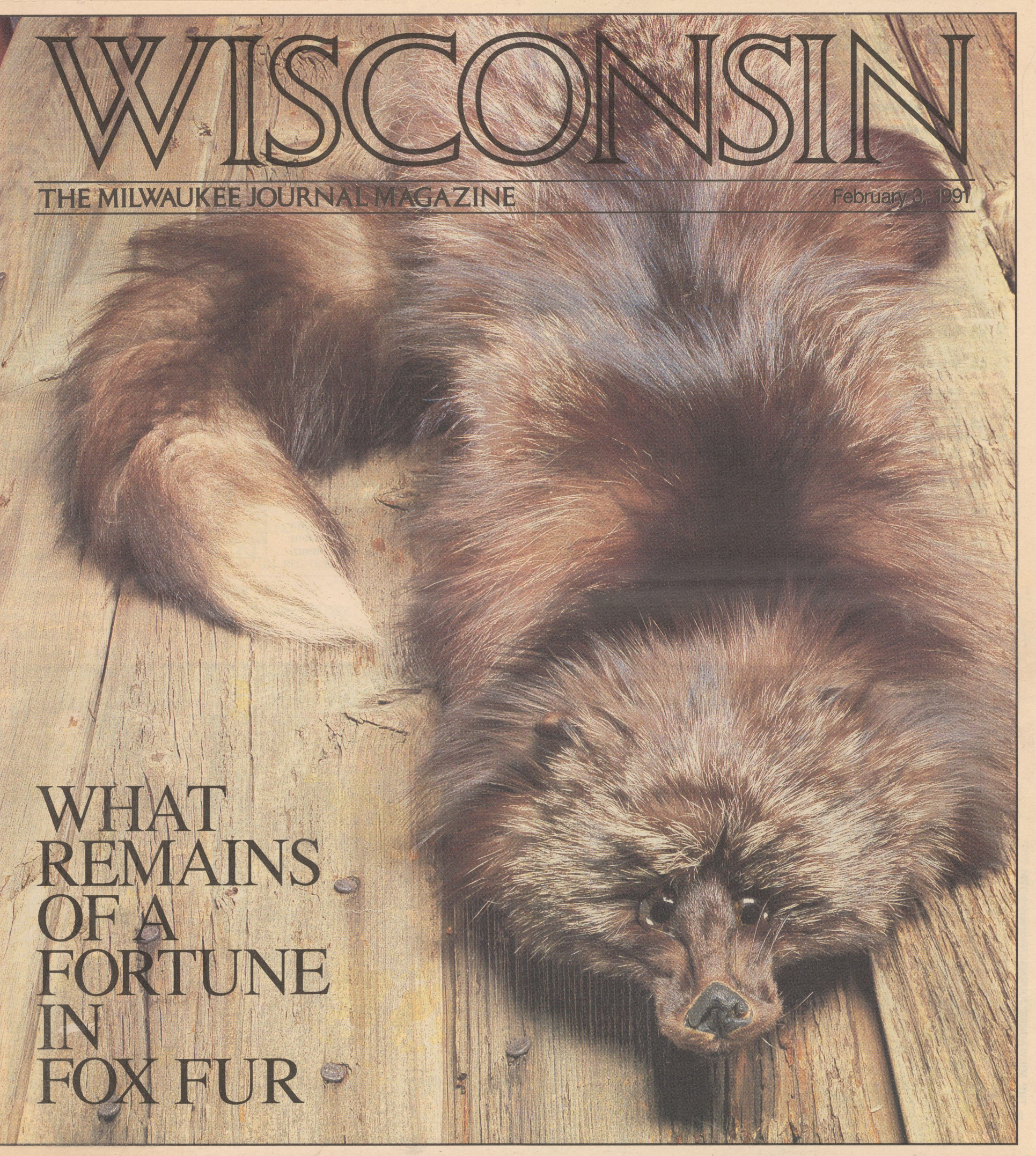


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WHAT
REMAINS
OF A
FORTUNE
IN
FOX FUR



REMNANTS OF A DYNASTY

From 'bright with silver' to a day on the auction block

By Phil Nero and Sharon Thatcher

ONE sunny day last August, in the rural town of Hamburg northwest of Wausau, an auction was held. Hundreds of people came to an old log building that had been headquarters of the Fromm family fur dynasty.

During the day, the building was gutted of the family's personal items: old pictures, a few silver fox coats, an old oak desk, even a four-lane bowling alley used to entertain fur buyers who once came to precedent-breaking auctions in the woods of north-central Wisconsin.

Among the most enthusiastic bidders were descendants of the Fromm family. It was not a happy day for them. One family member complained of having to spend \$409 to acquire old family photos from his cousin.

The event was symbolic of the end of a dynasty, a Wisconsin family business that once was the world's largest commercial producer of silver fox pelts and also a pioneer in US cultivation of ginseng, with hundreds of acres growing the root so prized in parts of Asia. How did this empire crumble? According to many observers, it was destroyed mainly by squabbling from within as the founders, originally linked by a dream, grew old and faced a complex new world.

The drive up to the auction "was kind of a journey into our past," says Robert Nieman, a

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W.I. La Certe



Sharon Thatcher

Abandoned fox pens along Highland Rd. in Mequon (far left) are left over from the successful days of the Fromm-Nieman fox-fur business. Last August, during an auction near Wausau of Fromm family mementos, an old fox photo is displayed (left). Posing with fox furs are (above, from left) Edward Fromm, Henry Fromm, an unknown buyer and Walter Fromm.

Karen A. Sherlock

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Fromm descendant, who drove up to Hamburg from Mequon with his brother, Tom. "We went up there to preserve a piece of our family history, which we really didn't live but knew affected us deeply."

Today, the two Nieman brothers are trying to resurrect a part of a business that intertwined the Fromm and Nieman families for decades. In so doing, they are rekindling some of the all-for-one, one-for-all unity that once made the family business such a success.

It began near the start of this century with a dream by four brothers.

At its peak in the 1930s — during the depths of the Depression — the Fromm business, which included a partnership with the Nieman family, was taking in more than a million dollars annually just in fox-pelt sales.

But the Fromm brothers also pioneered ginseng cultivation in Wisconsin, a business that helped them start their fox farms. And one of the brothers supported research into canine encephalitis and distemper vaccines that would curtail disease in the vast fox herd, vaccines that save family pets even today. Another brother had the company branch into raising mink, which carried the company financially when fox lost its popularity.

During the 1920s, their fox pens sprang up by the thousands in two detached Wisconsin counties: around the Hamburg area in Marathon County to the north, and around Mequon in Ozaukee County to the south. Today many of the old fox pens stand as ghostly

monuments to the glory days.

In Mequon today, Robert and Tom Nieman run Federal Foods, a remnant of the original business. They produce Fromm Premium Pet Foods as well as food for mink on mink farms.

Robert Nieman and relatives recall some of the family history, but some of it also is told in a book first published in 1947 and updated in 1953. The book, by Kathrene Pinkerton, uses the Fromm Brothers company motto as its title, *Bright With Silver* — an apt description of the dream on which the company was founded.

"HENRY Fromm had always liked foxes," Pinkerton writes at the start of the book. "The hardwood land of north-central Wisconsin was famous for them, and before Henry knew A from B, he could read the story of their footprints in the snow."

Henry particularly liked the rare silver foxes. When he and his brothers learned that a dark silver fox pelt could bring as much as \$1,800, they grew very excited. This was a lot of money back then, particularly to a poor farm family of nine children. Henry, the youngest of four brothers who grew up together, had been trapping animals with his brothers for the skins, which they sold for spending money.

Slowly the boys began to think not just of trapping foxes but also of raising them on the farm. Yet they didn't have the money to buy a pair of foxes to breed.

Then they heard of a neighbor who had found a way to cultivate wild ginseng. He was planning to make a lot of money by selling his crop to the Chinese, who for centuries had venerated the ginseng root as a cure for

all sorts of medical ailments, a source of energy, even an aphrodisiac.

So, in 1903, the Fromm boys — Henry, then 9, John, 11, Walter, 13, and Edward, 15 — gathered wild ginseng from their woods, studied how it grew in the forest and figured out a way to cultivate it in a covered garden. Ginseng was difficult to grow. It took three to four years to mature, and it had to be pampered. But the brothers' eventual success kicked off a ginseng industry in Marathon County that gradually grew into what is a multi-million-dollar industry today.

For the Fromm brothers, the ginseng was only a means to an end, and the end was fox farming. Not until 1909, however, did their ginseng crop produce enough money to buy their first group of foxes.

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William J. Lizardo

Robert Nieman (left) and his brother, Tom, run Federal Foods of Mequon, which produces Fromm Premium Pet Foods and food for mink farms.

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But then they had one more obstacle to overcome: their father, who had little use either for ginseng farming or fox farming.

THE Fromm family immigrated in 1852 from Germany to West Bend. The Niemans came the same year and settled not far away, in Cedarburg. Alwina Nieman and Frederick Fromm, both children of first-generation settlers, met somewhere between the homesteads and married in July 1883.

Frederick owned cleared farmland in Iowa, but Alwina, fearful of tornados, won the battle of wills and convinced Frederick to settle in Hamburg on land that was a wedding gift from her father.

"It was rugged, uncleared land. They had to carve the farm out of the woods," says Robert Nieman, now in his 30s, a descendant of the original Nieman family that produced Alwina and also a descendant of the Fromm family, through intermarriage of cousins.

Frederick and Alwina had 11 children in all, says Nieman, but two died young in a rural America where high infant mortality was a part of life. Three sisters and six brothers survived. Herbert, the second son, was a gifted musician and teacher who left the fur business early on. Arthur, the eldest, was a botanist who pioneered ginseng research.

But it was the four youngest brothers who were tied to the land from the beginning and who marveled at the possibilities of raising silver foxes.

Born of strong-willed parents, they came to an opinion early regarding an industry about which they knew little: They should not be satisfied with the darker silver-fox pelts that were only flecked with silver, even though they generally were preferred by the fur industry. Instead, they should develop lighter pelts, bearing much more silver.

This preponderance of silver would become their trademark.

But when the brothers brought home their first foxes, their father refused to allow the animals to be raised on his farm. Practical and hardened by years of claiming a farm from the North Woods, Frederick Fromm thought his sons had lost their grip on reality.

So, in stepped Alwina, who said the foxes could be raised on *her* land, the parcel that was a gift from her father.

The young men's efforts at cross-breeding foxes finally paid off with a silver pup in 1913. They knew that the pup would have to mate with other silvers, but they lacked the \$450 for a pair of foxes to breed. Alwina, who had enormous faith in her boys, backed them.

"She mortgaged the farm," says Robert Nieman, shaking his head at the audacity of her not telling Frederick of the mortgage.

Her faith would be rewarded.

THE younger Fromm brothers, all different in personality, got along remarkably well, according to written accounts and those who knew them. Each found his own niche in the business that, since childhood, they had come to call "The Company."

Edward, eldest of the four, was president of Fromm Brothers. Trained as a teacher, he was articulate and well-read, with the ability to talk as easily to his farm workers as to savvy Manhattan businessmen. He and his wife, Alice, had three daughters.

Walter, the ginseng-operations manager, was friendly and kind, but not as outgoing. He loved gardening and cared for acres of vegetables and flowers.

John was the quiet one, chivalrous and courtly. He loved gardening and walks in the woods. He earned a reputation for having an eye for aesthetics and a sense for how to develop the light strain of silver pelts the Fromms had an almost pigheaded determination to popularize. While his brothers built more lavish homes on their land near Hamburg, he was content to live in an apartment above the slaughterhouse. Former workers recall that his windows often were ablaze with geraniums and orchids.

Henry, the youngest, was the least business-minded. Known to most as "Hank," he loved entertaining and could be extravagant one moment, frugal the next.

"From the first, Henry was the official 'fox man,'" writes Kathrene Pinkerton. He was the one who developed new ways to keep the neurotic, sometimes cannibalistic, silver fox in captivity. Most of the industry raised foxes only in pens. Henry decided to let them roam in enclosed rangeland during autumn, when coats filled out. This eventually resulted in better-looking pelts.

By most accounts, the Fromm brothers were dreamers and farmers first, businessmen last. Their fascination for foxes and ginseng was primary. Money, while a driving force at first, became a means to continue dreaming.

In 1918, the silver-fox industry was booming, but the market was mainly for the dark, almost black, silver-fox pelts, not the lighter silver pelts the Fromms were raising.

That would change.

In June 1918, Edward, then 29, married. His wife stepped into the family operation, cooked for farm workers and took care of an aging and frail Alwina. Henry also married. So did the boys' sister, Erna, to their cousin Edwin Nieman of Ozaukee County, who was descended from the same Nieman family as Erna's and the boys' mother, Alwina. For the second time, the Nieman and Fromm families were intertwined.

Edwin, while wild about Erna, also was wild about foxes. Their union created a business merger.

Edwin's father, John F. Nieman, had developed successful food canning and banking businesses in the Cedarburg area. He reluctantly bought his son 15 pairs of silver breeding foxes to add to a wedding present of other breeding stock that the Fromms gave the couple.

John F. Nieman eventually came to believe that the lighter silver foxes could be a gold mine. He backed a Fromm-Nieman partnership by providing land in Mequon and financing building of the pens. The Fromm brothers supplied the foxes.

Meanwhile, the Hamburg operation to the north, which remained the sole property of the Fromm brothers, had both fox and ginseng farms.

In 1923 and '24, experts in the fur industry, according to Pinkerton, were telling the Fromms to kill off their herd of brighter silver foxes because the pelts would never be popular with the public and weren't worth the expense of bringing them to market. The ginseng crop bought the family time, earning \$45,000 in '23 and \$115,000 in '24.

In that time, the revolutionary move of letting the silver foxes roam on rangeland began to pay off in thicker pelts with better luster. Even the foxes from the Mequon operation were trucked north to Hamburg in the fall, so they could roam.

By 1925, the public was warming up to the lighter Fromm furs, not so much for the brighter color as for the better-quality pelts. The 3,700 pelts raised in 1924 brought back

\$489,967 at market in January 1925.

By 1928 the Fromm silvers were so popular that of the 8,841 pelts sold that year by the New York Auction Co., 6,600 came from the combined operations of the Fromm Brothers in Hamburg and Fromm Brothers-Nieman and Co. in Mequon.

The auction check that year was \$1,021,000, according to Robert Nieman. A year later, the check amounted to \$1,331,690.

AS THE 1920s neared an end, a conflict arose. John F. Nieman wanted the company to go for quantity, to raise enough foxes so that even if the profit were only \$2 a pelt, money would be made.

"John F. Nieman was gifted at getting investors together," says Robert Nieman of his great-grandfather. "The Fromm brothers were more concerned with quality and thought the future was in protecting the [fox] bloodlines."

John F. Nieman's son Herbert agreed with his father, and they decided to split with the Fromms and form the Herbert A. Nieman Co. in 1929. John F. also brought other investors together and financed additional fox farms in the Mequon area.

Another of John F. Nieman's sons, Edwin, remained loyal to the Fromm brothers. He kept his assets in Fromm Brothers-Nieman and Co., but the Fromm brothers still had a controlling interest in that company. They also incorporated their original business, Fromm Brothers, in the Hamburg area.

Even after the great stock-market crash of 1929, money continued to flow to all the fox farms. Many people in the Hamburg area still speak with gratitude about the jobs the Fromms provided during the Depression.

The Fromms were so flush with cash during the '30s that they sponsored semi-pro football and baseball teams, and took on such charitable projects as establishing the Walter and Mabel Fromm Scholarship fund, which still distributes \$100,000 annually to graduates of Merrill High School, which is near the Fromm's old Hamburg property.

In 1936 the brothers took a gamble. They shunned the New York auctions and formed their own auction company, asking urban buyers to take a 1,000-mile trek in February from New York to Wisconsin's snowy North.

"That was audacity! But Edward apparently knew the time was right and the way to do it," says Robert Nieman.

The Fromm-Nieman pelts were so popular that buyers came by rented train to snap up 7,500 pelts at prices 15% higher than the average pelt had cost the previous month in New York, according to the Pinkerton book.

However, an archaic Wisconsin law governing auctions threatened to scuttle the local sale at the 11th hour. But by then the Fromms were so influential that a special session of the Wisconsin Legislature was called to repeal the law, the Pinkerton book notes.

By 1937, the Fromm auction company was selling 30,000 pelts annually, according to a company promotional film. The majority were

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"Playing With Foxes" is the title of this 1929 photo from the files of the Marathon County Historical Society. Letting their silver foxes roam enclosed rangeland near Hamburg paid off for the Fromm brothers, who reaped foxes with thicker pelts with a rich luster.

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Fromm furs, the balance from 300 other ranchers, according to Pinkerton.

But the brothers still weren't satisfied. At the close of the decade, an attempt at collusion among the New York buyers to drive down the price of fox pelts at the Fromm auction made it clear that the brothers not only should raise the pelts and auction them but also make their own garments.

So, in January 1941, they opened a factory in New York. Young John A. Fromm, son of Arthur, one of the older Fromm brothers who eventually got involved in the ginseng part of the business, moved to New York with his family to learn about factory methods.

AT THIS point, the start of the '40s, the Fromm Brothers made two mistakes that eventually would rock the Fromm fortune, Robert Nieman believes.



Fromm grandson
Edward Tead

Jim Hostvedt, Merrill Photo News

The first mistake was a failure to evaluate the fox-fur market. Since the Fromm-Nieman split in 1929, more and more fox pelts began to come on the market. Other companies started fox farms. And, after World War II, a glut of furs from the Soviet Union and other countries further flooded the market.

By the mid-1940s, demand for silver fox was on the wane and prices fell. The market for silver fox never did recover, but some of the Fromm brothers believed it would someday.

Fortunately for the company, Henry Fromm had pushed the others into starting mink farms in the late 1930s. By 1946, Fromm Brothers Inc., with 11,500 mink breeders, was said to have the world's largest mink farm, according to a Milwaukee Journal account at that time. This was fortuitous because mink was replacing fox in popularity.

Meanwhile, however, many of the company's

assets still were tied up in fox farming and fox research. In fact, the company did not end the last of its fox farms until the 1970s.

Robert Nieman is not the only one who thinks the company made a mistake by not diversifying more out of the fur business — especially since the mink market eventually declined just as the fox market had (although it took 20 years).

Edward (Ned) Tead, a grandson of Edward Fromm, says: "It's really a sad story to look at these fellas having made as much money as they did. . . . They could have been such a huge business if they'd have learned how to cut their losses as well as how to make the money — if they had just diversified."

Still, the original diversification into both ginseng and fur helped the company again in the 1940s. China and Japan began fighting in the 1930s and the ginseng market had closed. After the war, however, ginseng markets reopened and root that had been stockpiled patiently for 15 years again could be sold.

The second mistake the company made, according to Nieman, was in the Fromm brothers' choice of an heir to take over the company. John A. Fromm, Arthur's son, was "the chosen one," in Nieman's words. The brothers had sent him to Harvard University in Cambridge, Mass., to study business administration.

"He was supposed to be the golden boy," says Robert Nieman. But "Johnnie," as he was known to his uncles, had acquired a reputation among relatives as a bon vivant who often left the farm for jaunts to Florida.

Nieman thinks Lenore Wade, Edward Fromm's daughter, should have been handed the reins. "Of course the bias against females then prevented it," he says. But she was very focused on the business.

But John A. (Johnnie) Fromm had endeared himself to his uncles through ingenuity and willingness to buck some of the fur-industry traditions, just as the Fromm brothers themselves had bucked the industry earlier by introducing lighter silver fox pelts.

There was an industry belief, fostered by the International Fur and Leather Workers' Union, CIO, that converting raw pelts into garments was so specialized that workmen had to be born to it, the Pinkerton book says. Thus, fur-

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garment manufacturing was centered in New York City, and companies that tried to start factories outside of the city were bucked by the union.

Johnnie was convinced that almost anyone could learn to make fur garments. So, in 1945, he engineered a mysterious disappearance of sewing machines and pelts from the Fromm's New York factory. He went on vacation, during which time he cut the furs himself and fashioned a fox coat. When he showed the coat to his uncle Edward, without telling him who had made it, Edward approved the workmanship. When he learned that Johnnie had made the coat, Edward was persuaded that the company could open a factory in Merrill and train its own workers. In 1946 they did just that. Johnnie moved back to oversee the Merrill plant.

The union in New York went on strike and demanded the company close its Merrill plant. It refused. Eventually, the union and the company reached an agreement, leaving the Merrill plant open but unionized (at lower, apprentice salaries) and reopening the New York factory.

IN THE 1950s, demand for mink increased and the company did well, but internal feuding heightened as more relatives got involved. The business became more complex, and the four original brothers sometimes found themselves siding with sons or sons-in-law against each other. They turned to lawsuits to settle some of these disputes.

The most telling wave of suits came in the early '60s.

At the heart of the disputes, court records in Marathon County indicate, were claims that the company was being mismanaged by Edward Fromm and company money was being channeled into personal accounts.

Two of the brothers, John W. and Henry Fromm, brought a suit against the other two brothers, Edward and Walter. Quickly, Edward filed a countersuit against Henry and John W., but also cited Johnnie and Fromm Brothers comptroller E.C. (Mark) Koenig, son-in-law of Henry Fromm.

A barrage of suits and countersuits followed, but nothing substantial was accomplished except that the family became divided forever.

That was demonstrated most poignantly after the death of John W. Fromm in 1970. He had lived with his companion, Lydia Danner, a retired nurse and divorcee. He married her on his deathbed. After John's death and less than 24 hours after his marriage, the Fromm family tried to block Danner's half-million-dollar inheritance, with charges that she used "occult powers and undue influence."

Danner eventually proved the relationship was long and loving, and was able to keep what John had left her.

Walter died in 1975, followed by Henry ("the fox man") in 1978. Edward, the patriarch of the family business, was left with no brothers, shattered dreams and a divided family enterprise. He died in 1986, at the age of 96.

No new ginseng gardens had been planted. Attempts to revive the Hamburg ginseng operation with organic crops and apple orchards had failed. Mink enjoyed popularity until 1969, but then the public began to turn

its back on fur. The last of the Fromm-Nieman mink were sold in 1985.

Control of the Fromm holdings passed to the Tead family in 1986. Ned Tead was named president, which created more ill feelings, he says, because he and his grandfather, Edward Fromm, often had argued. Tead tried to start a ginseng brokerage but it didn't take off.

A lot of Fromm land had been sold starting in 1964, much of it, ironically, to a packaging company for the thousands of pine trees Walter Fromm had planted years before, hoping they would be the backbone of a new business from which future generations might prosper. Tead began selling off other assets.

On a crisp spring day in 1989, the first of two auctions were held in Hamburg to dispose of now-useless inventory, including wooden slats for ginseng arbors, fox crates and sewing machines.

Tead held the second auction last August.

"Some family members have come in here and spit on the sidewalk as a way of showing me how they feel," Tead says.

He feels no reverence toward the family's history and sees his inheritance more as a curse than a blessing.

But Robert Nieman and his brother, Tom, a chemical engineer, feel differently.

"I grew up with this," says Robert. "There's no way I can do nothing and watch it go by the wayside."

So the two, running Federal Foods, are working together, much the same way Edward, Walter, John and Henry Fromm did years ago.

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