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LOCAL HISTORY

Mr. Edward J. Seymour Interview

October 23, 1986

This is Betty Turnell speaking for the Decatur Public Library.

Today is October 23, 1986, and we are recording in the Library Board Room. Our guest today is Mr. Edward J. Seymour, investment counselor and broker for the A.G. Edwards Company in Decatur, Illinois.

Q. Mr. Seymour, how long have you lived in Decatur?

A. I've lived here since 1959. I suppose if my arithmetic is correct, that's about 27 years.

We were talking earlier about my family name.

Q. Yes, I asked you if you had a connection with the town of Seymour near Champaign.

A. Yes--it's rather unusual. My dad came from a large Canadian family. They moved down from Quebec, Canada, some years ago--before the turn of the century. The family name was actually Simard, and they became tired of spelling it for people, and they decided to use the English version, as they called it. They took on the name of Seymour. It was quite a large family. Oddly enough, when you are in Chicago, people don't think of you as being Canadian. They think somehow, that you are of Jewish extraction. It wasn't until we came down here that we became old settlers.

I was raised in Chicago and had the usual provincialism that big city people have of thinking that it's the only place to live in the world--until you get a bit older. Actually, it was only when I enlisted in World War 11 that I opened my horizon a bit.

We could go into all sorts of experiences. My mother was a dedicated person. Of course, I had five brothers and sisters. Like the typical immigrant families, they were dedicated to educating

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their children, no matter what. She made a lot of sacrifices to see that we at least got a good education. I just happened to go to college by accident.

I was working, and a good friend of mine met me on the street car one Friday night and said, " You're going to college? "

I said, " No, I don't think so. I haven't any money. "

He said, " Well, I'll show you how to do it. "

He fixed me up with a job at school as a theatre usher, and with a little help from relatives, I was able to start school.

Q. What school was this?

A. This was Loyola University in Chicago. This was my first experience facing the Jesuits. I had been to a parochial high school that was more oriented toward sports.

When I faced the Jesuits, they were insisting that you must be good in reading, writing, and speaking. I'm afraid it hasn't always continued, but at least, they made me very much aware of that. Somehow, after a year of adjustment, I was able to survive the Jesuits and didn't get drummed out of school.

Back in those days, we used to enlist so we could stay in college.

Q. When was this time?

A. Just prior to World War 11.

So it would have been in the late 30's--'38 or '39. It's amazing to think--going back a moment--that as a theatre usher I made 25¢ an hour. That's a ridiculous amount for a job to help you go to school, but with that and the work at school, I was able to pay my tuition and keep up.

Q. What course did you study at that time?

A. All of us were a bit nervous trying to position ourselves for serving in the army or the air force.

Q. Or avoiding service?

A. Yes! I had been in sciences. I started out as a chemistry major and then decided that maybe I should be an engineer. So I was taking some courses at one of the engineering schools at Illinois Tech.

All of this happened in three or four semesters before the army finally called me. In fact, they at one time gave us warning that they were going to call us in six months, and they just cleaned out the school. It was rather a fortunate time, since about 100 of us all from the same college ended in the same basic training. After putting us through the routine army basics, they put us in the Air Force.

Q. Where did you do your basic training?

A. It was in Tampa, Florida--and St. Pete. We had a camp there. We were in it about two months before it was finally condemned. Everybody became sick. In good old Air Force style they transferred us downtown to a hotel in St. Petersburg and made us do our training by going to the baseball parks where all the major leagues trained. Many people in the infantry never thought that was a qualified basic, but we somehow survived.

Q. Then were you assigned to duty?

A. All of the schools they were going to send us to were closed. They decided to give us another basic training.

Q. Was this for officer training?

A. No, this was just basic training for enlisted men. But now you have the situation of a hundred college boys restless because they have been through basic training and are told they have to do it again. They made the mistake of assigning us to people almost illiterate from Georgia. They even had trouble calling the roll.

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This was a test of our ingenuity in deciding how to avoid duty without getting court-martialed. We spent the next six months just trying to fool the cadre.

I was supposed to be assigned to a school to learn to be a link trainer instructor because of my background in science. After sitting around for another couple of months they decided that they had lost several sets of them. They just decided to assign us to the Army Specialized Training program. They really just sent us back to college again. That was really a fortunate experience since I was sent to Carnegie Tech, which is now Pittsburgh U. It was an excellent engineering college. I learned more math and science than I had learned before. I had the experience of taking advanced calculus courses. The professor did a marvelous job of giving you a great deal of confidence about your ability to handle the problems.

Q. Did you decide that you might like to be an engineer?

A. I had a problem with being an engineer. There seemed to be certain personality types that I had some problems with--the people who seemed to enjoy solving problems on their slide-rules. I had trouble relating to them. Frankly, they seemed just plain dull.

I stayed with engineering partly because I came from an era where college was thought of as a way to get a good job. Unfortunately we were there for nine months while the army was preparing for the D-day invasion. There were a thousand at Carnegie Tech. and they took all but 20 of us. The great majority of those men were in the infantry and went to the D-day invasion. Why, by the luck of the draw I was sent back to the Air Force, I'll never know.

Several of the friends I knew didn't make it through the invasion. Looking back as an older person, I think what a waste that was. These were all fine young men.

Again, I went back to the Air Force and was given more technical training at all sorts of schools.

The irony is that I was shipped overseas to India to fly the hump. The atmosphere overseas is much different from that in the states. Here everybody worries about your so-called records and schools you've attended and what you're qualified to do. You have an elaborate interview. We got overseas, and the officer said, " I have two jobs. You can either drive a truck on the Lido road or go back on a flying status. "

I was off flying status because I didn't wear my glasses one day. I was told to come back tomorrow to take the eye test with my glasses. Tomorrow never came because they shipped us out. My application went in the stack of people not qualified to fly. But when I got overseas, they made great effort to find out if I could fly again. I had a little trouble with the color-blindness, and the doctor was taking these eye charts, going out in the sun, and saying, " Do you see that? "

Q. He wanted you to pass?

A. He wanted me to pass. He said, " You can tell green from red, can't you? " I said, " Sure. " Then he said, " Well, you're qualified. No problem. "

Anyway, I ended on flying status and flew the hump for about 18 months.

Q. And was it as thrilling as it sounds?

A. Well, it was downright scary sometimes. We didn't get threatened by enemy action that much. It was mostly the weather--just being over the hump. We had to fly through that whole monsoon season. About the fifth trip--I remember this so well--I was in this airplane-- a 4-engine airplane. We had full throttle trying to climb, and the

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plane was dropping at 3000 feet a minute. The next minute it was pointed down, but we were going up. The wind was so severe over the mountains that it was just tossing us around like a leaf. I was the radio operator, and although I had radio communication with the pilot, he didn't use it, but he motioned for me to come up. Of course, we had on these big suits with oxygen masks--we were flying at an altitude of 30,000 feet. He came up and took the mask off to talk to me.

He said, " If we don't break out in five minutes, I want you to start the ' may-day'. "

This was my fifth trip, so I'm not exactly a seasoned veteran yet. About the time I turned to go back to my seat, St. Elmo's fire broke out on all the propellers. Here we had neon signs on the propellers in the black of the night, and the static electricity danced along the wing, across the cockpit, and disappeared in a puff. All of this took just a split second. I'm sure my face was white.

I said, " What was that? "

He just said, " St. Elmo's fire. Go back to your seat. "

Fortunately, we broke out. He was a good navigator. We were on course despite all the buffeting, and we got down safely.

- Q. What were you flying when you were " flying the hump? " Were you flying supplies or personnel or what?
- A. It was a very expensive operation, as I look back on it. We used to fly gasoline and bombs to the B-29's situated in North China. So we hauled for severals months to get those B-29's off the ground once. The first raid on Tokyo was launched from China. We used to haul supplies once in a while, but most of the food was taken by trucks across the Lido Road. We were sometimes fortunate to get a load of beer. It was hard to believe but many times the planes were stacked

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up in China as heavily as they were in Chicago's Midway Airport. After you're in the air a long time, you like to get down on the ground. It's a fortunate thing when you have a load of beer. If you spell that out to the air controllers, they clear you for landing! So that was part of the fun of it.

Many people may not be aware of it, but one of the problems of being in service is just boredom. There is so much waiting. Sure, you're in danger once in a while, but particularly when you're young, it's hard to handle the boredom.

Well, we continued to do the usual things you do in service-- wait a great deal for things to happen, and soon. I was never greatly in love with the military at any time, but August 1, Air Force Day, was one of the times that particularly disgusted us because the European armistice had been signed, and so there was just Japan left in the war, and this was August 1, just before the surrender. Yet some general decided that we had to put a certain amount of freight over the hump because it was Air Force Day, and we were out to set a record. In the northern part of the Himalayas there is Mount Everest. If you take the northern route, you found that it was actually marked "unexplored" on our maps, (they knew the elevations were up around 29,000 feet, but they didn't know much more about it). It was suggested that if we wanted to keep the freight going to China, we ought to take the northern route. As I said, it was August 1. We were up in the air, and all of a sudden it started to ice. They didn't have the same devices to de-ice that they have today. We used to have an inflatable tube that would inflate the leading edge of the wing and knock off the ice. The ice was forming so rapidly that it was forming in front of this expanding tube we had and, of course, that changed the air foil on the wing, and it's losing its lift. So we were

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slipping down.

There are four ridges of the hump before you get to China. It's very high at the peaks, but it's virtual jungle at the river bottoms, so it wasn't something that lent itself to jumping out very readily.

Fortunately, we broke out. The ice started coming off as we started to go lower. We were in the monsoon season where you can't see the peaks exactly. So we dropped down, and the ice broke off, and we made it in.

But again, it was the old idea of someone trying to make a record for himself so he could get another star. It was absolutely needless. I'm sure they had all that freight to pack out to give it to the Chinese, which is probably what happened.

All the experiences in China or India showed how far those countries were behind us, but I was always impressed with the dignity of many of the Indians, however. They had a great deal of personal poise that impressed me.

I had got out of the army and went back to the University of Illinois. Because of my engineering background, I decided to enroll as an industrial engineer, only to find when I got over to the College of Commerce that I had to take two years of commerce courses before they would set up a curriculum for me.

So I became an accounting major because I never did the courses for industrial engineering. But I had had a number of engineering courses which helped me later when I was in the building business.

Going from the University of Illinois, I interviewed several public accounting firms and ended up working for a CPA firm in Chicago.

I worked for them about a year and a half and then left them.

You might be interested in knowing about wages.

Q. Definitely!

A. I started on that job at \$225.00 a month. The big offer about that time was that if you went to work for Arthur Anderson, you might get \$275.00. If you went to work for the government as an internal revenue agent, you would get \$250.00 a month. As it turned out, several of my classmates went with the internal revenue, and they were just starving for people. They had no top people because of the war. Those fellows in a very short time were making \$4500.00 a year. I think I went from \$225.00 a month to \$250.00. The reason I knew so much about this is that we were in the same building.

I was working with a small accounting firm. One of the accounts I was assigned to was a man--do you remember the time when oleo was not permitted to be sold as a yellow product?

Q. Oh, yes. Didn't you have a little capsule of coloring and had to mix it up?

A. Yes. I had the account of the man who invented that capsule. The trick was to get the capsule to dissolve when you massaged the oleo so it would disappear.

It was interesting to talk to him. He had gotten out of the University of Illinois as a chemical engineer in the middle of the depression. He could not get a job and went to work as a broker on LaSalle Street selling stocks and bonds. He did his research in his basement and came up with the capsule.

Q. He just saw a need for it?

A. He was interested in many things, particularly in the area of plastics. It's hard to believe that there was a time when there weren't many plastics around. Ultimately, he worked on a plastic bottle for Coca-Cola.

His dilemma was that he was at that time going to make \$200,000 in one year from his capsule patent. At that time the government

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was going to take a good part of it. Our problem was to establish the facts, but because he hadn't kept records of his early research in his basement and because the IRS looked askance at the whole idea that you came out with expenses out of your basement, it was hard to establish. It was unfortunate that they were taking a good part of his money. That was just one of the early problems we had.

This accounting firm consisted of CPA's and attorneys. I enjoyed working for them. It was a kind of "hands on" sort of thing.

I went from there to a job offer from a school supply company. It wasn't just an ordinary school supply company. This was a firm called Webber-Costello in Chicago Heights. They needed a cost accountant. Oddly enough, this obscure company had made the Globe Balls for the general staff that Eisenhower and the whole group of generals had used in the European invasion. They had several Czechoslovakian immigrants who had the skill for doing exact map work on a Globe Ball.

Q. I'm not exactly sure what a Globe Ball is?

A. The world globe.

Q. Oh, yes!

A. Of course, the maps they worked on were huge. During war time they worked on a war time budget and would charge for time and materials. They would take a long time and the work on these maps used to conduct the war had to be very accurate.

Suddenly what hit them was that one of the workers--his name was Repogle decided that you could make balls with plastic by having a machine to make two plastic halves and punch them together. Then you could get another machine to wrap the map around them. You could turn these out very inexpensively. They were a big item for school children.

Before that, Rand-McNally had made very careful maps, with everything done by hand. So we were in the process of coming up with something to compete with the competition.

This plant made blackboards and other items. I was brought in as a person to study the costs with the young engineer, but unfortunately I was also working on my refresher course to pass a CPA certificate.

After about three or four months with this firm, I came down with polio.

Q. Where was this? Was this in Chicago?

A. Yes, I was living in Chicago--actually in the suburb of Homewood.

Q. That was a very great disaster at that time, wasn't it?

A. Yes. Many people came down with it. I was at a church camp at Lake Geneva and my daughter and two small boys from another family came down with polio. I was home with what I thought was the flu when the mother called me and said, "We just took our two boys to the Billings University of Chicago hospital, and they have a slight touch of polio and have some involvement with their legs. But we think they will be OK."

I had no idea that I was involved at that time. The symptoms were very much like the flu. I didn't feel anything except that I started to notice that when I raised my hand to comb my hair, I had trouble reaching the back of my head.

Anyway, my temperature was not very high, and I was disgusted with lying around so I went back to work, only to find that the temperature went really high.

Q. Were you under the care of a doctor then?

A. We had been in touch with him by phone, but when I ran this high temperature, I went to see him. He suggested that I probably was

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sick enough to stay in bed. He said I probably should take a cab home. Instead I walked. One wonders if that was a critical walk.

Shortly--in a few days--he came by to check me again and said, " I'm going to send you to Billings Hospital for observation. " That was the University of Chicago hospital.

I thought that was odd, but anyway, he sent me down there. The young intern came out--they took me there by ambulance. The young intern said, " Well, I don't think anything is wrong with you. You just need a good night's sleep. " I had been working fairly hard.

As I said, I had been taking a CPA refresher course plus working at the plant. So I had been working day and night.

Fortunately, the head neurologist came down and said, " Let me take a look at him. " He said, " Let me do a spinal tap. "

Following that, I didn't come out of the hospital for six months.

What happened was that when they did the spinal tap they apparently found the polio virus in the spinal fluid and decided to keep me. I became very seriously sick and wasn't expected to live for awhile.

Looking back, that was an interesting experience. Dying isn't nearly as scary as people might think. I was so weak--I couldn't even lift my head. When they would turn me over on my face, I would panic because I couldn't turn my head out of the pillows. You never realize when you get your foot in one position and can't move it that it's like getting a hot foot. It starts to burn, and you have to call for help to move your foot.

Going through that experience certainly made me overcome my fear of death. I realized that the problem was living, not dying.

It was an experience going through re-habilitation in the hospital because there were polios all around me. Some were sad stories of, for example, a young woman who had four children. They pulled her

through the polio only to have her die of pneumonia in about a month. She was just a lovely lady and seeing her husband and the whole family was hard to take.

Typically it was the struggle to rehabilitate that was good discipline. You reach the point of realizing that there is no place to go but up. You have to stay with your exercise, and sometimes your improvement is pretty feeble. I'm talking about just being able to move a finger. It's funny--as you go on, you seem to improve all over. The problem in polio is that the disease destroys the nerve endings to the muscles so that you may have only 15% of your muscle function, but as you build it up, it may come back not to normal, but maybe 50%.

When you start out, the improvement is very, very small. It's basically the Sister Kenny approach, but it was in the hospitals by that time.

Q. She used hot pads?

A. The hot pads were mostly just for relieving of the pain. You'd get a great number of muscle spasms. It's like having a charlie horse or an injured muscle. You sometimes just ache all over from sore muscles. You just can't move. You go through a period of a great many aching muscles, and the hot pads seem to relieve that. But it has nothing to do with the curing of it. It's just for relief.

About all they did for me, and I think the treatment is still the same--is to keep you from getting something else because you're in such a weakened condition. Then as soon as you are able, they start you on physical therapy to build the muscles again. But that's the only way they know to retard the illness.

So the polio vaccine is certainly important for everyone to take.

Q. And that came in--when?

A. It came in actually--after about two years. About 1951.

I have worked on the local March of Dimes. It's certainly a good thing. About ten or twelve years ago we innoculated the whole town. I think it cost everybody about 50¢. We had excess money, and we gave that to the hospital as it turned out. That was pretty much the story.

I sometimes felt that I could work with people who are disabled and discouraged, and I guess once you come through it you realize that it's tedious but you do make progress.

Q. Do you still continue these exercises and therapy?

A. I don't do it in the same way I did, but I generally try to keep physically active. If you have only limited muscle functions, and you let go, you really go down. The temptation is always to sit and not to function. Polios, as they age, tend to get tired more quickly than most people.

I find if I try to keep a regular exercise program--I try to walk regularly--it seems to keep my strength up.

Q. You'll have to help me with this sequence. Were you in Decatur or in Chicago when this happened?

A. I was in Chicago. After having worked for a CPA, I was working for this manufacturing concern. That's the reason I came down state. I had to ride the Illinois Central from Homewood, where I lived, which is just on the south suburbs. There were probably 50 steps to get up to the top of the platform. To ride the mass transit with two leg braces and part time in a wheel chair was impossible. So I came to the old college town--Champaign--and got a job. I went down to the employment service and saw the veterans' representative. He said, " Well, they want a woman bookkeeper on the west side of town for a construction company. You know what that means. It means

they don't want to pay you much. "

At that time I had two children. He said, " It will at least keep you in groceries until you get something better. "

Q. This was in Decatur?

A. No, this was in Champaign. I did come to this construction company. They were building in the neighborhood of 12 to 14 houses a week-- if you can imagine--between Champaign and Rantoul. They needed a business manager badly. I was brought in to get the bookkeeping organized. Eventually I was indeed their business manager. In four years' time I became a partner in the firm and spent another four years as a partner.

Going back over my background in finance, I had always looked toward finance even in construction. One of the keys to being successful in the construction business is to realize that it's a finance type of business. You have to go from cash to cash and the quicker you can do it, the better off you are--and control your cost.

It might be interesting to tell you that I tried to buy a house from these people. They wouldn't even take my money. They would take a \$50.00 deposit on a lot, but they wouldn't even take that. They said, " Our list is too long. We have too many people who need housing. "

Q. Even though you were working for them?

A. No--when I went to work for them, that was one of the conditions. I had to accept \$50.00 a week, so I made another stipulation that they would get me a house. So they did. We bought a house at the out-landish price of \$7200.00 for a 3-bedroom house. The interest rate was something like 4½%, and the monthly payments were \$43.00 a month. Compared to the \$50.00 a week salary, it wasn't all that bad, but it wasn't good. Along with that, we had two children, and shortly

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after we were there, my wife had a set of twins. With four children and a rather small house, we outgrew that in about a year.

At the time I was admitted to a stock program in the company so we took the outlandish step of deciding to buy a bigger house for \$12,400. We were very worried because the monthly payments were going to be \$100.00 a month.

We did buy the bigger house, and in a short time I was a partner.

After working with this man for about four years, I then decided I wanted to go on my own. My income at that time was rather good. I can remember that my father-in-law couldn't understand. He thought, "Here is a man on crutches with four children, leaving a responsible job and going on his own in the construction business. "

The fact is, that he secretly met with my former boss and partner down in Florida, and they were trying to cook up something to get me to come back. Anyway, I then went with a partner and built houses in Belleville, Illinois. We did that for about a year to eighteen months.

Q. Did you move there?

A. We moved there and built about 50 houses, but Belleville was very near East St. Louis, which was certainly a very difficult area. My wife kept saying to me, " I don't know how we are going to raise these boys with this proximity to East St. Louis. "

Just before we left Urbana, we had another child. We now have four boys and one daughter. She kept on bringing that up. East St. Louis was a real slum area and very debilitated. So there was an opportunity. I was at a builder meeting, and I heard about the National Home franchise opening up here in Decatur. At this cocktail party I went up to the man and said, " Hey, I'd like to have that. " So we made the arrangements, and I moved back to Decatur.

We like this part of the state. I liked Belleville. It was a

wonderful town, but it was the problem of being so near East St. Louis that bothered. So we came back and built the first house in about 1959. We bought a piece of land south of Muffley School and after having plunged all the family savings on the land, the Signal Depot closed up and times got rather rough for a while. We were more than a little worried about what we were going to do, but we started out building houses and we were selling houses with 4½ to 5% mortgages on them. The prices were about \$12,000 to 15,000. These houses were approximately 1000 square feet with an attached garage. That's what you got for that kind of price. That included the lot, incidentally. We had developed the ground. In other words, we took the piece of farm land and put in the sewer and the water and the streets. If you remember, that was when dear old John Dever was here. He was the first City manager that Decatur had. He was a bit of a martiner. He was very strict on everything and always in the city's favor. So we had a few go-arounds because I thought he was impinging on the private sector too much. But we survived that experience. Actually, our location next to Muffley School was very favorable. We continued to prosper and went from there to building about 8 different sub-divisions in that time something like 8000 houses in Decatur and the Macon County area.

Q. A great contribution!

A. I guess so. Then came the good old 70's. You can see a changing pattern which also relates to many other markets. We started in the early days to build what we felt was necessary housing. We were building for people who needed it. Within the '70's we felt that we were building for speculators--people who bought the original house for \$15 or 16,000, sold it for 40 or 45 and decided they were brilliant real estate investors and decided they would now buy some-times for \$60 or 70,000. They would say things like, " Look here,

Mom. See what we made on that last house. Now if we can just do the same on this \$60,000 one, we can retire. "

Q. So they pushed the market up?

A. You found people were seeking amenities all over the place, which I guess is part of the American dream, but it wasn't really a market of necessity any more. You had older couples buying rather large houses, and maybe with one child left to leave the nest. Eventually we got to collapse near the end of the decade.

Always in times past, we had kept an inventory of land. You know interest rates go through a cycle every four years or so. When interest rates would go up, we always had some inexpensive land where we could get a government program going. But this time interest rates were going up, and there was no government program. So that's when I decided I was going to leave the business, I just didn't see how you could make any money plus sell any houses at 14 or 15% interest. So I closed down my operation. I still had some indebtedness to the bank, and I sat around for a while and thought I wasn't going to do anything. But I got bored with that and went to Chicago to see a friend of mine. Now, I had been a stock market investor ever since my college days. I had known people in the field. I worked very closely with Jim Oberweiss, the head of this firm. I went up and asked him for a job. He thought I was kidding, but I said, " No. " He put me in a crash course, and I became a broker in a matter of a month. Fortunately, it was cold in Chicago. When I went through the crash course, we couldn't even go out. It was like 20 degrees below. It was conducive to working. I passed the exam. Sometimes you think you've lost the knack of going to school again, but it comes around.

Q. Was that with the present firm you are with--A.G. Edwards?

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A. No, it was with Oberwise Securities of Chicago. We had made money together buying what is called small growth companies. Jim Oberwise had his M.B.A. from Chicago. He had studied with a couple of guys by the names of Sinafield and Ibbotson. They believe in the idea that if you invest in small growth companies that over time you will make more money than in any other form of investment--real estate or anything else. It works very well in an " up " market, particularly for the small investor. If you're well to do, you have the staying power, but the small investor doesn't.

Anyway, I was able through what I made in the stock market to pay all the banks off. So I was able to salvage my building business. The indebtedness I had was on my land. I was able to pay that off and own the land free and clear. That has been the experience up there.

I was still living in Decatur and driving to Chicago every weekend. I was living with a sister up there. It was about an hour commute every day. I was spending about 18 hours in my car every week. That got to be a bit old. So I decided to come down here and work for Edwards. I did that about four years ago.

Q. Did you notice any big changes or even any perceptible changes in the personal finance business or the investment business?

A. Oh, yes! The advent of the discounter. With the so-called " deregulation, " the banks are getting into our business, and we're getting into their business.

One of the principal changes happened about seven or eight years ago when stock brokerage houses got into the insurance business. It made the insurance companies competitive for the first time. They had to start paying a competitive rate of interest on their insurance policies, which they hadn't done before. Up until about 1980 they were paying only about 4% on cash values. When the rates went much,

much higher, they had to revise. Then when the competition from brokerage houses tended to look at insurance as another investment,-- in other words, there are two parts. One is the cash value, and the other is the death risk. They came up with products that were very competitive, and the insurance companies had to adjust.

Q. There have been other entries, too, haven't there? Such as Sears going into various forms of finance and giving competition to banks and other institutions?

A. Yes, that's true. One wonders if there will be a shake-out in time. As in many markets, when it becomes a very, very popular thing, sometimes it's the end of the cycle. That may sound a bit cynical, I'm not saying that because I'm a broker and we are threatened.

I think we have a function. Our job is to provide advice and not merely to be order-takers. I think if we do that adequately and do what people want, plus leading them a little. I think we need to lead them. Then we can maintain our position. But it does concern me, even with the stock brokers' firms, that they are bringing on many, many young people who do not have much experience in investing money. It's one thing to learn it out of a textbook and another thing to do it.

Particularly now, when we have a great deal of volatility in the market, someone has said, "If you think you know the market, wait until tomorrow, and then you'll be humbled."

As to the future, I think there are some marvelous opportunities for financial assets. Some are saying, even, that it's the opportunity of a lifetime that won't come again.

We're going through this deflationary period. There are companies that can function in it and maintain slim profits. They will come out

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very well.

Q. You should look back and think you've done a great public service-- first, in the construction business. People certainly need homes. And then nothing is more valuable than the protection of finance and money. I believe that the fields you have been in are those that have contributed a great deal to public service.

A. I suppose one does a public service by seeking his own ends. I certainly wanted to be a responsible builder, but when you are in business, you do have to keep concentration on the bottom line. Otherwise, you're just not there. I think many people in business-- it's a curious thing about the American public. They think if you're successful in business, you have somehow been dishonest. I don't believe that's true. I think many business people are more honest than the general public. One of the delightful things in business is when you have an associate or supplier or anyone you've been working with that you can trust and negotiate sizable contracts over the phone without going to all the trouble of drawing up elaborate contracts, as a lawyer would tell you to do.

Q. As in the days when a man's word was his bond?

A. That's still around! We function quickly--and that was certainly necessary in the construction company--you had to depend on that method. You can get a lot done when you have that working arrangement.

Q. You have certainly seen a great change then in the construction business and the finance business in Decatur. What do you think about the future of Decatur?

A. This isn't too concrete, but it's a feeling I have about all markets. When they're down, they eventually come back up. They probably come back faster than most people think. We have a tendency to get emotional about things when they're at one end or the other. Either

we become too optimistic when they are at the top or too pessimistic when they are near the bottom. It's easier said than done, but I think it's something to keep in mind.

I'm reminded when you asked me about the future of Decatur-- anytime I go back to Chicago or St. Louis for a visit and get tied up in the traffic, plus all their other problems, I come home appreciating Decatur a bit more. I can't see that the central Illinois towns won't prosper--for no other reason than that the people have to get out of the cities. I wonder how livable the big cities are any more. I think we certainly need towns like Decatur. I always felt it was a grand place to raise children. Some people think they don't get the stimulus here that they would get in a big city, but you can always take them there.

The Midwest does produce some pretty good scholars. The bulk of the engineers come out of here. We don't do that bad a job with the arts and everything else. I think there is a richness about this part of the country that will help it survive and prosper.

Q. That's certainly encouraging and very helpful to know that someone who has had the experience you have had feels that optimistic about our community.

We thank you very much for sharing your reminiscences, Mr. Seymour. We hope that Decatur can continue, as you have indicated, and that we will have a great future.

It has been a pleasure to hear your experiences, and once again, we thank you!

A. I thank you!

You have been listening to the reminiscences of Mr. Edward J. Seymour. This is Betty Turnell speaking for the Decatur Public Library.

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much higher, they had to revise. Then when the competition from brokerage houses tended to look at insurance as another investment,-- in other words, there are two parts. One is the cash value, and the other is the death risk. They came up with products that were very competitive, and the insurance companies had to adjust.

Q. There have been other entries, too, haven't there? Such as Sears going into various forms of finance and giving competition to banks and other institutions?

A. Yes, that's true. One wonders if there will be a shake-out in time. As in many markets, when it becomes a very, very popular thing, sometimes it's the end of the cycle. That may sound a bit cynical, I'm not saying that because I'm a broker and we are threatened.

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A. No, it was with Oberwise Securities of Chicago. We had made money together buying what is called small growth companies. Jim Oberwise had his M.B.A. from Chicago. He had studied with a couple of guys by the names of Sinafield and Ibbotson. They believe in the idea that if you invest in small growth companies that overtime you will make more money than in any other form of investment--real estate or anything else. It works very well in an " up " market, particularly for the small investor. If you're well to do, you have the staying power, but the small investor doesn't.

Anyway, I was able through what I made in the stock market to pay all the banks off. So I was able to salvage my building business. The indebtedness I had was on my land. I was able to pay that off and own the land free and clear. That has been the experience up there.

I was still living in Decatur and driving to Chicago every weekend. I was living with a sister up there. It was about an hour commute every day. I was spending about 18 hours in my car every week. That got to be a bit old. So I decided to come down here and work for Edwards. I did that about four years ago.

Q. Did you notice any big changes or even any perceptible changes in the personal finance business or the investment business?

A. Oh, yes! The advent of the discounter. With the so-called " deregulation, " the banks are getting into our business, and we're getting into their business.

One of the principal changes happened about seven or eight years ago when stock brokerage houses got into the insurance business. It made the insurance companies competitive for the first time. They had to start paying a competitive rate of interest on their insurance policies, which they hadn't done before. Up until about 1980 they were paying only about 4% on cash values. When the rates went much,

Mom. See what we made on that last house. Now if we can just do the same on this \$60,000 one, we can retire. "

Q. So they pushed the market up?

A. You found people were seeking amenities all over the place, which I guess is part of the American dream, but it wasn't really a market of necessity any more. You had older couples buying rather large houses, and maybe with one child left to leave the nest. Eventually we got to collapse near the end of the decade.

Always in times past, we had kept an inventory of land. You know interest rates go through a cycle every four years or so. When interest rates would go up, we always had some inexpensive land where we could get a government program going. But this time interest rates were going up, and there was no government program. So that's when I decided I was going to leave the business, I just didn't see how you could make any money plus sell any houses at 14 or 15% interest. So I closed down my operation. I still had some indebtedness to the bank, and I sat around for a while and thought I wasn't going to do anything. But I got bored with that and went to Chicago to see a friend of mine. Now, I had been a stock market investor ever since my college days. I had known people in the field. I worked very closely with Jim Oberweiss, the head of this firm. I went up and asked him for a job. He thought I was kidding, but I said, " No. " He put me in a crash course, and I became a broker in a matter of a month. Fortunately, it was cold in Chicago. When I went through the crash course, we couldn't even go out. It was like 20 degrees below. It was conducive to working. I passed the exam. Sometimes you think you've lost the knack of going to school again, but it comes around.

Q. Was that with the present firm you are with--A.G. Edwards?

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wonderful town, but it was the problem of being so near East St. Louis that bothered. So we came back and built the first house in about 1959. We bought a piece of land south of Muffley School and after having plunged all the family savings on the land, the Signal Depot closed up and times got rather rough for a while. We were more than a little worried about what we were going to do, but we started out building houses and we were selling houses with 4½ to 5% mortgages on them. The prices were about \$12,000 to 15,000. These houses were approximately 1000 square feet with an attached garage. That's what you got for that kind of price. That included the lot, incidentally. We had developed the ground. In other words, we took the piece of farm land and put in the sewer and the water and the streets. If you remember, that was when dear old John Dever was here. He was the first City manager that Decatur had. He was a bit of a martiner. He was very strict on everything and always in the city's favor. So we had a few go-arounds because I thought he was impinging on the private sector too much. But we survived that experience. Actually, our location next to Muffley School was very favorable. We continued to prosper and went from there to building about 8 different sub-divisions in that time something like 8000 houses in Decatur and the Macon County area.

Q. A great contribution!

A. I guess so. Then came the good old 70's. You can see a changing pattern which also relates to many other markets. We started in the early days to build what we felt was necessary housing. We were building for people who needed it. Within the '70's we felt that we were building for speculators--people who bought the original house for \$15 or 16,000, sold it for 40 or 45 and decided they were brilliant real estate investors and decided they would now buy some-times for \$60 or 70,000. They would say things like, " Look here,

after we were there, my wife had a set of twins. With four children and a rather small house, we outgrew that in about a year.

At the time I was admitted to a stock program in the company so we took the outlandish step of deciding to buy a bigger house for \$12,400. We were very worried because the monthly payments were going to be \$100.00 a month.

We did buy the bigger house, and in a short time I was a partner.

After working with this man for about four years, I then decided I wanted to go on my own. My income at that time was rather good. I can remember that my father-in-law couldn't understand. He thought, "Here is a man on crutches with four children, leaving a responsible job and going on his own in the construction business. "

The fact is, that he secretly met with my former boss and partner down in Florida, and they were trying to cook up something to get me to come back. Anyway, I then went with a partner and built houses in Belleville, Illinois. We did that for about a year to eighteen months.

Q. Did you move there?

A. We moved there and built about 50 houses, but Belleville was very near East St. Louis, which was certainly a very difficult area. My wife kept saying to me, " I don't know how we are going to raise these boys with this proximity to East St. Louis. "

Just before we left Urbana, we had another child. We now have four boys and one daughter. She kept on bringing that up. East St. Louis was a real slum area and very debilitated. So there was an opportunity. I was at a builder meeting, and I heard about the National Home franchise opening up here in Decatur. At this cocktail party I went up to the man and said, " Hey, I'd like to have that. " So we made the arrangements, and I moved back to Decatur.

We like this part of the state. I liked Belleville. It was a

they don't want to pay you much. "

At that time I had two children. He said, " It will at least keep you in groceries until you get something better. "

Q. This was in Decatur?

A. No, this was in Champaign. I did come to this construction company. They were building in the neighborhood of 12 to 14 houses a week-- if you can imagine--between Champaign and Rantoul. They needed a business manager badly. I was brought in to get the bookkeeping organized. Eventually I was indeed their business manager. In four years' time I became a partner in the firm and spent another four years as a partner.

Going back over my background in finance, I had always looked toward finance even in construction. One of the keys to being successful in the construction business is to realize that it's a finance type of business. You have to go from cash to cash and the quicker you can do it, the better off you are--and control your cost.

It might be interesting to tell you that I tried to buy a house from these people. They wouldn't even take my money. They would take a \$50.00 deposit on a lot, but they wouldn't even take that. They said, " Our list is too long. We have too many people who need housing. "

Q. Even though you were working for them?

A. No--when I went to work for them, that was one of the conditions. I had to accept \$50.00 a week, so I made another stipulation that they would get me a house. So they did. We bought a house at the outlandish price of \$7200.00 for a 3-bedroom house. The interest rate was something like 4½%, and the monthly payments were \$43.00 a month. Compared to the \$50.00 a week salary, it wasn't all that bad, but it wasn't good. Along with that, we had two children, and shortly