibro from New York, think somewhat differently. They have a more dynamic approach and discard automatically side shows that were just put on as a form of insurance and they want, very rightly, all their business to prosper even at the cost of cutting adrift concerns that have had some years

connection with the firm, such as a shop in Hatten Garden which really p the whole of the metal trade part of Derby & Co. the silver shop, though, preceded it all, he cut that adrift and unceremoniously sacked the people who were in it They, however, managed to find posts elsewhere, although not very easily, yet both of them, as far as I know, bettered themselves.

Elias Philipp, the last p being added probably two generations ago, was born in 1824 ~~my~~ and died in 1898. He had at least 13 children, from two marriages. His parents were of Swedish origin and came from Karls-Krona, where they had been since 1600.

Elias Philipp had a sister ^{Emmeline} (1830 - 1910.) She married ^{Berman} Bernays son ^m of Isaac Bernays, Chief Rabbi of Hamburg and a relative of Heinrich Heine. ^m Emmeline and ^m Berman Bernays had three children, one son Eli, and two daughters Minna and Martha. Martha married Freud, Sigmund Freud, the founder of psycho-analysis, in 1886 and had six children. ^{Martha} Eli Bernays lived in America and had several children and grandchildren. One of his sons is the celebrated Edward Bernays, the founder of the modern science of public relations and of mass advertising.

bent to

Elias Philipp's first wife was née Lewisohn. She was related to the well-known philanthropic family of Lewisohn in the U.S.A. and in Great Britain. A distant relative of hers was Bertha Pappenheim, one of the first social workers in the world. She is known better in medical literature as Anna O., The first ^{patient} case treated by ~~xxxxxx~~ Josef Breuer. ^{her} treatment laid the

*own
Sigmund
Hend's
boy
heart - was
wholly + to
for a life
in relation
and further*

foundations of psycho-analysis and modern psycho-therapy. The children of the first marriage of Elias Philipp were, Fabian, Rudolph, Fanny, Raphael, Arnold, John, Minna and Franziska. They were all of artistic and musical bent.

Elias Philipp's second wife was Mary Heine, ^{widow of} not related to the

great Heinrich Heine. She died in 1921 having produced five children, Sophie, Julius, Elsa, Martha and Oscar. The first,

Sophie, died in childhood. Mary Heine ~~was~~ had been

a housekeeper in the household of Elias Philipp

before her marriage and was related to the

families of Fleischmann, and ~~Beith~~ Beith. ^{one}

She herself was born in Altona which at the time was Danish.

Returning to Elias Philipp, his father was Fabian Philipp of

Swedish origin. Julius Philipp was born in 1878 and Oscar Philipp born in 1887.

Elias Philipp, ^{as a} young man, had to perform his military service at a time of upheaval and turmoil in Europe, in the 1840's.

The anxiety shown later by members of the

family was already seen in the case of his

mother who ~~were~~ sat ^{reading books of prayer} during the time

when he had to do his "service", which consisted in ⁱⁿ exercises

at a drill hall!

they were but
the family stand
for Denmark, but
not negligible
with German Jewish
Stock and
combined culture
and religion
in its hereditary
characteristics

of her country
became a
fearful
time
and
look known
as the humor
center for
Hegel (Sick)

Oscar Philip, when a young man, was apprenticed to a kindly man of the name of *Julius Hartbiger* for a year, where he learnt something of the paint and glue industry. He decided to emigrate from Germany where he was born, in the town of Wandsbek, to London in 1909, after having paid ³ a visit ^{for} ^{a year} before to see whether it was a suitable ^{2 years, a year} place to live in. He was told by his family that he would be back within ^{less than 6 months}, as they thought he loved comfort, but he managed to stick it out until 1952, when he decided he had better have some comfort and retire to Geneva.

Number issued as fully paid other than for cash						
Called up on		Ordinary Shares				£
Do.		Preference do.				£
Do.		do.				£
Total amount of Calls received						£
Agreed to be considered as fully paid on		Shares				£
Do.	Do.	partly paid on	Shares to the extent of			
		per Share				£
Total amount of Calls unpaid £		Total amount paid on				£
		Shares forfeited				£

Total due in respect of mortgages and charges at the date of Summary ... £ 115

Shares Held

6 Directors (and their Addresses):—

Douglas E. Bagnall - Westhill Avenue, Bexleyheath -
 Philip S. Chandler - Flat 1, 17 H. North Common Rd. W.S.
 Henry Levy - 66 Marlborough Rd. NW8
 Richard V. Dagnan - Hazel Lane - Levenshaw - Sy
 Charles Gabb - 10 Highfield Glens NW11

Principal Shareholders —

Principal Shareholders

X	Philip Bros. & Co. Ltd - V (not to be given about this Co.)	42,250 Ordinary shares £1 each 430,000 C.R.L. preference shares £1 each
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OSCAR PHILIPP

TÉLÉPHONE 25 50 10
TÉLÉGRAMMES: OSPHI

GENÈVE
860 AVENUE DE CHAMPEL

Answer to question No.:

26. The firm of Philipp Brothers was founded on 11th June, 1909 in London. The name of the firm was changed some time in 1916 or early 1917 to Philipp & Lion. This became necessary for two reasons: namely, by that time I had taken Mr. Rudolph P. Lion into partnership. A new law came into force in England which required the names of all partners in any firm to be mentioned on their letterheads. If any of the partners were not British-born but naturalized British subjects or of any other nationality the law required that the previous nationality or the foreign nationality also be stated on the letter heads. Had we left the firm unchanged as Philipp Brothers, it would have been necessary to mention my former nationality. But fortunately the above-mentioned law provided a way out, namely, if the title of any firm indicates the name of all the partners, no further information was required to be mentioned on the letter heads. Since the new title of Philipp & Lion! It is clear from this that this firm was the successor of Philipp Brothers in London, and I suppose it is on this trend of thought that Mr. Rudolph Lion sent out his invitations to the 50th anniversary of the founding of the firm. On the other hand, Mr. Ullmann has also a good right to call his firm in New York the continuation of the original firm of Philipp Brothers. When Mr. Siegfried Benfheim left London in September, 1914, he was a partner in Philipp Brothers, London, and it was arranged that he should call the new firm in New York also Philipp Brothers. Whilst, in a way, Philipp Brothers became a subsidiary or branch office of the London firm, it was in another way a continuation of the activities of the original London firm. Particularly due to the arrangement, which was made between Mr. Benfheim and myself before he left London that the profits of the new New York firm should be divided 50-50, between us two.

I think the best thing you can do in order to avoid upsetting anybody to quote only the last part of my answer to your question. I would certainly not say that Ullmann is ruthless. He is very energetic and naturally sees things from his own point of view, but is intelligent enough to admit when it had been proved to him that he is in the wrong. I have had quite a few occasions on which he proved my last statement.

27. Benfheim and Ullmann, who are cousins, split for very good reasons. They both had the desire not to fall out with one another; after Charles Benfheim came into the firm he found it difficult to work with Ullmann. In order to avoid any trouble, the two seniors decided to

OSCAR PHILIPP

TÉLÉPHONE 22 20 10
TELEGRAMMES: OSPI

GENÈVE

255 AVENUE DE CHAMPEL

open up a new firm called Philipp Brothers (Chemicals) Inc. This new firm would have as its partners Siegfried Bengheim and his son Charles. It would also take over the chemical department^s of the old firm, Philipp Brothers. This department was originally commenced by Siegfried Bengheim and had developed very satisfactorily. It was further arranged that the old firm should deal in metals and minerals only, whilst the new firm will not touch these products but concentrate its activities solely on chemicals and all kinds of chemical products, including pharmaceuticals, etc. Very fortunately the peace and friendship between all the members of the two firms were upheld and both firms were and still are very successful in their enterprises.

28. Ullmann started with Julius Philipp, Hamburg, some time in 1910. He staid with him I think about a year to 18 months, and then came to Philipp Brothers, London, where he showed great ability, business acumen and keenness. He was certainly a very successful co-worker whilst in London. After about a year, he left the London firm in order to return to his father's business in Bavaria. His father was a manufacturer of springs for furniture, mattresses, etc. He then stayed in his father's business till about the end of 1923 or early 1924, when, an arrangement was made between him and Siegfried Bengheim to join Philipp Brothers Inc. in New York ^{as a partner}. *Oscar Ullmann*
- 1923 or 1924



LJH

H. WASZKIS

Rio de Janeiro, November 22, 1979.

Mr. H. Rothschild,
New York:

return HR

Re: HISTORY OF PHILIPP BROTHERS

Dear Mr. Rothschild,

Please find enclosed copies of letters from Mr.
Herbert Philipp, dated September 9, 1979 and
Mr. Ernst Philipp, dated October 22, 1979.

Regards,

W

HW/mwb.

H. Waszkis

You may be
interested in the letter
from Herbert P.

1428 Buenos Aires, October 22nd, 1979
Echeverria 2905

Mr. Helmut Waszkis,
a/c Phibro S.A.,
R. Araujo Porto Alegre , 36 - 119,
20016 Rio de Janeiro - RJ Brasil.

Dear Mr. Waszkis,

I thank you very much - although belatedly - for your letter of July 25th and a draft of Chapter 3 of the proposed history of Philipp Brothers.

Your story is very detailed and complete and brings back to me many episodes of my childhood in Hamburg. Mr. M. Berberg I remember well, also the way he talked to me.

Probably nobody would have undertaken such an exhaustive research work and you have to be congratulated for the work, trouble and perseverance which were necessary to produce your report.

There is however a passage on page 20 to which I have to disagree. It is your conception of my late father's relation to the Jewish religion. Since the time I can remember, my father always had the same, uniform attitude toward religion which did not change because of outward influence. There was never a discussion about our household being kept 100 % kosher and all precepts and laws were being observed. That was nothing special in Hamburg.

My father used to study the Jewish scripture very much. During the weeks several rabbis came to our home in Hamburg and gave lessons to him. We still have Chumashim with his notes and explanations - in pencil - on the sides.

I do not know on whose informations you based your conclusions but to me they seem to be erroneous. Maybe you contact my brother on this point because he stayed with my father in Holland and also in the camp.

I should be glad to receive the other chapters if you can spare a copy.

Sincerely Yours

Ernst Philipp

* Herbert in Israel

Herbert Philipp

HOLON, (Israel), 9th Sept. 1979
Fabrigat Street 11

Bj Helmuth

Mr. Helmuth Waszkis,
C.Postal 2296,
Rio de Janeiro (Bras il)

Dear Mr. Waszkis,

I refer today again to your letter of the July 25th 1979 and to the draft of Chapter 3 as to my late father and of the Hamburg Office.

I have to correct firstly 2 points which I cannot confirm though written down by my sister Julia in New York.
What Julia wrote under Footnote to Chapter three viz:

"he became a German Jew only as a result of the persecution of ~~the Nazis~~" is uncorrect. As a fact I remember that our dear father made great efforts to become a real orthodox Jew, by regular study of Thora, Mishna, Sohar, and Gemarah. I remember still the various Rabbis and teachers who came to our House in Hamburg. Amongst others J.P. studied Thora with his best youth friend Mr. Siegfried Halberstadt, also born in Wandsbeck in Hamburg with their teacher Mr. K. Rothschild. This daily Schiur commenced in Wandsbeck where Julius had visited a Christian Gymnasium, and lasted for about 40 years, until 1943 when J.P. left Hamburg. Other Rabbis who came regularly to our House in Hamburg was Rabbi Jaffe, who studied with my father the Holy Book "SOHAR". A confirmation to this I found on a P/C which was sent from the Timendorfer Strand to my father (stating in Hebrew letters that the study of the Holy Sohar will accompany you in all your life as the light of the blue sky). I remember that my father cared personally to get an apartment for the family of Rabbi Jaffe and for his 7 children, when they came as Refugees from Lithuania to Hamburg. The eldest boy Bezalel Jaffe came daily to our home and took the meals with us. He was a good friend of my eldest brother Ernst, living since 30 years in Argentine (Buenos Aires). When J.P. was during his summer vacation on leave he wrote letters to Mr. Rothschild his teacher of Torah, asking for details about difficult problems of the Parshat Hashavua. Letters from Mr. R. are in our possession dealing with the problems of the respective question. J.P. had more than one Rabbi who taught him Judaism. In the big city of Hamburg there existed a small Yeshiva, which was founded amongst others by J.P. The lecturers were amongst others:

Chief Rabbi Dr. Joseph Carlebach,

Rabbi Rabinow,

Rabbi Bernhard S. Jacobson. - Dr. Moses Jacobson.

Rab Jacobson gave private-Schiurim to the boys of J.P. (Max s.l. who died in Israel 3 years ago, to Richard s.l. who was deported from Holland to Auschwitz, and to Herbert living in Israel) Dr. Moses Jacobson has been the private teacher of my brother Ernst now in Buenos Aires. J.P. invested a good deal of funds in order to care for a real Jewish but modern education of his 6 children. J.P. said very often to us: this is the only investment I want to give you for your future life". This investment was a 100% successful one.

Something which a hows know serious J.P. took his daily Jewish Shiurim (Study lessons) was a kind of book keeping which I can better show on the attached photo- copies which gives a detail during which (Jewis h) years he studied Sforno, Rashi, Baal Ha-Turim etc, which Parsha and how many Paukim. he has learnt. From a receipt of the Synagoge of Wandsbeck (a photo copy is enclosed) you can see that Julius already visited in his youngest years this Synagoge . The small place of Wandsbeck belonged to the famous 3 Kehillot A.HuW. A-is Altona-Hamburg and "W" - Wandsbeck. I remember during our youth we spent in Hamburg, J.P. took his 4 boys on every Schabbath and Chagim to the wonderful great Synagoge of Hamburg, called the Gemeinde Synagoge Bornplatz. The big and gourgeous building which contained , the Offices of the Synagogerverband , a Mikveh a second smaller Synagoge for weekly resp. dayly prayers, an appartment for the Administration, was totally wrecked by the Nazis in 1939 in the famous "Kristallnacht". - Nobody would believe this terrible act of destruction, if you would not have seen it with your own eyes. I enclose a small phoyocopy of the first Prayer which J.P. wrote down himself, a till being a little boy. This prayer is said when entering in the morning into the Synagoge everywhere in the world. (Ma Towu Ohalechu Jaskov Mishkenotechu Israel) J.P. bought during his life 100 of books - most of them Sifrei Kodesh - as the Rambam - Morech Nevuchim, Schass Jerushalmi, Schass Babli - all of them the finest and best printed Editions . There are amongs t other s one valuable books still in my posses- sion as f.i. A Pessach Hagada printed in Metz printed in 1736 (243 years ago) A Wond'erfull printed "Sefer Kus ari" with a Spannis h introduction, printed in London in the year 1679. The great "Shulchan Aruch" (Sefer Maginei Eretz) printed in Amsterdam in the year 1689. A wonderful "Tehillim" printed in Berlin 192 years ago bound in leather. The older brother of Julius was Prof. John Philipp who painted Pope PIUS the 12 and a lot of famous other persons (amongs t others there is still a collec- tion in the "Kunsthalls of Hamburg", has drafted an EXLIBRIS in the name of J.P. which is to be found in the library of J.P. A copy is enclosed herewith The sketch a hows the House in which the parent,of J.P. lived in Hamburg, (Steinhorweg # 4) and where the Office of J.P. was housed later on until abt.1936. Still another event of J.P. was his Tour^t to Israel in the year 1923 with his brother in Law Mr.Walter Wolff, of Hamburg, and who died in Israel about 10 years ago. This was not jus t a business trip to Palestine resp. Egypt as a Pilgrimage, but as our father told us, he would try to find out whether there is a chance to settle in P. and to bring up 6 children. J.P. was very much impressaby this tour and when he returned to Hamburg he gave in a famous Jewish House a big report of this 6 weeks tour to Palestine. The invitation to this lecture was given to me by our old friend Mr.Siegfried Halberstadt, also coming from Hamburg to Jerusalem where he died some years ago. I should like to refer to another fine event during his stay of J.P. in Hamburg., a banquet given by the Verein der am Metallhandel beteiligten Firmen (ass. of the firms interested in the Metal trade in Hamburg) at the Uhlenhorster Faehrhouse, on 16th May 1928..

Mr. Helmut Waszkis, Rio de Janeiro,
(3)

There is a full report of this Banquet to be found in the Year Book X of the Famous Leo Baeck Institute, LONDON, in the year 1965. (written by Mr. S.M. Auerbach). At this meeting were gathered all members of the Hamburg and Berlin Metal Exchange of course also Mr. J.P. There is also a photo attached in this book and various famous German Metal Dealer can be seen on this photo as : Dr. Fritz Warburg, Dr. Georg Eberstadt Dr. Josef Eitel of Norddeutsche Affinerie, Dr. Walter Baer of Zinnschmelze Wilhelmsburg, etc. The dinner was so arranged that even the most orthodox members could partake, thanks to the initiative of Mr. Herbert Gotthold of the same wellknown Hamburg firm. In the above mentioned article "Jews in the Metal Trade" you can find the History of the biggest German Metal Dealers, as Metallgesellschaft, Frankfurt a.M. Aron Hirsch & Sohn, Halberstadt and Beer, Sonnheimer & Co. Frankfurt a.M.-

Another outstanding matter I should like to mention here, since I know this from my personal work with the firm of J.P. There was kept in the Bookkeeping Department an Account for "Zedaka" (Philanthropy) called "M"-Account. There is an old tradition to be found in the Holy Books of our Torah that every Jew has to give from his Income 10% to the poor. J.P. kept such account in his firm in Hamburg and later in Amsterdam.

As to the story of Mr. Bernberg resp. to open office in Odessa I have never heard before.

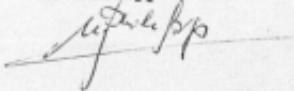
I should like to recommend that the Board of Messrs. Philipp Brothers, N.Y. will not only refer to my father as the Founder of this Worldwide Concern, but will eventually give a grant in the name of my late father to one of the Israeli Universities for Jewish Education & Limud Thorah.

I will send all photo copies in an extra letter to you. I am sorry that this letter was not sent out earlier to you, but on account of the Jewish Holidays this letter was finished only by now.

With kind regards, I remain, Dear Mr.
Waszkis,

Yours sincerely,

H. Philipp





H. WASZKIS

Rio, March 08, 1979

To: Mr. L. Jesselson - NYK

cc: Mr. H. Rothschild - NYK

Ref: History of Philipp Brothers

Dear Mr. Jesselson,

You may recall that I saw Mrs. Ullmann in January.

Attached is a copy of the notes. She corrected the notes. I had told her that I would show them to you.

Best regards,

A handwritten signature consisting of a stylized 'W' or 'H' shape followed by a checkmark-like flourish.

H. Waszkis

Att.

HW/lk

Mrs. Irma Ullmann
100 Sunrise Avenue (PH 5E)
Palm Beach, Florida 33480

Conversation on January 17, 1979

- 1 - Mrs. Ullmann is the daughter of Mr. Jacob Lichtenstaedter, a teacher of Hamburg, Germany. Lichtenstaedter had gone to school with Jacob Ullmann, father of Siegfried Ullmann, in . Later, Lichtenstaedter moved to Hamburg. There he met and kept contact with the Philipp family, and this is how Jacob Lichtenstaedter at one point in time, told Julius Philipp about Siegfried Ullmann, and this is how S. Ullmann eventually got his first job with Julius Philipp.
- 2 - Siegfried Ullmann was born in 1894, in Schweinfurt. He must have gone to Hamburg for the first time in 1910 or 1911 at the age of 16 or 17. He then stayed for two or three years with Julius Philipp in Hamburg and then one year in London with Oscar Philipp. He must have returned to Schweinfurt about 1913 or latest 1914. His father, Jacob Ullmann, called his sons back to work with him in the family owned "mattress spring manufacturing company". He wanted his sons in the family business and not to work for others. He made his sons work in the beginning even without pay, later made them partners.
- 3 - In World War I, S. Ullmann served in the Western Front and then became an interpreter in Berlin. He was fluent in English and French. By the end of the war he was a lieutenant.
- 4 - S. Ullmann wanted to become a surgeon, but his father disagreed because he was afraid S. Ullmann would give up orthodoxy. Nevertheless S. Ullmann did eventually give it up.
- 5 - Siegfried Ullmann met Irma Lichtenstaedter in Hamburg. When he, S.U., was an apprentice with Julius Philipp, Irma was a little girl, but during and after the war, the contact between the Ullmanns in Schweinfurt and Lichtenstaedters, in Hamburg, was continued. In 1923, when S.U. was on his way to the U.S., he visited the Lichtenstaedters one last time. In 1926 S.U. came on a business trip to Europe (his father was ill and passed away that year), and again visited the Lichtenstaedters and married Irma.
- 6 - S. Ullmann had met Siegfried Bendheim when both were young traders just before the outbreak of World War I - they were also cousins. They were like brothers. As we know, S. Bendheim went to New York in 1914 to open the office there. Contact was re-established after World War I and eventually, probably in 1923 (see here the Bendheim notes), S. Bendheim called

S. Ullmann because he needed a strong personality. Trust was very important. S. Bendheim knew he could trust the cousin S. Ullmann with whom he had worked previously. And he knew that S. Ullmann had a strong personality; he was tough but fair.

7 - In 1923 the Philipp Brothers office was in the Woolworth building. There were Bendheim and Ullmann, one office boy and two women - one a secretary and the other a bookkeeper. Soon thereafter the office moved to another floor and already had a staff of 10.

8 - S. Ullmann decided to go to South America in 1927, because there were the mines. Also, in the partnership between the two, he, S. Ullmann, had undertaken to do a lot of travelling.

He went by boat to Brazil first, then to Buenos Aires, on to Chile, Antofagasta, by train to Bolivia, and via Lake Titicaca to Lima and back. It was a three month trip.

Began to do business with Bolivia almost immediately. Then Gruenbaum went.

9 - Throughout the years, S. Ullmann did a lot of travelling:

1927 - South America
1928 - Europe
1930 - Europe
1933 - South America
1938 - with wife to South America.

The last trip was by boat, Grace Line, to Mollendo, then Arequipa- by train to Lake Titicaca. Flew from Bolivia to Buenos Aires. In 1928 E. Felsenstein was already in Buenos Aires.

10 - S. Ullmann and Jesselson hit it off "just like that". "I throw out a word nad hé picks it up".

11 - S. Ullmann was the one who had the fundamental idea of taking the employees as partners. He also very early thought of a retirement plan.

S. Ullmann knew the Engelhards - Charles Engelhard Sr. - in 1922.

12 - Asked what she thinks made Philipp Brothers great, Mrs. Ullmann stresses how hard S. Ullmann worked, the week always had 6 days. S. Ullmann did not work Friday evenings, and Saturdays, but Saturday night usually went to the office and almost always put in at least a half day on Sundays. Hard work was combined with meticulous concern to build up and maintain a first class reputation. S. Ullmann also had a lot of charm, and good

ideas. He was also prone to towering rages. He never scolded Jesselson, had too much respect for him.

S. Ullmann was prone to make up his mind very quickly.- like Jesselson. S. Ullmann knew how to find good people. His punctuality was proverbial.

13 - S. Ullmann in 1927 wrote to his wife that in South America the gold was lying in the streets. He also said that everything was harsh and cold. He did not feel well in the altitude.

14 - Arturo Gruenebaum was also not excited with South America. He apparently made quite a few mistakes in the beginning. He was told not to run any risks, but he did so, but made good in time.

15 - S. Ullmann retired in 1962. He died in 1965. He apparently wanted to retire earlier but was asked by his colleagues to continue.

16 - Up to 1946, Charles Bendheim, the son of the Senior partner Siegfried Bendheim, had been considered the crown prince. After the Bendheims left in 1946, L. Jesselson was considered the crown prince.

17 - The Ullmann sons never got into the business. As S. Ullmann had been forced into his father's business, he did not want to repeat the same error with his sons. Siegfried Ullmann had a surgical mind.

18 - In 1937 S. Ullmann commented to his wife: "I have a second cousin in Amsterdam and he is so bright, and I want him here". This referred to Jesselson.

19 - S. Ullmann apparently got quite a bit of distraction and relaxation through painting. He picked it up during the war years, took lessons for a while and continued to paint from time to time almost up to the time of his death

* * *

Mrs. Ullmann's reception was very friendly and we had a very cordial conversation. Still, inasmuch as this was our first meeting, I did not feel it was appropriate to bring up two subjects - Mr. Ullmann's charities and his funeral.

I wanted to leave these subjects for another opportunity once Mrs. Ullmann had had the opportunity to see these notes and perhaps even in time, see the drafts of the chapters on the earlier years before probing into these two subjects.

I understand however, that Mr. Ullmann gave substantial sums for charities both in the U.S. and in Israel. It is obviously Mrs. Ullmann's privilege to in time,

comment on these matters. I have also been told that Mr. Ullmann's funeral was an unusually large and well attended affair. I have been told that the many people who came made it almost a homage tp Siegfried Ullmann, surprising many people with the extent to which he was known and respected.

* * *



H. WASZKIS

March 08, 1979

To: Mr. H. Rothschild - NYK

Ref: History of Philipp Brothers

Dear Mr. Rothschild,

Attached are the notes on the meeting with Mr. Bendheim which I had in January. He has not yet seen them. You may want to correct one or the other detail.

Best regards,

H. Waszkis

Att.

HW/lk

CHARLES BENDHEIM

Mr. Charles Bendheim
Philipp Brothers Chemicals, Inc.
Columbus Circle

Conversations on January 10, 1979

Mr. Charles Bendheim is the son of Siegfried Bendheim who in 1914 went from London to New York to open up the first Philipp Brothers office in the USA.

1. Siegfried Bendheim came from Bensheim. SB was born in 1890. He began to work for Oscar Philipp in London in 1908 when World War I broke out, as he was one month short of the 5-years mandatory residence requirement to become a British subject. SB wanted to go back to Germany to "fight for the Fatherland", but as the war had broken out, there was no way he could get back. To avoid internment in England for the duration of the war - as he was still a German subject - he and Oscar Philipp hit upon the idea of sending SB to New York (see OP's notes and comments from Dr. Elliott Philipp.).
2. SB crossed the Atlantic on the Lusitania - 2 trips before it was torpedoed by the Germans. He went to the synagogue the first Saturday after his arrival. During the service, he happened to sit next to a man by the name of Felsenstein, who took a quick interest in the young man who spoke English with an accent. Coincidence had it that SB was carrying a letter of introduction to the same man. Mr. Felsenstein took the young man (SB) home to his family. His daughter (_____) became Mrs. Bendheim. They were married on June 13, 1915. Charles Bendheim was born in 1917.
3. I asked Charles Bendheim whether or not he knows how much money his father brought to the States in 1914, i.e. with what capital he began operations. CB believes that the amount probably was in the range of US\$ 5-10,000. I also asked whether there is any recollection as to whether the money was SB's own or whether these funds were partly either from Oscar Philipp or the brothers Philipp. CB is certain that these funds were for his father's own money.
4. The first business was done with Duncan Fox, and the next with Charles Engelhard, Sr.

5. CB started to work for Philipp Brothers on March 06, 1940.
6. PB/New York had some platinum on a zeppelin called Shenandoah which burned in 1925. CB must still have the shipping documents somewhere.
7. About the family relations of different individuals, CB told me the following:
OP's wife, Clarice, was a born Weil. Her mother was a born Felsenstein.
Clarice Philipp, born Weil, and Mrs. Siegfried Bendheim were first cousins. Esteban Felsenstein's father, Joseph, and CB's grandfather, Jacob, were both brothers and both Felsensteins.
Siegfried Ullmann's mother was a Meyer. CB's grandmother was also a Meyer.
8. In business, Siegfried had a rough time at the beginning. Business was not easy during WWI. The office was first at 29 Broadway then moved to 223 Broadway.
As SB was an enemy alien, once the U.S. entered into the War, his ability to move around was restricted. For instance, he was forbidden to approach the water-front.
9. One of the first businesses SB did was copper sulphate with Engelhard. Charles Engelhard and Charles Bendheim were wheeled together in baby carriages. CE and CB were friends from childhood, because, born the same year and with both families living ~~xx~~ in the same neighborhood, the two boys grew up together.
Other businesses that SB did were in scrap and residues. Most of what he did was probably purchasing these metallic raw materials and shipping them to England to Oscar Philipp.
10. Both Leo Ullmann and Siegfried Ullmann worked for Julius Philipp in Hamburg. Both returned shortly before WWI to Schweinfurt to work for their father. In 1923, Leo bought out Siegfried's share in the family business. This is how S. Ullmann obtained what CB believes must have been around US\$ 60,000, which funds S. Ullmann brought to New York and with which he bought himself into PB Inc., which at that time was still 100% owned by SB.
11. During the latter part of WWI, SB and his firm, PB Inc., apparently made good money because CB remembers that the family went to Europe already in 1921. They again went in 1923. They traveled all over Europe. CB believes the company made money every year except in 1929 when they lost US\$ 300,000. Once Ullmann had joined, Ullmann took care of financial matters, and Bendheim did most of the business.
The Depression years were bad (1929-33) but already in 1934, conditions improved. The family again went to Europe that year.

- They began making really good money again as from 1936. SB retired in 1946 and died in 1960. The split-up in PB came in 1946 when Ullmann and LJ stayed with PB Inc. and the metal/ore business, and CB and his father took the chemical business and set-up PB Chemicals Inc.
12. Already in 1908, began a friendship between SB, Herman C. Stark and Schlosser (Degussa).
13. I asked the question, why did Ullmann leave Germany? During the inflation years of 1922/23, conditions in Germany were quite bad. Ullmann simply wanted to get out. In New York, Ullmann was first an employee of Bendheim, but within a year, he became an equal partner.
Edmund Weil lived in Bolivia for 2 years.
Sali Hochschild, Moritz Hochschild and SB were second cousins. On the other hand, Sali and Moritz were first cousins of the American Metal Company Hochschilds.
14. In my search for descriptive adjectives as to the personalities, CB commented that he thinks of his father in terms of "calm, friendly and soft-spoken" and in terms of S. Ullmann in terms of "rough, tough but with a good heart". S. Ullmann took some business risks. SB on the other hand was very conservative.
Also, Fred Rau was related because he had married a Hannah Felsenstein.
PB/NYK were the real brains and leaders in the Bolivian business. The ownership of the Bolivian company was 50% NYK, 25% Derby and 25% Weil/Paris.
- The big jump in the growth of PB came with the barter business. Rolf Meyer was the cause of this. Jess brought about one of the first big businesses of the firm, - 1,000 tons of aluminum pigs from Alcoa sold to Amtrak Trading (USSR). Another one of the first large businesses was a sale of tungsten to the Japanese in 1940.
- Mr. Bendheim also made available to me copy of a letter from Oscar Philipp to Siegfried Bendheim, dated February 18, 1930, and another one from SB to Mr. and Mrs. Oscar Philipp dated February 15, 1929.
15. CB also said that his father should be remembered as the diplomat, peace-maker. Everybody in the company liked him. On the other hand, employees were often scared of Mr. Ullmann, even LJ at the beginning. Once LJ had joined, he quickly became the "spark-plug of Philipp Brothers." "Somebody who once left, don't take him back."

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OP/EJ.

27, FINSBURY SQUARE,
LONDON, E.C.2.

18th February, 1930.

S. Bendheim, Esq.,
c/o Messrs. Philipp Bros., Inc.,
New York, U.S.A.

My dear Sieg.,

Thank you very much indeed for your very nice letter of the 7th inst., which gave me great pleasure in reading.

It is perfectly true that at the present time I am somewhat overworked and that I have to deal with more than I can handle; but this is not exactly of my own choosing. I might almost say that it is partly your fault. You will naturally ask why. The answer is simple.

When you kindly consented to come over at the end of 1923 to help us in our separation from Messrs. Philipp & Lion, I suggested that you should come and live in England and that we should work together as we had done before the War in such harmony. You thought, however, that my proposition was not feasible, and consequently I have to carry on without 100% partners. I can assure you that I do not wish to take on more than I can handle; but somehow I cannot reduce so

18th February, 1930.

SHEET NO. 2.

S. Bendheim, Esq.

quickly the various departments which I have to supervise. Although my co-workers are nice and very willing young gentlemen, they naturally have shortcomings, which are most pronounced by the fact that their experience is lacking: they consequently require my assistance on very many points. This is really the long and short of why I am overworked.- This also makes it extremely difficult for me to get away and have a proper holiday. I can assure you that I am not over-ambitious, although I like to make money; but the result of the year 1929 has been one of only meagre profits. The first six months of year were certainly very good indeed: the last six months we just managed to make slightly over our overhead charges. Conditions in Europe are altogether not very encouraging, as the competition is exceedingly keen and one really has to find business of such transactions which are not run after by everybody. Consequently we feel over here that a business like the Bolivian venture should be nursed, as we are of the opinion that, in the long-run, it will show very nice profits.

Having thus written a little about general conditions, I wish to express our great sorrow at the news that your dear son had to undergo an operation. We sincerely trust that, with God's help, he will be quite allright again before this letter reaches you. In any case I wish him a speedy *recovery*.

18th February, 1930.

SHEET NO. 3.

S. Bendheim, Esq.

I now come to your complaints about our laying down the law. Please be convinced that this is not our wish at all. I have always fully realised that you and we are on entirely equal ground, and I do not consider your firm just as agents, as you have so often put it. If some of our communications get on your nerves, I am really sorry. Will you please realise that, if any of our letters or cables are somewhat strong, the thought behind them is definitely goodwill and the very best of intentions for the benefit of you and us alike.

What you write about Glance Metal is not clear to me. I still maintain that you could have told us from the knowledge of the terms you can obtain from the smelters in the States what we should have offered to the sellers over here. You know very well how such Glance Metal business comes about. A seller like Schaefer & Schael knows approximately what the material will contain. They ask various firms for offers, and the definite analysis is only ascertained after the material has been weighed, sampled and assayed for the final settlement. The English works are quite ready to submit offers on the analyses which we have indicated, and the 100 tons which we recently offered you were sold within a few days, as Schaefer & Schael asked for bids. I do not yet know why you could not indicate to us terms which we should have submitted to Schaefer & Schael on your and our joint behalf. Surely there could be no better example of dealing

18th February, 1930.

SHEET NO. 4.

S. Bendheim, Esq.

as partners than your indication to us of the terms which should be submitted for joint account. Then you and we would have run a certain risk in bringing business about, but, very probably, we would have secured a decent profit.

As regards the famous Lot 1115, I have made a note of all your remarks, and, whilst on many points I agree with you, I cannot get away from the fact which you yourself admit: that Mr. Berliner is acting incorrectly. Consequently we are having difficulties with our buyers. We shall, however, now carry out your instructions regarding the sampling through the Staatshuettent-Laboratorium. We really thought that, after all the information which we had supplied, you would succeed in convincing Mr. Berliner that such further sampling was utterly superfluous. However, as Mr. Berliner insists, I have nothing else to say but: "Des Menschen Wille ist sein Himmelreich".

I thank you very much indeed for your kind invitation to come to New York. This was really my intention before your letter arrived, as I wished to discuss the Gilbert Marchant business with you. However, as I can get away from here only with difficulty, I wrote you on the Scrap Metal business last week, and trust that my suggestion appeals to you and Mr. Ullmann, and that it can be carried out. On the other hand, I should very much like to have an opportunity of discussing business in general

18th February, 1930.

S. Bendheim, Esq.

with you, and will try my best to accept your invitation and perhaps come to New York when Edmond is over there. I should, however, be glad to hear from you in the meantime what your plans are regarding a trip to Europe. Uncle Joseph told me last week when he was in London that you intended coming to see your parents soon.

I am pleased to say that everybody is very well over here, and all the members of the family send you and dear Nettie and the children our best regards.

Yours affectionately,

Lecail

February 15, 1929.

My dear Clarisse and dear Oscar:

Many thanks for your nice letter of the 28th ultimo. I am glad to hear you are all well and am happy to give a similar report from here. My trip was, as you have read, quite a rough one but T. C. I did not suffer much. Nevertheless, I was mighty glad when I saw the shores of the old U.S.A.

Since I have visited you, I considered your suggestion regarding my moving to London and I also discussed the matter fully with my dear Hettie. I have to advise you that it is utterly impossible to take such a step at present. We feel it is unfair towards our children to take them away from their friends and surroundings, and as far as business is concerned, you know I have started the business over here and I like to see it grow and watch the developments of the concern, the same way as one does with children.

I also think it is in the interest of our combined forces that I stay here as after all, one man cannot do justice to the entire business and besides, we all have our personal friends in business. I am sorry to learn from your letter that dear Oscar feels tired out, but I presume when everything is adjusted and your people are trained, that you will be able to take it much easier.

As far as Scrap and Residue business is concerned, I consider it quite a good idea if you could make some arrangements with Ayrton, whereby you would share in the profits of this department. Through such an arrangement, a lot of detail work would be taken away from you and you would have more time for yourself and for the rest of your big affairs.

In conclusion, I wish to say that I shall be most happy to help you out temporarily whenever you wish me to do so, provided that I can get away from here at such time.

With best love for dear Elliot and Anthony, I am

Fondly yours,

List of questions to ask your father when
you go to see him:

1. The house exactly where he was born and the sort of
sized house, the number of rooms it had and the number
of bedrooms and sitting rooms. Whether they had a
garden or not and exactly where it was.

I was born at 3 Claudio-Straße, Wandsbeck in an old fashioned
villa with a front and back garden and 8 rooms, 3 living and five
bedrooms. Claudio-Straße was an ally with beautiful lime-trees

Please also describe to Kitchen allie) ^{both}
in
at 6 Steinfortstrasse Hamburg

Kitchen allie was a pleasant street with oak trees, villa and apartment-houses. He lived on the 3rd floor, 3 living rooms, one of which had a separate entrance and was Julius' office, and 2 bedrooms. At No 6 Steinfortweg we occupied the second floor with 3 sitting rooms, one of which was Julius' office and 3 bedrooms. The building was my mother's property.

2. The exact date of my the birth of his brother Julius
and exactly where he was born. born on 1st March 1878 at Wands-
beck

3. The names of the people who were apprenticed to Julius
Philip, in Hamburg and what has happened to these people.
Until I left Hamburg in 1909 I can only remember Johanna Bierwirth, Solo Floridian,
and Karin, who later on joined her father's stationery business

4. The exact date Julius Philipp went into business where he had been apprenticed and when he started on his own and the name and title of the firm when he started it.

1. April 1901 at Samuel Baer's Sons, Hamburg he was apprenticed for 2½ years at 100 Marks salary first year, 200 Marks 2nd year, 300 Marks third year. After 2½ years he became officialed at rising salary of 900 Marks f.o.b 1200 Marks &c.

5. When was the firm first called Philipp Brothers? Was it before my father came to England or only after he came to England.

Philip Brothers was started in London 11/1/18
Leadenhall Street, London E.C. on the 11th June 1909.

6. With exactly how much money did my father come to England and who provided the money? £125. - - provided by Julius.

7. Is it true, as Ullmann has suggested, that ~~Max~~^{the Count May} sent money to my father occasionally to help him in his business.

Yes, for specific transactions ^{he made every late up to £ 2500/-} and May got 10% of the profit on each transaction.

8. From what age did May become my father's guardian and exactly where was he born and what was his business.

Did his wife take an interest in bringing up my father

May became executors of my father's will and guardian of my ~~mother's~~^{my} son children on the death of my father. He ceased to be guardian ~~when any of no reached the age of 21 years.~~^{at age} May was born in Hasenbürg, 1895. He had a fairly large factory manufacturing ~~iron~~^{iron} bags. May and his wife
Lally to all members of my family and was always ready to give good advice and recommended ~~me~~ myself to when some he could, for instance

9. How exactly did Bendheim come to leave London. What boat did he travel on to the States. How long did it take to persuade him to go to the States and what date exactly did he leave London. What did he do when he arrived in the States.

When I started in London it was through May that I was allowed to give the Metallgesellschaft A.G., Frankfurt/Main and the Gauher firm name, Rosenthal & Co, Amsterdam as reference. Leo Ellinger, director of the Metallgesellschaft and Baron Rosenthal of P.R. Co, Amsterdam, was May's brother-in-law.

10. How was business transacted between England and the States in the first World War.
11. On exactly what date did Philipp Brothers (London) have to be wound up and did Philipp & Son London get started. When exactly did Philipp Bros (New York) start. Where was the office?
12. Exactly what date was Derby Co. bought.
13. What did my father do exactly ^{between} during those dates.
14. He went to the University Tutorial College. What dates was he there and what subjects did he read.

15. When did he become a member of the London Metal Exchange
and how.

16. What position, exactly, did Archie Brooks have in the
firm?

17. How and when did he start to open his firm on Jewish
Sabbath⁷ holidays.

18. What was his policy in employing people.

* 20. What was his explanation for so many people leaving him after they had been with him for some years, notably J.C.Gilbert, Rudolph Lyon, and his brothers, and the Gellman's, Leonard Cohen, Palister. Incidentally, what has happened to him.

21. How exactly was the firm of Rene Weil in Paris started.

22. When did Rene Weil join my father.

23. What, exactly, was the inter-connection.

24. What relationship if any, is there between Rene Weil
and Philipp Bros.

When did they get in

why

25. Why, exactly, have they split. By that I mean why
is it they are not on speaking terms at all. Why
would Ullmann not let me mention them, in the book.

In other words, why would he not let me mention the
children. He told me why, but I would like to have
O.P's views.

26. What firm was founded on the 11th June 1909. Was it
Philipps Brothers ~~and~~^{ex} Philipps and Lyon. If it was
Philipps Brothers and not Philipps and Lyon, how can
Adolph Lyon send out an invitation to the 50th Cele-
bration of the founding of Philipps and Lyon on the 11th
June 1959. How can he reconcile this fact with Ullmann's
anger about the whole thing. How can I put it in the
book not to upset everybody? Is Ullmann utterly ruth-
less.

27. Why exactly did Sigfreid Bendheim and ~~and~~ Ullmann split. *Tell me*
28. When, exactly, did Ullmann get his apprenticeship with
Julius Philipp and what did he do after he left Julius
Philipp.

26. ~~Mark~~ He told he was in London for a year. What work
was he doing in London and with whom. When did he leave
London and where did he go when he left London and
when he went from the place from where he had gone,
where did he go. In other words, how long was he back
in Germany before going to the States. When did he join
with Bendheim in the States.

27. When, do you think, people like ~~Shuckhardt~~ and so on
joined up with Ullmann in the States.

28. What training did Porcheimer have?

29. What do you think was the cause of the expansion of

the firm a) in London, b) in the States.

73. What do you think made the firm into an International concern.
74. What about Esteban Felsenstein. When did he come to the firm, how long did he stay with the firm, when did he go to South America. Where exactly did he go. For whose interests. Is he still with Philipp Brothers. If not, why not.

75. ~~maximus~~ When did Julius Phillip's son Ernst, join the firm
What firm did he join exactly and when did he leave and
why. After all, he is the only son of either Julius
or Oscar Phillip, who has ever been in the firm and he
didn't stay. Is this not remarkable.

76. Were Max, Richard or Herbert in the firm at all.

77. If they are not in it now, as they are not, why not.

38. Max Richard, who died in a concentration camp, the most
active son of Julius Philipp.

39. What was Julius like.
Learn from - Biographical Sketch.

40. What was Max Philipp like.

How was business conducted during the
wars?

What was the chief route of the Kcs

How did this differ from the routine -
New York

What happened to Fuerstbauer in Berlin

How far all did Edmond help out
them -

PALACE HOTEL
SCHEVENINGEN
HOLLAND

My brother Julius established his own firm on the 1st April 1901 under the style of Julius Plintz ^{at Hamburg}. He had earned the experience of a small merchant for about 8 years with Max Sammler Davis' store in Hamburg, who had a large warehouse and dealt in new and old (Gross-) metals on a wholesale basis, but Julius started his business on the basis of agent and broker or on a commission basis. He was, inc. cessful right from the beginning. He carried out a few transactions on his own account. Although when he started his business his own capital was infinitesimal, but he had two small credits ^{initially} (^{10,000}) facilities at his disposal, one given him by Leonard J. New York, partner of Lewis & Brothers, later on changed into Adolph L. & Son and the second ^{of 5000} with a legacy left by a rich Jew in Hamburg in order to help young beginners in their own business. In April 1907 his brother George joined him. He had served for three years as apprentice in a paint and color business in Hamburg. It was one of his duties to call on all the large and small firms exporting goods to overseas countries and to offer them various kinds of colors. After about 6 months his efforts showed very satisfactory results. His experience how to acquire customers who immediately applied to in Julius' business, not only by

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by contacting personal contacts and likely customers in Germany but also by visits to potential producing and consuming towns in the large industrial towns in Germany, Holland and England. After two years work and failure in Germany Oscar went to London to establish his ^{the} firm of P. B. & Co. This took place on the 8th June 1909 and the first office consisting of one room of the 3rd floor of a leather warehouse, London S.C. was rented and occupied on hire.

Business developed slowly and by the end of 1910 which first balance sheet was drawn up it showed that although no and Oscar's living expenses were fully covered by the end of 1911 the a surplus over all expenses of about a £1000 or £2000 was achieved. Every 1912 he & Co. were engaged to assist managers and also a few clerks. During the following four years regular journeys to France, Belgium, Germany, Scandinavian countries and of course in England to industrial towns and power stations and good results obtained. In July 1914 Oscar became a naturalized British subject. When the first World war broke out in August 1914 it was decided that Mr. Paul should leave as soon as possible for America and establish there a branch office under the style of P. B. Inc. This was done and the fact that Oscar had spent about four months in America and Paul did plus the year before nearly altogether 1913 and made valuable contacts with important firms helped P. B. in new enterprise in business in U.S. developed well.

In 1917 P. B. had unfortunately to give up his partnership in NY owing to certain legislative actions were enacted in England and forced a British subject to have partnership with an unnaturalized person. His partnership with the American firm was however maintained to the benefit of both firms. In 1917 the firm of P. B. & Co. changed into P. B. & Co., as Mr. Paul (Oscar was not a partner as is a British born subject and helped greatly in the development of the London firm. In the same year P. B. bought Derby & Sons offshoots bookbinders and bookbinders over a small firm of Gold, Silver, Metalware Importers established in 1909 and had an excellent reputation down town in 1917 Oscar retired from P. B. & Co. to devote his whole time to the development of D. & G. which at the same time from D. & G. limitations in 1918 P. B. bought a Brass foundry metal foundry called Holloway Foundry which was liquidated after 1918. This foundry would make for the U.S. office and Admiralty.

Sometime in 1923 Oscar P. took his company United Illinois into partnership in P. B. & Co. New York, which by this was already an incorporated company. In 1925 P. B. and Derby & Sons together established the firm James White & Sons. Mr. Wal as C. & S. brother-in-law

Another aspect of his full and thorough business sense intermingling with his charitable efforts, was the purchase of the Adath Yisroel burial ground at Enfield. I remember vividly as a young boy, being taken by my father together with the late Rabbi Victor Schonfeld out to this rather lovely field in a part of the countryside ~~not~~ outside London ~~xxx~~ too far from a factory town. 6' holes had been dug at various parts of the field to see what the drainage was like. My father looked at the field together with the Rabbi and the lovely apple trees in various parts of it and they decided that it would be a suitable burial place and a worthy one for orthodox Jews. Yet, I remember my father's business sense coming up and saying - "the land will one day be very valuable here. There are small factories in the town of Enfield and one day Enfield and London will certainly be joined and this will be either a factory or a residential area for the factories. It is as well to clinch the deal as soon as possible." Jewish bodies have to be buried or should be buried in a ground outside the town and he feared that if this ground were not authorised as a burial ground soon, the boundary of the town would encroach on it, which

~~xxxx~~ indeed it has. Its value, incidentally, has gone up many, many-fold and in it are buried Fred Rau and his wife side by side, the parents of Charles Gabb, but no-one else connected with Philipp Brothers. Also my uncle Max Halberstadt, my father's late sister Elsa's husband * not that he had any connection with the firm. He had come from Hanover as a refugee in about 1937 and had lived in a boarding house in West End Lane, not too far from my parents' home. He died suddenly one afternoon when out to tea with his lady friend, but he had for some years previously suffered from very high blood pressure.

The day of Fred Rou's funeral was one of the saddest days of the history of the company in London. This lovable, kindly, yet on occasion irascible, mature yet permanently young man, had finally literally burst his heart. With the multiple efforts he had made to promote all the causes dear to him.

My father had himself suffered one of his coronary attacks only a few weeks previously and when at the cemetery at Enfield belonging to the Adath Yisroel Burial Society I opened his car door to let him out, his first remark to me was "I thought he would attend my funeral - not I his."

I recently went to my tailor who quoted
me a price for a suit. When I ~~exclaimed~~
exclaimed that this was rather on the high side,
he replied: "Oh, but I charge your father
4 guineas more because he always beats me down
5 per cent for cash. Now, Elliot, you realise
4 guineas is 10 per cent. so I am getting the
best of my customer for once.

A typical instance of my father's character and how he always got his own way, or tried to, is the following.

At the time that Derby & Co. had their offices in Cheapside my father had suffered the first of the coronary thrombosis attacks.

His chauffeur drove him to his office every morning and since he wished to spare himself all physical effort whatsoever, the chauffeur carried his attache case, leaving the car parked in the street outside the office for a ~~minimum~~ quarter of an hour, or 20 minutes, each morning. An arrangement had been reached with the local police that this would be in order.

One day, the ~~sergeant~~ in charge of that section of the police had changed and a policeman having spotted the car parked in the main road, reported it to his superiors. A summons was duly issued to my father's chauffeur for obstruction.

My father's sense of justice being outraged because the arrangement had broken down, he instructed his solicitors, Slaughter & May, one of the most reputable and one of the largest in London to defend the action with all methods at their command. The method one of their directors adopted, with my father's connivance, was to tell the officer there that the chauffeur would plead guilty to the charge of obstruction

?
particulars

and would explain in open court that the reason for such obstruction was that he was in the habit of delivering my father to the office and also delivering precious metal bullion in the form of gold and platinum bars at irregular hours throughout the day and that the only safe way he could do this, walking them inimum distance, would be to park the car outside the door and go straight into the building. The press would be invited to the court hearing and every crook in London would know that if he waited for my father's car to arrive, he would only have to attack the chauffeur or my father and get away with thousands of pounds worth of precious metal.

In consequence of this open disclosure, my father would ask for police protection for his car whenever he drove to his office.

The charge against the chauffeur was withdrawn.

12th February, 1969.

Dear Mr Forchheimer,

Thank you for your letter of January 22nd which was forwarded to me. I have replied to Mr Fraenkel that I would be preparing some material for you.

I have had an opportunity of looking through the correspondence between Mr Ullmann and myself at the end of 1960 and the beginning of 1961. You may have some of the correspondence still in your files. As a result of the initial letters I had a long talk with Mr Ullmann in his suite at the Savoy Hotel, in which he explained to me that the history of the firm would have to be written with most of the names that I then thought relevant left out, because at some time or other these characters and Mr Ullmann had clashed.

Nevertheless, I did prepare an initial instalment which I sent to Mr Ullmann and which he said "makes very good and pleasant reading". He must have shown it to other directors in the firm and then wrote me what can only be described as a curt letter, but agreed later to meet me again to discuss the chapter, and I believe we did once more meet and he said he would send for me to come to the States to work with various people then alive on the preparation of the book.

I am a professional writer having earned my living as such before qualifying as a doctor.

In spite of having heard nothing further since 1961, I have now prepared an extract of some of the material I then had, and I am sending it to you hoping that you will be able to make appropriate use of it.

Perhaps you would like to come back at me for further information if there are gaps that you wish to fill.

Yours sincerely,

R. Forchheimer Esq.,
Philipp Brothers,
299 Park Avenue,
New York, N.Y. 10017.

Elias Philipp was born in 1824, three years after Napoleon died and one year after the Monroe Doctrine was declared in the United States against foreign intervention in American affairs. John Quincy Adams was the compromise president preceding Andrew Jackson's more popular reign.

Elias Philipp was a banker by profession and by hobby he was a singer. His first wife died leaving him eight children and he married secondly Mary Heine who had been his housekeeper and was 28 years his junior.

She had five children of whom four survived the oldest being Julius Philipp born in 1878 and the youngest Oscar Philipp born in 1887. When her husband died Cedar was 9 years old. She was left with two houses; numbers 4 and 6 Steintorweg in Hamburg. She had to let rooms in order to support her family which included some of the children of Elias Philipp's first wife, née Lewisohn, related to the great American family of Lewisohn.

Julius left school at the age of 15 and was apprenticed for eight years to the firm of Samuel Uner Sohne who dealt in new and old scrap metals on a wholesale basis. Then in 1901 he decided to start his own business. So on 1st April that year with his sister Martha as his secretary and her bedroom as his office, he went into business. Within a year or so the business expanded and he was ably

to move to a proper office.

Oscar Philipp had to leave school when he was 14. He became apprenticed to a paint merchant, but carrying heavy cans of paint so distorted his spine during the years he was still growing that he had to give it up after three years; and he went into his brother Julius's firm, having suffered a permanent curvature of the spine, which was present all his life, but which was well hidden by immaculately cut suits from the best tailors he could find.

Oscar Isaac Philipp with a broad outlook and an adventurous spirit had the urge to spread his wings, and in 1907 after he had been with his brother for about two years he left for London. Within a few days of his arrival in England he took out naturalisation papers. This foresightedness was to prove of tremendous value, because he was able to be naturalised five years later, a few weeks before the outbreak of World War I. Had he not been naturalised he would probably have been interned for most of the war.

Directly after becoming a British citizen he married Clarisse Weil of Paris who had 6 brothers, three of whom were later to join the firm.

Oscar Philipp started his firm under the name of Philipp Brothers at 118 Leadenhall Street in the City of London in 1909. The office staff consisted of three people and capital of £125 of which he immediately spent £25 on an impressive office desk. He was able to

start business straight away successfully partly because of the good name Julius already had and partly because of the excellent connections of his guardian Emil Hay had in London. By the end of 1910 Oscar Philipp could show that the firm of Philipp Brothers, London had not only paid the rent of the office, but all Oscar's living expenses minus £3. Twelve months later there was a surplus of profit over all expenses of a little over £700; one year later the profit was over £2,000 and this steady progress continued so that in 1927 the day Oscar Philipp left the business he and his three co-directors were able to take out of the firm for one year a profit of £100,000. But by this time the firm was called Derby and Company Ltd.

We must now digress to see how the changes in the nomenclature of the firm occurred. In 1910 Mr Rudolph Lion became office boy in the firm and in 1913 the two were joined by the late Mr Siegfried Bendheim who became a partner. In 1914 Siegfried Bendheim was in London and still a German citizen at the outbreak of War on 3rd August. Oscar Philipp had been a British citizen for exactly six days. He happened to overhear at lunch in a Liverpool restaurant a conversation between an Englishman and an Austrian friend of his, and to his surprise learned that an enemy alien could leave London. So he rushed back to tell Mr Bendheim to pack his bags and go to the United States.

0 1 2 3 4 5 6 7 8

Fortunately Oscar Philipp had been on a trip to the United States in 1913 and while in New York had made notes and reports on hotel notepaper which he was able to show the British Home Office as a bona fide of his business connections in the United States. Siegfried Bendheim left London on 3rd September, 1914 on the S.S. Lusitania (later to be sunk) and arrived safely in New York one week later. There he started an office at (probably) 42 Portway and called the firm Philipp Brothers (New York)

In London from the moment that Mr Rudolph Lion became a partner, probably in 1916, the firm was called Philipp and Lion. This change of name was necessary because a law existed in England that you had to head your writing paper with the exact nationalities and previous nationalities of all the partners of the firm. If however the firm by its name gave away the identity of the partners, it was unnecessary to mention the nationalities and that is why the firm became called Philipp and Lion.

Oscar had to leave the business for military service - he became an ambulance driver and his own private motor car was used as the ambulance. In 1917 he acquired as the result of an advertisement the firm of Derby and Co. Ltd. The owners were two "very kind gentlemen" who wanted to sell their business because they wanted to become antique dealers. Derby and Company founded 1797 dealt primarily with scrap metal, especially silver.

In 1918 Oscar Philipp was forced to retire entirely from business because no licence was granted to anybody of previously German birth. So he went to a university tutorial college in London to study chemistry and French. In fact he was already in a position to be able to retire, but it was against his temperament to do so and in 1916 he returned to Derby and Co. One of the first things he did was to make the firm members of the London Metal Exchange. In 1931 he also became a personal member, being one of the first naturalised British subjects to be allowed to do so and he ended his career as doyen of the Metal Exchange.

In 1917 Rene Weil, His wife Clarisse's brother was severely wounded in the war and came to London to convalesce. Oscar immediately started to teach him the business and in 1919 Société Rene Weil was founded in Paris jointly by Oscar Philipp and Rene Weil. Soon after similar trading houses were established in Milan and Berlin.

In 1929 the connection between Derby and Company and Philipp and Lion came to an end and from that time onwards the two companies and Ben Weil in Paris all operated as separate entities. It was in 1955 however, when Oscar Philipp retired from Derby and Company, London that Philipp Brothers, New York started to acquire the firm. By this time, however, the head of Philipp Brothers, New York was Siegfried Ullman who had originally been trained in the metal business by Julius Philipp in Hamburg.

I have of course considerably more information such as the role Edmond Weil played in opening up the business interests in Bolivia together with Gruenebaum and the present position of Philipp and Lion, Rene Weil, Paris and the role played by Lucien Weil in developing parallel business in France (Compagnie Des Cendres et Motsaux Précieux). I have considerable information too about the personalities of my father's partners and in particular Mr Fred Kau, Mr Henry Levy (who is still alive in Geneva), Mr Rudolph Lion who is still alive in London, Mr Felix Lion who died last year, and Mr. J.C. Gilbert with whom I am still very friendly and the trades in London under his own name and many others

Obituary

Mr. Oscar Philipp

The death of Mr. Oscar Philipp (noted briefly in our issue of September 1) marks the passing of one of the greatest men of this century in the field of metal merchandising. Mr. Philipp first established a steel merchandising business in 1908, mostly scrap in the UK in 1908. In company with his brother, Julius, he traded at 118, Leadenhall St., London, and the office staff was only three people. He was joined in 1913 by Mr. Rudolf Lion, and in 1913 the later Standard Bank became a partner and left the company in 1914 at the outbreak of war. He went to New York, and there founded a sister company under the same name of Philipp Brothers, of which he became the sole owner in 1916.

Meanwhile, in London, Mr. Rudolf Lion became a partner, and the name of the company was changed to Philip and Lion. One of the last endeavours of the original company was to purchase the old-established company Derby and Co. Ltd., which at that time was nothing more than a shop at 144, Clerkenwell Road. In 1918 Mr. Oscar Philipp retired from Philip and Lion, but continued at Derby and Co. Ltd., although for many years there was a close working relationship between the two companies which was well known in the trade. In 1919, Société Rose Well was founded in Paris jointly by Oscar Philipp and Philip and Lion. Similar trading houses were established in Milan and Berlin. The connection between Derby and Co. and Philip and Lion came to an end in 1928, from which time these two companies and Rose Well in Paris became separate entities. However, as is well known, Philipp Brothers, New York, acquired Derby and Co. Ltd., on Mr. Philipp's retirement from the latter company in 1933. By that time, however, Pabco, New York, had different owners from its original founders, the chain of command was strained enough, in Oscar Philipp's employ in 1933.

Mr. Oscar Philipp was, however, available for more than founding all these major concerns, gave few new whether in the metal industry or outside, can have sown seeds which showed such a high proportion and degree of success. He was one of the first in the UK to trade regularly in residues, and his leadership was reflected in the large number of men who became prominent in the world's metal trading community who successfully learned the elements of metal merchandising, either at the feet of Mr. Philipp himself or through employment with one of the companies he started. It is noted earlier, Mr. Philipp began in the metal part of the business, but expanded with equal ability and success into iron, precious and minor metals, and even ferrous metals.

Allied to his extensive knowledge of the markets, Mr. Philipp will be remembered for his kindness and charitable actions both in the metal trade and outside it. Apart from giving

EFTA Regulations, 1965

The EFTA (Origin of Goods) (Amendment No. 2) Regulations, 1965, (S.I. No. 152, 1965 (No. 173)) amend the EFTA Origin of Goods Regulations 1963 (S.I. No. 364). The Regulations provide for goods consigned to the United Kingdom from a Customs warehouse in a non-EFTA country to be treated as consigned from an EFTA area where it can be shown to the satisfaction of the Customs Authorities that the goods (a) were consigned from an EFTA country to the Customs warehouse and

(b) have remained continuously in their Customs warehouse and no substitution or addition of other goods has taken place and

(c) have been consigned to the United Kingdom from that Customs warehouse and

(d) were in the same state as they were in when consigned from that warehouse and

(e) are entered on importation into the United Kingdom within twelve months from the date of their exportation from a place in the EFTA area.

The amendment will take effect on October 1, 1965.

Copies of the new Regulations are obtainable from HM Stationery Office, Kinnaird, London, W.C.2 and branches, price 3d (by post 6d), from HM Stationery Office, P.O. Box 569, London, S.E.1).

Cadmium Theft

Between the 6th-14th of September 24 cases of cadmium, each containing 15 ingots and a further 68 ingots—a total of 428 ingots—each measuring 10in. x 11in. and marked on one end HP6.KUM were stolen from the Surrey Commercial Docks. The owners of the metal are Metal Traders Ltd. Information to Detective Inspector Harney, ROYAL 2627 or 2628.

Coming Events

The British Joint Carexion Group has issued a programme of meetings, lectures, visits, etc., for 1965-66, which can be had from the secretary at 14, Belgrave Square, London, SW.1.

A symposium, scheduled for early 1966, on Metallurgy of Substituted Ferrous and Non-Ferrous Alloys, is being organised by the National Metallurgical Laboratory, Council of Scientific and Industrial Research, Jamshedpur-7, India.

In financial assistance where it was deserved, he was also always ready to listen to the problems of others and to give advice, which often might be without price. Most remarkably of all, he was always ready to provide every opportunity for entering entrants to the industry to progress. There were aspects of his character that it is as important to record; for as far as his more material achievements were concerned "no monumentum requires, circumspice".

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Personal

Williams, Harvey and Co. Ltd., the Consolidated Tin Smelters Ltd. subsidiary, has appointed Dr. S. C. Pearce managing director in Liverpool, replacing Mr. A. H. Andrew, managing director of Consolidated Tin Smelters Ltd., who has relinquished the position owing to managerial pressures.

Wickman Ltd. deputy managing director, Mr. H. B. Morris, is now managing director of the subsidiary, Wickman Wick Ltd., and Mr. F. Sheldon as director and general manager and Mr. M. A. Burnard sales director.

General Pedro F. Castillejas, president of Somisa, has been elected chairman of the Latin American Iron and Steel Institute for 1965-67 in succession to Señor Carlos Prieto.

Business Notice

Goodlass, Wall and Lead Industries, Ltd., has acquired for cash the shares in H. Polas and Co. Ltd., the Sheffield lead sheet and pipe manufacturers. Messrs. G. W. Quirk, D. White and M. R. Perrott have joined the Polas board.



DERBY & CO. LTD.

MOOR HOUSE
LONDON WALL
LONDON EC2Y 5JE

TELEPHONE 01-638 2876
TELEX 883801-3
CABLES PLATINET LONDON EC2

Mr. E. Philipp,
78 Nottingham Terrace,
LONDON NW1

22nd August, 1978

Dear Elliot,

I am returning herewith, as promised yesterday, the papers which you very kindly gave to Mr. Waszkis. The necessary photo-copies have been taken.

On behalf of everybody in the organisation I would like to thank you for the most kind co-operation which you have so readily given us, and Mr. Waszkis in particular, by providing truly vital and fascinating information for the "History of Philipp Brothers" concerning your father's achievements.

We both enjoyed our evening with you very much indeed, and I would like to thank you and your wife for sparing us so much of your valuable time.

As discussed previously, in October or so we shall be in touch again in order to arrange for both of you to visit our offices.

Best regards,

Yours sincerely,

S. P. Dale

SED/HEH

REGISTERED IN ENGLAND NO. 381111 REGISTERED OFFICE: MOOR HOUSE, LONDON WALL, EC2Y 5JE
DIRECTORS: E. FRAENKEL, B.Sc. (Econ.) (Chairman) D.E. BYNER (Deputy Chairman) F.D.W. BOETTCHER S.P. DALE J.L. LUNZER G. NEWMAN H.H.M. OLIVER