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ROBERT E. SIMON, JR.
CONSERVATOR OF CARNEGIE HALL, CREATOR OF RESTON

9
1 In the Spring, every year for the last twenty-five years,
2 there has been a celebration in a town in Virginia.
3 Sometimes the celebrations mark the opening of a new
4 facility like a child care center, but they always honor a
5 man who has never held public office in the town, nor been
6 its financial benefactor, nor a school alumnus, a war hero,
7 or even a rock star. He was, however, its creator. The man
8 is Robert E. Simon, Jr. and the town is Reston, which takes
9 its name from his initials. The story of that town and its
10 creation is essentially the story of the man. Curiously,
11 what made Reston possible was Simon's involvement many years
12 before with Carnegie Hall in New York City.

13
14 Reston, like Carnegie Hall, is world famous and has been
15 analyzed, criticized, admired, and lauded in innumerable
16 articles, magazines, and books. Especially today, by
17 contrast with the state of many of our cities and towns,
18 Reston stands as a model of what is possible in the way of a
19 planned community which combines physical beauty, economic
20 health, variety in life styles, and comfort for its
21 inhabitants. Simon's master plan was realized in spite of
22 almost insuperable difficulties and now is an inspiration to
23 other planners and a source of enormous pride to its
24 residents. And yet, the whole enterprise was an audacious
25 gamble with as many twists and turns as a spy novel - and it
26 began with the denouement of an almost equally complex series
27 of events, the transfer of Carnegie Hall from private to
28 public ownership by Robert E. Simon, Jr.

29
30 Robert E. Simon, Jr., who took the enormous, expensive and
31 exciting gamble of creating a town from scratch, is a man of
32 many contrasts. Physically, of average height and slender,
33 with his beard, ruddy complexion, piercing blue eyes,
34 slightly Romanesque nose, he pays keen attention to his
35 companions and his surroundings. He gives the impression of
36 an alert sea captain sniffing the air for trouble. His upper
37 class background and schooling are apparent. Yet, in
38 conversation, he is almost courtly. He is gentle,
39 sympathetic and, at the same time, keenly alert and quietly
40 ruthless in his sharp examination of the logic and facts of
41 what people say to him. He clearly does not suffer fools
42 gladly but appears to have developed a subliminal humorous
43 patience with those he does meet. His story begins with
44 Carnegie Hall.

CARNEGIE HALL

Robert Simon, Jr. (Bob) was born in New York City on April 10, 1914, the son of Robert E. Simon and Elsa Weil Simon. Two sisters, Betty and Helen preceded him and the third, Carol, followed. The sisters, Betty and Carol, are married, with children, and live, respectively, in Ithaca, New York, and Southbury, Connecticut. Helen is deceased.

His father had a very successful career in real estate sales and development and was the president of a firm which held, at various times, numerous properties in New York City, including the Fisk Building, the Herald Square Hotel, and the former site of the old Paramount building, originally purchased from the Astors. The specific Simon family holdings were managed by Robert E. Simon, Sr. in a family corporation called Hercer, which Simon headed.

In 1925 the firm bought the Carnegie Hall property from the residuary Carnegie estate, together with other properties adjoining it. Lovers of music and of New York traditions were greatly upset by the prospect that Carnegie Hall might disappear in the maw of new building development. However, Mr. Simon, Sr. was an idealistic man with a deep interest in social issues, in music, and in community betterment. He created and headed the United Parents Association, and was a civic leader who fought for and won raises for New York City public school teachers and librarians.

To allay the fears of the music-loving public, a clause in the purchase contract provided that Carnegie Hall would be maintained as it was for a period of at least five years, unless, during that time, a comparable concert hall were to be built to replace it. When it became clear that no replacement was going to be built in the depressed economic climate of 1929, Mr. Simon, Sr. turned his energies and resources to modernizing Carnegie Hall so as to turn it into a profitable entity. This required modifying and improving the building extensively to provide more rental space and income.

Vast expenditures were made in redecorating the halls, introducing the Art Gallery, a reception hall on the eighth floor for the use of pupils and guests of tenants, the introduction of stores, and the installation and maintenance of modern heating and lighting equipment. Many of the beautifully designed rooms of the 1891-1894 period were converted to rehearsal halls, musical instrument storage space, musicians' locker rooms and meeting rooms for tenant artists of all types.

1 The economic pressures of the 1929 period made it necessary
2 for many of the artist-renters of Carnegie to live in their
3 working studios. To respond to this trend, more and more of
4 the studios were converted into combined living and working
5 apartments.

7 In spite of its age (it was completed in 1891) and because of
8 its marvelous original all masonry design and construction,
9 (entirely without steel beams) Carnegie Hall was able to
10 accept all the modifications needed to create more and more
11 living accommodations and stores on the same property and
12 still conform to the complex requirements of the building
13 codes of New York. It was rated a Class A multiple dwelling
14 by the fire department and fire underwriters.

16 In addition to its studios and stores, one of the most
17 prestigious tenants was The American Academy of Dramatic
18 Arts. In addition, the Chapter Room was used for meetings of
19 associations of all types. Until 1929 Carnegie Hall was
20 operated at a reasonable profit, but, with the depression, it
21 became more and more difficult to achieve a break-even, let
22 alone a profit. On the same group of properties, Simon, Sr.
23 added a restaurant (now the famous Russian Tea Room), a drug
24 store and other facilities to increase income.

26 One of the major problems in maintaining the Hall was taxes.
27 The assessment when Mr. Simon, Sr. purchased the hall was
28 \$1,850,000 and the taxes were \$49,765. Six years later, in
29 1931, the assessment was \$3,000,000 and the taxes were
30 \$81,600. In the face of these steady increases, and the
31 deteriorating economic climate, it became more and more
32 difficult to keep the operations of the Hall in the black.
33 But, through the hard-headed idealism of Mr. Simon and his
34 syndicate they were able to keep Carnegie Hall in continued
35 operation through the lean years of the thirties. Even in
36 1935, at the time of Mr. Simon's death, work was under way to
37 improve elevators, recondition ventilating and air
38 conditioning systems, erect a new stage and redesign the
39 marquee.

41 During this period, Bob attended Horace Mann School, went to
42 Harvard and in 1935 graduated cum laude with a degree in
43 English literature and history. As a graduation present he
44 was given a bicycle tour of England and France, which was
45 interrupted when he learned that his father had died
46 suddenly.

48 It had been planned for Bob to start at the bottom of
49 another real estate company and take the time needed to learn
50 the real estate business before joining the family
51 corporation. However, without the benefit of this
52 preliminary training, he returned from Europe and

1 immediately began the process of taking over the management
2 of Hercer, the family corporation, and other holdings of his
3 father. He was then twenty-one years old.
4
5 Many of the early events of Bob's life which intimately
6 involved him in the more recent history of Carnegie Hall and,
7 ultimately, led to the creation of Reston are described in
8 excerpts from a transcription of a long interview. The story
9 begins when he returned from Europe after his father's death
10 in 1935. His father's chief assistant at that time was Mr.
11 Murray Weisman. Miss Veit had been Simon, Sr.'s personal
12 secretary and Arthur Felber was then the chief bookkeeper.
13 Al Sharf was then the real estate expert.
14
15 Bob recalls: " I went into the office at 654 Madison Avenue
16 and there was this sumptuous office that Dad used which had
17 four exposures, believe it or not, north, south, east and
18 west. There was a terrace overlooking Madison Avenue and a
19 view of Central Park. There was a big desk, and outside in
20 the outer office were Emily Veit and Arthur Felber. I don't
21 remember whether Miss Halley was there or not. Then, in an
22 office next to Dad's was Murray Weisman. Murray Weisman had
23 been Dad's number one guy, his chief assistant. He was a
24 Harvard graduate, a rather slick article."
25
26 "Here was Arthur who had shown me how to operate the adding
27 machine and Miss Veit, on whose lap I had sat. They took me
28 into Dad's office and told me that was to be my office.
29 So I sat in the chair which seemed enormous at the desk which
30 seemed even bigger and I remembered there were buttons to
31 call people. So I pushed Miss Veit's button and I didn't
32 know what was going to happen - whether she'd come in and
33 say: 'What the hell do you think you're doing, you nasty
34 little kid?' or what she was going to do. Well, she came in
35 with her pad and pencil and sat down in her chair ready to
36 take dictation and made me feel I was real!"
37
38 "Al Sharf was there also, so I had the feeling that I was
39 going to a kind of school and my teachers would be Murray
40 Weisman and Al Sharf and Arthur Felber and Miss Veit. Al was
41 supposed to be the expert in real estate values and
42 construction while Murray was supposed to be the expert in
43 corporate operations and finance. Arthur Felber was then
44 the bookkeeper."
45
46 Initially everybody seemed to be enormously helpful,
47 particularly Arthur Weisman, with whom Bob felt very close at
48 that time. They would frequently have long philosophical as
49 well as business discussions. Bob found, however, that Al
50 Sharf, who was a brother-in-law of one of Bob's uncles,
51 would, in response to questions, give quick, dogmatic answers
52 often found later to be unreliable.

1 After Simon, Sr. died, Murray Weisman became president of
2 all the corporations in the real estate syndicate, except
3 for Hecser. Bob decided to hang on to that title since it
4 was the family company, but he also was vice president of
5 the other corporations. He soon began to realize that,
6 although Murray Weisman was probably honest and loyal as long
7 as Simon, Sr. was alive, in a relatively short time after
8 Simon, Sr. died, Weisman started to take money for himself
9 that he shouldn't have. Bob's real coming of age, so to
10 speak, took place about six months after he took over his
11 father's office.

12
13 From time to time he used to go over to Carnegie Hall to try
14 to learn what was going on there. He later discovered that
15 Weisman had asked all the people there to keep things from
16 him to the extent that it was possible.

17
18 Bob explains: "A decision had been made to buy a generating
19 plant for Carnegie Hall at a fairly substantial price. My
20 memory is that it was for \$50,000 at that time, so if you
21 convert it into today's dollars it would be about \$400,000.
22 It was a big investment. This generator, incidentally, had
23 been brought into the office by uncle Ray, which further
24 complicated matters. I took the papers home with me to study
25 like a good boy takes his work home from school to do his
26 homework."

27
28 "I read the analysis which resulted in the decision to buy
29 the generator and I couldn't come up with the same answer as
30 that in the conclusion of the analysis. The way the figures
31 were arranged, as I remember it, was analogous to the way the
32 happy wife greets her husband at the door and says: 'Honey, I
33 saved fifty dollars today', and the husband asks: 'How did
34 you do that?' and she says: 'I bought a seventy-five dollar
35 dress instead of a hundred and twenty-five dollar dress'."

36
37 "That's the way the figures had been arranged. I got the
38 figures arranged differently to show how much money was going
39 out and how much was coming in and I came up with a different
40 answer. So I went to the office and said to Al Sharf, who
41 was the expert on these matters, 'I can't get the right
42 answer. Show me how to figure this. I want to figure it
43 this way and it's a perfectly valid way to do it. Show me
44 where I made my mistake'".

45
46 "After we'd spent some time together, he said, well, he
47 couldn't satisfy me so he'd have Murray Weisman satisfy me.
48 When I finished my discussions with Murray Weisman the
49 decision to buy the generator was cancelled. This
50 immediately converted me from a student to a principal. All
51 of a sudden I felt responsibilities I hadn't imagined and it
52 was almost terrifying." Bob was then 22 years old.

1 As a result of this and other things which disturbed him, he
2 fired Murray Weisman from everything except Carnegie Hall and
3 sent him to work there full time.

4
5 Later, John Weil, who worked in the engine room at Carnegie
6 Hall, confided to Bob that all was not right. The nature of
7 the problem was that the Carnegie corporation always called
8 for competitive bids from contractors for any work that was
9 needed. Curiously, there was one contractor named Joe Lipcah
10 who always won the contract and got the work. The reason for
11 his low, winning bids was, John Weil realized, that Joe
12 Lipcah was using Carnegie Hall painters, carpenters,
13 plumbers, masons, all in-house employees, to do his work. So
14 Carnegie Hall was supplying Lipcah with labor and even
15 materials gratis.

16
17 A man named Nelson was then in charge of the Carnegie engine
18 room. John Weil told Bob when Nelson could be caught red-
19 handed. Bob had stored a set of coveralls in Carnegie Hall
20 for himself so that he could wander around in the engine
21 room and through the building to learn the plant physically.
22 Many of his visits were made during the day and generally
23 were well announced. However, following John Weil's
24 suggestion, he turned up one night in the engine room at one
25 A.M. wearing a tuxedo because, in those days, they were de
26 rigueur for anything that went on in the evening.

27
28 He chose that time for his visit because Joe Lipcah had been
29 awarded a major plumbing repair job. A huge pipe, about 24
30 inches in diameter, had to be replaced. As Bob approached
31 the gate to the engine room, he heard a scuttling sound, the
32 kind of sound one associates with mice disappearing into
33 their holes. He walked in to find chief Nelson and Joe
34 Lipcah standing at the scene of the action with a chain hoist
35 attached to a huge pipe which was hanging in the air. There
36 was no one else in evidence.

37
38 Bob played it cool and said: "Hi, fellows. This looks like a
39 pretty big job you're doing - for just two men." Before many
40 minutes passed, Nelson said: "The jig is up" or words to that
41 effect. And out from holes in the wall reappeared the
42 sheepish Carnegie crew.

43
44 Soon thereafter Bob called a meeting of his board of
45 directors, which included some very eminent men. Judge
46 Proskauer, John Rosenberg, Judge Elkin, Henry Ingraham, Sr.
47 and Milton Bergerman were on the board at that time. (At this
48 point it would be useful to give some indication of the
49 affiliations of these men at that time) At the board
50 meeting, Weisman and Bob made their representations and the
51 upshot was that Weisman was fired and Bob became President of
52 Carnegie Hall. He was then 23 years old.

1 On subsequent investigation it turned out that Joe Lipcah
2 had not been involved only in plumbing contracts. On some
3 painting contracts he had some six painters on the Carnegie
4 payroll who were working for him. While it was clear to Bob
5 at that point that everyone seemed to know what was going on
6 at Carnegie, he decided that it would be unreasonable to fire
7 anyone other than Nelson. So Nelson was marked as the
8 culprit and was fired.

10 In his youth and relative inexperience in managing a real
11 estate empire, Bob experienced considerable uneasiness and
12 uncertainty at first. He had, however, strong support from
13 members of his family, his Uncle Harry in particular. While
14 the kind of venality represented by the Weisman episode did
15 not recur until World War II, it did show up in another
16 connection that made Weisman persona non grata. There were
17 other problems, however, which tested Bob's intelligence and
18 stamina and, ultimately seasoned and matured him.

20 During the middle and late thirties times were tough for many
21 people and even for real estate owners and managers. Rents
22 were not being paid and foreclosures were going on apace.
23 The Simon syndicate was in danger of losing some of its
24 properties because it could not make some mortgage payments.
25 Carnegie Hall was also endangered. The syndicate had
26 property on 59th and 3rd that was producing a profit but
27 nothing else was. The full interest rate in those days was
28 five per cent and the lending institutions really were not
29 interested in foreclosing if they thought they could make a
30 reasonable arrangement with the owners.

32 On one property on 33rd street behind the Herald Square
33 Hotel the holder of the mortgage was the Harlem Savings
34 Bank. Because the syndicate wasn't able to make the interest
35 payments, Bob went with Murray Weissman to meet Arthur
36 Westerfelt, then president of Harlem Savings to renegotiate
37 the terms of the mortgage. Bob listened while Weisman made
38 his presentation, constantly fussing with the papers and
39 folders in his briefcase. While Westerfelt was asking him
40 questions Bob noted that some of Weisman's answers were
41 forthcoming and some not. Finally, after they got back to
42 their office, they got word that they had been turned down
43 and the bank was going to foreclose.

45 In the face of this rejection, Bob's response was to organize
46 all the materials and information relevant to the problem on
47 one sheet of paper, study it until he had virtually memorized
48 it, and then make another appointment with Westerfelt. (He
49 took the piece of paper with him to the meeting). The result
50 this time was vastly different. Westerfelt reduced the
51 mortgage interest rate from five per cent to one and one half
52 per cent! Bob's concession, on the other hand, was that he

1 would take only a management fee for the office and that all
2 the rest of the rental proceeds would go to paying interest.
3 As a result, the company was able to hold on to the 33rd
4 street property. Aside from his elation at his success, Bob
5 recalls: "The thrill though, after the meeting, was that,
6 although I was used to chauffeur-driven cars, I wasn't used
7 to having a bank president send me back to my office in his
8 chauffeur-driven car!"

10 Another troublesome mortgage was one held by Union Dime. The
11 president there was a man named William Debeau. Bob
12 describes him: "He was an intimidating figure right out of
13 Grant Wood; he was very tall with gray hair and wore a very
14 high, starched collar. I developed a technique for dealing
15 with him that was very helpful to me in some other
16 circumstances. Just before I went into his office, which
17 was enormous, I pictured him lying flat on the floor, with
18 his grandchildren sitting on his chest, while his wife was
19 saying to him: 'Now come on, you old goat, get up on your
20 feet!' Somehow, it was very helpful picturing him that way;
21 it made me think of him as an ordinary human being and we got
22 along well. In the end, he gave us the same deal we got from
23 Westerfelt and, except for two or three we lost, we ended up
24 hanging on to all of our other properties."

26 Not all of Bob's experiences were happy ones, however.
27 The company had made a swap of a property at 59th and 3rd,
28 across from Bloomingdale's, for a property on 5th Avenue and
29 37th street. The key to making this a successful swap was to
30 get the assessed value of the 5th avenue property reduced.
31 The assessed value then was \$1,200,000 - only a little less
32 than the existing mortgage, which was \$1,300,000. The
33 property's assessment was so high that the taxes made the
34 building operate at a loss.

36 Bob felt that he could get the assessment reduced and told
37 the board of directors about this while one of Simon, Sr.'s
38 close friends, a board member and important judge named
39 Proskauer was present. Proskauer told Bob: "Let me handle
40 this because I have very good contacts at the assessor's
41 office." Bob was concerned about this suggestion because
42 he had asked for a very substantial reduction in the
43 assessment, and, although Proskauer had looked in at the
44 office about six months after Bob took over and commented
45 approvingly, Bob wondered how much of Proskauer's influence
46 and power he would really exert to achieve the desired
47 reduction in the assessment.

49 A few day later Judge Proskauer called Bob and told him that
50 he had settled the case with the head of the assessors
51 office. What startled Bob, however, was that he had gotten
52 only a fraction of the needed reductions. When Proskauer had

1 indicated that he would take on this problem, Bob had
2 immediately sent all the necessary data to Proskauer's office
3 and confirmed all of it in a letter.

4
5 What happened, Bob subsequently learned, was that the Judge
6 had gone into the assessor's office to do a job for
7 Consolidated Edison, which he represented. When he was
8 finished with his negotiation, he had thrown Bob's letter on
9 the assessor's desk and said: "See what you can do for us."
10 Unfortunately, the deal that he had accepted was completely
11 unacceptable to Simon, Jr.

12
13 Again demonstrating his persistence, Bob then went to the
14 assessor's office and said to him: "A mistake has been made.
15 I'm sure if you call Judge Proskauer he will confirm that he
16 made a mistake; we simply can't accept the deal as it is."
17 The assessor replied: "I'm astonished that you, your
18 father's son, would suggest to me that Judge Proskauer wasn't
19 representing you properly and that you now want to welsh on
20 the deal he made for you."

21
22 Greatly upset, Bob called the Judge and said: "You've got to
23 call that man." and the judge refused. Again demonstrating
24 his refusal to accept defeat, Simon, Jr. went to court, won
25 the case and got the reduction he wanted. However, Bob was
26 greatly shaken by this experience. Considering that
27 Proskauer had been one of Simon, Sr.'s best friends, Bob
28 expected that Proskauer would do the honorable thing.
29 Because Proskauer had had the requirement for the assessment
30 reduction in his office in writing, Bob expected that
31 Proskauer would call the assessor and tell him: "I did make a
32 mistake. Bob is right."

33
34 This was not to be the last disappointment or unfair blemish
35 on Bob's reputation, but he was then 23 years old and it was
36 hard to take. To balance things somewhat, others of his
37 father's friends and associates were wonderfully helpful,
38 among them, Judge Alcott, John Rosenberg, and Henry
39 Ingraham. As we will see later, Carnegie Hall was a
40 continuing source of both pleasure and pain for Simon, Jr.

41
42 Carnegie Hall was at all times a major preoccupation with
43 Bob. For example, although the company wasn't making enough
44 money to distribute to its investors, the then current
45 earnings made it possible to continue, out of cash flow, the
46 rebuilding program at Carnegie started by Simon, Sr.

47
48 With the coming of World War II Bob entered the Army in 1942
49 as a private, and was soon sent to Officers Candidate School.
50 First assigned to the Quartermaster Corps, he was sent to
51 the Harvard Business School and the Judge Advocate School.
52 He served in the European theatre until 1946.

1 On joining the Army, Bob gave over the operation of Hercer
2 and Carnegie to a family friend and lawyer, Milton Bergerman.
3 He found some unsettling things when he got back four years
4 later. Milton Bergerman was apparently the kind of man who
5 assumes knowledge he does not have. One example was his
6 interaction with Arthur Maroff who had replaced Nelson as the
7 chief engineer at Carnegie.

8
9 Maroff was a proud man who had a graduate degree in
10 engineering and who didn't like being called "Chief",
11 saying: "I'm not an Indian." Bob called him Arthur and they
12 got along fine. Bergerman, however, demonstrated his
13 ignorance and completely alienated Maroff when, looking at
14 the hydraulic tanks that provided the pressure for the
15 Carnegie Hall elevators, said that he thought that the way
16 the fuel tanks were being maintained was wonderful. From
17 that time on Maroff would have nothing to do with him.

18
19 After VE day, when things settled down a bit, Bob asked for
20 the Carnegie Hall and other statements so that he could see
21 what was going on. It didn't take him very long to see from
22 the statements that all was not well. One problem was
23 somewhat like the plumbing repair scam engineered by Nelson.
24 The new problem was the bill for the purchase of ice for the
25 Carnegie air conditioning equipment.

26
27 The company was paying for 40 tons of ice, and Bob knew that
28 the system had a 25 ton capacity. So he questioned Maroff:
29 "How come you're buying 40 tons when the damn thing holds
30 only 25?" Maroff's reply: "It holds 40 tons." It was then
31 October, and Bob said: "Be my guest. I'll buy 40 tons of
32 ice and you see if you can put it in there."

33
34 Bob had told Johnny Totten to monitor the ice business and to
35 be sure that all 40 tons were actually put in. Later, Bob
36 got a call from Maroff saying that he'd put the 40 tons in.
37 Later still, Johnny Totten called to report how it had been
38 done. Maroff had used iced picks to chop up the great big
39 ice blocks and had shoveled the shards under the floor boards
40 where the ice didn't belong.

41
42 That meant good-bye to Arthur Maroff, the new engineer.
43 Subsequently, Bob found out that, in a fashion somewhat
44 analogous to the operations of the contractor Joe Lipcah,
45 there was an informal Carnegie Hall painting and decorating
46 company that had been going up and down 56th street painting
47 and decorating premises for different business owners. So,
48 venality raised its ugly head again.

49
50 Even without venality, however, there were other exciting
51 problems left behind by Bergerman who left the company on
52 Bob's return. Through a very genial broker named Tony

1 Trunk, who had used Bob's father as a kind of father
2 confessor, Bergerman had authorized the sale of one of the
3 company's properties to Zeckendorff at a ridiculously low
4 price. When Bob learned of this he was horrified, so he
5 called Zeckendorff and questioned the deal. Again
6 demonstrating his persistence and skill in negotiation, the
7 price was revised to a very substantial increase over what
8 Bergerman had accepted.

9
10 Thus, Bergerman was happy to get back full time to his very
11 successful law practice, and Bob found himself in full charge
12 of both Hercer and Carnegie Hall.

13
14 For a long time, even before the war, Bob had become
15 convinced that, because of its international importance in
16 the world of music, Carnegie Hall should be a public facility
17 rather than privately owned. Even though he had been able to
18 operate the Hall at a profit, the taxes were a great burden.
19 He felt that if the Philharmonic, the then principal
20 occupant, or some non-profit organization or the city could
21 take it over, Carnegie could benefit considerably by having
22 all of its income available for operations and improvements
23 without paying taxes.

24
25 On at least four or five occasions during the forties Bob
26 approached the Philharmonic to see if they would take
27 Carnegie over. It was a logical arrangement which would be
28 good for the Philharmonic if it could be done. These
29 discussions took place long before the Moses plan for
30 Lincoln Center was developed.

31
32 The Simons, father and son, had for a long time had been
33 making improvements at the Hall and, in conjunction with the
34 discussions with the Philharmonic, various reports and
35 architectural drawings were prepared showing ways to further
36 improve the building and its facilities. One small but
37 important accomplishment had been to improve the rest room
38 facilities. It seems hard to believe but, in 1891 Carnegie
39 Hall opened without a single public rest room facility. It
40 may be presumed that the Victorians had better kidneys than
41 ours or, possibly, they just did not use such public
42 facilities.

43
44 In the course of the improvement program, one major find was
45 the double height ceiling at the back of the dress circle.
46 There a double decker was built, one level for the public
47 and the other a personal locker room where the ushers could
48 change.

49
50 A considerable amount of money was spent in redesigning and
51 rebuilding the Recital Hall. Then, in the level below the
52 recital hall, public facilities were built for the Recital

1 Hall audience. This was all part of a program to make the
2 Recital Hall the debut hall in New York. This was not only
3 an enhancement for the hall but also provided a recital hall
4 far better than that available in Town Hall, with its
5 fourteen hundred mostly empty seats and poor acoustics.

6
7 Plans were developed for knocking out the stairs entering
8 from the 57th street side, and coming in instead at street
9 level to a new circular stairs going up on both sides. When
10 finished, this effectively doubled the public areas to which
11 patrons could go at intermission time. The Lyceum theatre
12 was also added for legitimate theatre productions. The
13 Phoenix Theater started in the Lyceum and a man named
14 Hamilton continued as the main producer of Phoenix Theatre
15 productions.

16
17 All of this activity represented a schizophrenic period in
18 Bob's mind. On the one hand he was trying to get Carnegie
19 Hall into the proper public hands, and, at the same time, he
20 were going full blast on major improvements at the company's
21 expense.

22
23 The final scene with the Philharmonic was with Floyd Blair
24 who was then president of the Philharmonic and Arthur Judson,
25 the manager. Blair was a small man, physically, who was one
26 of many vice presidents at the First National City Bank, now
27 Citibank. In modern parlance, he was in public relations and
28 in charge of entertaining visiting firemen. Bob did not
29 consider him a very cerebral type but he knew Blair well as a
30 fellow member of the same ice-skating club out on Long
31 Island.

32
33 Arthur Judson, on the other hand, was a big and very powerful
34 figure. Bob met with Blair and Judson and said: "You guys
35 should really get organized and buy this thing." Floyd Blair
36 said: "Well, your price has always been too high." This
37 response irritated Bob because he had already subtracted a
38 quarter of a million dollars from what he felt was a fair
39 price for the Hall. This was more than a gesture. He
40 considered this reduction as an appropriate contribution from
41 his group to save Carnegie Hall.

42
43 In what many would consider to be an extraordinary offer and
44 an indication of his commitment to save Carnegie as a concert
45 hall, Bob said: "God-damn it. If that's your only reason for
46 not buying Carnegie Hall and if my board will agree to it,
47 we'll sign a twelve-month contract to sell you the Hall with
48 the price to be determined by binding arbitration."

49
50 When they turned that offer down, it was clear to Bob that
51 the Philharmonic had decided to move to the Lincoln Center.

1 The Lincoln Center project had been in the works for some
2 time and construction had actually started, even though there
3 were many doubts about its success. One major concern had to
4 do with the management of traffic, which turned out not to be
5 a problem. The other, more important concern had to do with
6 the acoustics. Virtually the entire musical world had always
7 pointed to Carnegie Hall's acoustics as being close to
8 perfection.

10 With his characteristic refusal to accept defeat and even
11 though his offer had been rejected by Blair and Judson, Bob
12 hadn't given up hope that a deal could be made with the
13 Philharmonic. To keep this option open and, although he had
14 no choice at this point other than to put the Carnegie Hall
15 property up for general sale, in every negotiation with real
16 estate people a recapture right was specified. This meant
17 that up to the final point of concluding a contract, the
18 Philharmonic had a prior option.

20 Bob's last effort was to see Amory Houghton, who was the
21 vice-chairman of the Philharmonic board and then president of
22 the Corning Glass Works. His message for Amory Houghton was
23 that, before they went into a new hall they should think
24 carefully about the acoustics. At that time Bob was appalled
25 by the fact that some luminaries in the musical world had
26 been publicly quoted as saying that Carnegie Hall acoustics
27 were not all that special.

29 He remembers: "I'll never forget my meeting with Houghton who
30 spoke in an extraordinary American Anglified accent as if he
31 had hot potatoes in his mouth. He explained to me that
32 acoustics was 'a science', implying that the designers of
33 Lincoln Center had achieved a perfect result. In fact, until
34 extensive later modifications were made in the Lincoln Center
35 hall, the acoustics were a near disaster."

37 "However, Houghton said further that he did not believe that
38 we were operating Carnegie Hall at the profitable rate we had
39 published. Needless to say, that got my dander up and I
40 said: 'Send your accountants in and we'll make all of our
41 books available to you. That you should question the
42 accuracy of our statements which are prepared by certified
43 public accountants is a little surprising. But, let's set a
44 date now and you can send in your own accountants to verify
45 the work of our accountants."

47 "Incredibly, Houghton said to me: 'The time is not opportune
48 for us to do this.' And I said to him, and I'm a little
49 proud of this, Mr. Houghton, there is no time from the
50 beginning of the earth until the ~~the~~ present when it is not
51 opportune to go inspect another fellow's books if he says you
52 can.' Houghton didn't appreciate my bon mots but I was

1 pleased to have finished our meeting with that remark."

2
3 Since the door to the Philharmonic was closed Bob had to look
4 elsewhere to sell Carnegie. During this period, a very
5 flamboyant man named Glickman created a great deal of
6 publicity about a deal to buy Carnegie but no contract was
7 ever signed. On the other hand, a contract was signed for
8 \$5,250,000 with Larry Wein and Harry Helmsley - still with
9 the provision that, if the Philharmonic or the City wanted
10 it, they would preempt Helmsley. Earnest money was
11 exchanged. As one of the biggest real estate operators of
12 his time, Helmsley had earlier bought a number of properties
13 from the Simon group, including the Fisk building and the
14 Empire State building, among others.

15
16 Even though his board of directors had authorized him to
17 complete the sale of Carnegie, Bob continued the struggle to
18 preserve it as a musical icon. He started a "Save Carnegie"
19 committee and, to avoid any hint of personal self-serving,
20 directed Johnny Totten to assemble some influential people
21 and start the ball rolling. Even with coaching, Totten was
22 not able to make any progress. Then someone was able to
23 recruit Isaac Stern who dramatically changed the face of the
24 project.

25
26 Stern was able to create great publicity for the effort and
27 organized a very effective fund raising program. It is
28 generally agreed that Stern was directly responsible for the
29 success of the fund-raising drive.

30
31 One day during the fund-raising program, Isaac Stern and his
32 wife, Vera, visited Bob at home where he was nursing a cold.
33 Bob greeted them and they sat down to talk. Bob was told
34 that the Sterns had a wonderful idea to present to him -
35 namely that Bob should simply donate Carnegie Hall to the
36 city. To say that Bob was stunned is certainly an
37 understatement.

38
39 To begin with, Bob did not by himself own Carnegie Hall.
40 Further, as the representative of the Simon family who had a
41 minority interest in the equity in Carnegie Hall, there was
42 no way he could respond sensibly to their suggestion.

43
44 As president of the corporation which did own it, he was
45 acting under the orders of the board of directors which had
46 authorized him, given the fact that the Philharmonic had
47 rejected a bona fide offer and there were no other not-for-
48 profit prospects, to sell the Carnegie property on the open
49 market. He had done as his board requested and had not only
50 concluded a sale to Helmsley, but had received Helmsley's
51 deposit.

1 Even so, Bob had insisted on a provision in that contract for
2 cancelling it if a public body, the City, or some non-profit
3 organization wanted to buy Carnegie Hall. His board of
4 directors had even authorized him to drop the price by
5 \$250,000 if the City or any other agency committed to
6 preserving Carnegie Hall were to come forward. Without that
7 concession, the Carnegie Committee would have had to meet the
8 price to which Helmsley had agreed.

9
10 Incredibly, neither the Carnegie Committee nor any one else
11 took notice of this. Instead, Colonel Reigleman, who was the
12 Committee's front man, began to bring pressure on Bob and
13 his group to sell for a lot less than the \$5,000,000. In
14 spite of the fact that Helmsley had already and publicly
15 agreed to buy the property at the original asking price of
16 \$5,250,000, the press printed stories fed to them suggesting
17 that Bob was not really in control of the process and,
18 further, that an outlandish price was being asked. The fact
19 that a dominant figure in the real estate market like
20 Helmsley had already put his money down on a price \$250,000
21 higher than that offered to the City was completely ignored.
22 Reigleman publicly gave his opinion that Carnegie's value was
23 only \$3,500,000. At no time did the press juggernaut pause
24 to consider the real facts of the case.

25
26 Finally, the deal was made for \$5,000,000 with no
27 acknowledgment of the \$250,000 reduction from the original
28 asking price. What followed was a great deal of unpleasant
29 publicity and some outright falsehoods about Bob's
30 stewardship of Carnegie Hall.

31
32 One example of these stories had to do with the Recital Hall.
33 When Bob started the Carnegie Hall improvement program after
34 World War II, the Recital Hall had been a place where private
35 teachers occasionally brought their pupils and their
36 families. It was a very modest hall which had windows on an
37 airway shaft, a small stage, bentwood chairs, and no carpet.

38
39 At that time the only debut hall for aspiring artists in New
40 York for other than well known performers was Town Hall.
41 Town Hall seated about 1400 and it was acknowledged that the
42 acoustics were not great. The average debut recital usually
43 had as an audience a collection of family and friends, and,
44 if there were 50 or 100 people in attendance it was
45 considered a rather good crowd - which was really lost in a
46 hall of that size.

47
48 The logical alternative was to turn Carnegie Chambers, as it
49 was then called, into the appropriate recital hall for
50 aspiring youngsters and young artists. The upgrading program
51 started with the installation of professional theatrical
52 seating; they were lucky to find a sale at which they were

1 able to buy excellent upholstered seats at only \$5.50 apiece.
2 The windows which opened on the airshaft were closed, a large
3 stage was created, professional lighting was installed,
4 carpeting was laid, dressing rooms and a reception area on
5 the second floor with men's and ladies's restrooms was built,
6 including a reception area on the main floor.

7
8 Before these improvements were made, the critics had stayed
9 away from the Carnegie recital hall because of its poor
10 acoustics and primitive facilities. Arthur Sulzberger of the
11 New York Times was persuaded by Bob to encourage the critics
12 to see the new Recital Hall for themselves, and the rest is
13 history. The Recital Hall became the place for both new and
14 established performers to give recitals in a warm and
15 intimate environment.

16
17 When the new management came in after the sale, they did some
18 repainting and brought in new seats. To illustrate the
19 poisonous atmosphere created by the press stories about Bob's
20 stewardship, at the opening of the Recital Hall by the new
21 management Bob was greeted when he entered by a young
22 hostess. She made a speech to the effect that the Recital
23 Hall had been completely recreated by the new group, and, to
24 illustrate, she specifically mentioned some of the
25 improvements that had been made by Bob. Moreover, she said
26 that the way in which the previous management, the Simons,
27 had neglected the hall over the years was a disgrace. Bob
28 found that very hard to take.

29
30 There was a great deal of public relations effort expended to
31 give the impression that the new management were white
32 knights taking over a Carnegie Hall that had been abused,
33 mistreated, and previously neglected. This incredible
34 distortion of the truth was certainly unjustified and
35 possibly malicious, but to refute those charges and
36 innuendos, once they were erroneously made part of the public
37 perception, appeared to be an insurmountable task. The press
38 juggernaut rolled on and endlessly repeated its first stories
39 on the Carnegie transfer. The impressions that are first
40 created are never corrected, no matter how false they are.
41 It was shocking to the Simon family to see how all the work
42 done by two generations of Simons, father and son, to protect
43 and enhance the Hall could be so completely ignored.

44
45 Bob did conclude the agreement with the new group and the
46 selling price of \$5,000,000 held. After making
47 distributions to the non-family stockholders, Bob and his
48 family were left with about \$2,000,000. This had to be
49 invested in other real estate within two years to avoid some
50 taxes. And this, strangely enough, was the beginning of the
51 Reston story.