

PART X

LUCK IN BUSINESS

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"Entirely too much stress is put on the making of money. That does not require brains. Some of the biggest fools I know are the wealthiest. As a matter of fact, I believe that success is 95 per cent luck and 5 per cent ability. "Take my own case. I know there there are any number of men in my employ who could run my business just as well as I can. They didn't get the breaks—that's the only difference between them and me!"

JULIUS ROSENWALD

THIS public utterance by the head of Sears-Roebuck, one of America's largest business corporations, may startle a considerable number of readers. Yet its sensational quality is due to the fact that few business men are inclined to speak so frankly.

There is a strong tendency in business circles to decry or deny the element of chance or luck in commercial life. At least, such is the attitude of many business leaders when speaking for public consumption. When chatting privately, they are apt to sing a different tune.

Thus, Mr. Rosenwald's distinction lies in having said frankly and openly what so many of his colleagues will avow only in the privileged seclusion of the club or the family circle.

As that veteran observer of the business world, Mr. John T. Flynn, remarks rather ironically: "On this point of luck in business you can get all sorts of opinions from business men. Indeed, most business men, I have discovered, possess two sets of opinions on the matter. One is for private, the other for public use—for consumption in plant bulletins, trade-journal interviews, Rotary Club orations, and inspirational school deliverances. This latter brand of philosophy deals in such uplifting phrases as 'Pluck makes Luck,' 'The wise man is a maker of opportunities,' 'Every man is the architect of his own fortune.' Many a man has one of these bromidic mottoes hanging above his desk—and a cherished lucky-piece hanging from his vest!

"I once heard Mr. Charles Schwab, in one of those fluent, good-natured speeches for which he is famous, decry the existence of either genius or luck in business and assure his hearers that success is due to 'hard, honest toil' and to nothing else. Yet I have been told that Mr. Schwab makes it a policy to deal only with successful men; and that he himself, able organizer and salesman that he is, has been somewhat favored by good luck. It is said he owed his first contact with Andrew Carnegie to a fortunate chance. Young Schwab as a boy had a sweet singing voice. One evening its notes drifted from the stables where he worked to the veranda where sat the great Scotch steel-master. Carnegie liked the voice and the song, and had the singer brought over to the great house so that he might enjoy the music at close range. Will any one claim that that was not a lucky day for Schwab?"

Carnegie's Luck Came to Him Against His Will

THE tendency among business men to deny or minimize the element of chance and luck is all the more curious, because a survey of American business life shows pretty conclusively that back of almost every great American fortune, private

or corporate, is a luck-story, or at least some striking chance incident which notably helped to bring success.

Take Andrew Carnegie, for example: his great career in the steel business began through a lucky incident which actually happened against his will.

Carnegie was originally not in the steel, but in the iron line. While engaged in the Pittsburgh iron industry, Carnegie took a business trip to England. During this trip, an English friend of his invited Carnegie to come with him to witness a demonstration for a new process for the production of steel.

Carnegie was not in the least interested. He told his friend that he was much too busy with his own affairs, and reminded him that, being in the iron business, he was not concerned with steel and did not want to waste his time.

But, somehow or other, the friend managed to induce Carnegie to come with him. And what Carnegie saw was the new Bessemer method, which was destined to revolutionize steel-making throughout the world. Through the Bessemer method, steel took the place of iron, whereas steel up to that time had been too expensive to use.

Carnegie's keen mind at once saw the vast future of the steel market. He took the next boat back to America, and through this lucky incident, Carnegie and those associated with him made their vast fortunes.

Young Thomas Edison Is Scared Stiff—and Wins a Fortune

"IF Edison had opened his mouth a few seconds quicker in his early days, his career might (just possibly) have been the typical one of the poor inventor crushed by lack of money instead of a long saga of achievement.

"A company was ready to buy his stock-ticker; but Edison, young and green, stammered and boggled when asked the price. The insane figure he wanted to ask (\$20,000) he

dared not utter. He simply couldn't open his mouth. So, when the head of the concern casually mentioned \$100,000, Edison thanked his lucky stars he had been tongue-tied. He accepted the offer and specified it should be paid him in seventeen annual installments—he omitted or was afraid to say 'with interest.' This gave him a sustaining income long enough to get thoroughly on his feet.

"But it was just dumb luck—not bargaining instinct—that froze his speech when asked 'What's your price?' The great company, had it only known, could doubtless have bought the ticker for even less than Edison's unuttered asking price. Possibly, \$10,000 or less would have been accepted by the poor young inventor. Had this happened, would he have survived to bless the world as he has—to say nothing of enriching himself?" ⁴

Rockefeller Was Lucky in Not Getting a Job

WHEN John D. Rockefeller, Sr., started out in life and began job-hunting, he was turned down by no less than eighteen firms to whom he applied for a position. The eighteenth was a coal company. They told John D. that they might put him to work in their coal yard, but nothing was decided, and he never took the job.

Had he gotten that job in the coal yard, it would have *somewhat* changed his career! Rockefeller himself attributes his *not* getting it to luck.⁵

The Lucky "Break" That Came to Ford in the Nick of Time

"A. E. MACKINNON, who said he spoke from his experience of thirty years in the newspaper field, received unusual expressions of interest at the meeting of the King's County Grand Jurors' Association in Borough Hall last night when he told of the rise of Henry Ford.

"One of Mr. MacKinnon's most striking statements was

that, by placing an advertisement in the issue of the *New York Times* of January 28, 1904, guaranteeing the Ford motor car, John Wanamaker proved himself more responsible than any other man in the world for the Ford fortune.

"It was in the midst of the Selden Patent fights that Wanamaker came in to stand by Ford when the struggling engineer was barely 'getting by' on borrowed money. That public guarantee of Wanamaker turned the tide."

The Luck in the Rise of Raskob

IN 1900, John J. Raskob, then a youth of twenty, was a stenographer to the chief engineer of a pump company in Lockport, N. Y., getting the munificent salary of \$7.50 a week.

Having to support his widowed mother, a younger brother, and two sisters, he became dissatisfied with his small salary, and one day wrote to a friend in Lorain, Ohio, asking if he knew of any better opening in that vicinity. The friend wrote back that there was a man in Lorain named P. S. du Pont who was looking for a secretary. His friend advised Raskob not to ask for too much salary; but Raskob applied for the position, asking for \$1,000 a year, and got the job.

Two years later, Raskob's employer, Pierre S. du Pont, and two cousins acquired the E. I. du Pont de Nemours Company at Wilmington, Delaware. Pierre du Pont became treasurer of the company, and young Raskob became his assistant at a salary of \$3,000 a year. When Pierre became President, Raskob was advanced to the post of Treasurer, and later to Vice-President in charge of finances.

In 1915, some one tipped off Mr. Raskob that General Motors stock was a good buy. He bought; persuaded Pierre du Pont to do likewise, and subsequently gained control of this company. By the end of 1920, the du Pont group had invested \$70,000,000 in General Motors common stock.

When Mr. Raskob retired from the company as its Chair-

man of the Board of Directors in 1928, this stock had a paper value of close to \$800,000,000.

Fire Lays the Foundation of a Big Department Store

THE foundation of the great Chicago department store of Carson Pirie was laid by a mere chance. At the time of the disastrous fire that practically leveled the city in 1871, a small-fry merchant happened to have a warehouse stocked with merchandise of every description on the outskirts of the city. Untouched by the flames, this warehouse became a mecca for buyers, who flocked thither in crowds. In a short time, Carson Pirie found himself a rich man.

An Inventor Chats with a Fat Stranger—and Finds a Backer

"LESS than twenty years ago, Samuel Segal was a detective attached to the 47th Street Police Station in New York City. While serving as patrolman and later as a detective, Segal had realized how easy it was to pick the ordinary door-lock. He pondered much on the matter, and his inventive genius presently came to his aid. The upshot was the working model of a new lock that seemed impregnable to the touch of the cleverest burglar—a lock that couldn't be 'jimmied.'

"With his model (made out of a cigar box) in his pocket, Segal stood one day on the corner of Columbus Avenue and 66th Street. It just happened that he was in a talkative mood that day; so when a stout, friendly man started a conversation with him, Segal promptly began to tell about his invention and showed the model. At any moment, Segal expected the stranger to throw up his hands out of boredom, and disappear; but, strangely enough, he listened with growing attention. When he had examined the model carefully, the stout stranger turned to Segal and said: 'I have a thousand dollars left from an unsuccessful business venture, and I wouldn't

mind taking a chance by investing that money in this invention of yours.'

"Fifteen years later, the invention, protected by seventy-five patents, was valued at \$1,000,000. Mr. Segal became President of the Segal Lock & Hardware Company; while the friendly stout man, Mr. L. S. Mayer, was Vice-President."

A Chance Stroll Brings a Fortune

TWENTY years ago Fred Wardell, then a salesman, was taking a stroll with a friend through lower New York. Having nothing particular to do that day, the friend suggested that they go over to a store where a demonstration was being given of a new electrical machine.

They drifted over to the store and saw the machine on display. Its function consisted in giving electrical shocks to whomsoever wanted to pay for their administration. A slot absorbed the coin, in return for which the "victim" absorbed a shock.

Wardell thought the machine had commercial possibilities. So, having saved some money, he invested \$1,000 in acquiring the New York State rights.

With this beginning, he drifted into other electrical appliances, and finally came to Detroit. There he began to manufacture electrical vibrators.

One day the foreman of the shop announced that he had invented a vacuum cleaner, and asked Mr. Wardell's help in marketing it. He did so, and it proved a great success.

A \$20,000,000 company to-day is the result of that initial investment of \$1,000 back in 1909.

Unwanted Side-Lines Turn Out to be the Big Thing

THE Van Sweringen brothers thought it was bad luck when they had to acquire a railroad to get transportation for the real-estate subdivision which was then their chief con-

cern. Look at them to-day: giants in the railroad market, and real estate no longer mattering to them.

In 1893, Captain Robert Dollar acquired a tract of red-wood in California. Having difficulty getting ships to transport the timber, he was forced to buy a small steamer. Gradually he acquired other ships, and to-day his fleet has grown into one of the largest steamship companies in the world. The lumber business he started in the early nineties is now merely a small side-line.

Other Great Successes Due to Sheer Luck

How many other of America's big fortunes had their origin in some purely chance event, so trifling as to seem sometimes ridiculous, the following random instances will show:

Heinz, the pickle king, got his start by spilling some sugar on pickles by mistake. He tried the mixture and liked it. That was his golden chance; for he persuaded millions of people to like it—and his other "57 varieties"!

Mr. Childs, head of *Bon Ami*, ran a country store, renting space to an obscure individual who made soap-powder, and who disappeared just when good local demand was beginning. Childs had to take the stock and formulas for back rent. Housewives pestered him for the powder. He was literally forced into a business that became great.

The upsetting of a spinning wheel in the house of Hargreaves led to the invention of the spinning-jenny and the creation of the modern textile industry. Likewise, the accidental breaking of a dinner-bell started modern telescope making.

Rothschild's Luck

DURING the long struggle known as the Napoleonic Wars, in which England and most of the other European nations were drawn in the attempt to subdue the Corsican, British Government bonds depreciated greatly in value. When the battle

of Waterloo was fought, the head of the English house of Rothschild happened to be in Brussels, near Waterloo, and thus learned the outcome of the decisive battle almost as soon as it was fought.

Losing not an instant of time, he hastened to London, reached there before the tidings of victory had spread, bought all the government bonds he could lay hands on—and became enormously rich. For the moment the victory became generally known in England, the bonds soared in value.

Had it not been for this lucky chance, the fortune of the English Rothschilds would probably not have been as great as it became.

How Rolls and Royce Happened to Join Forces

ROLLS was the name of a workman in England who had advanced himself to the position of manager of a machine shop. Intensely interested in the automobile, he was experimenting with a car that would take him to and from his plant—thirty-two miles distant from his home. But it seemed as though something was bound to happen to the car on each trip; Rolls had continual motor trouble.

Finally he lost patience, sent for the best material available, and started to build another car which should be absolutely "right." When he had finished it, he found that he had ordered twice as much material as he needed, and so he completed another car with the stock left over.

Having no use for two cars, Rolls sold the extra one to a man of wealth. This man's name was Royce. Mr. Royce became so enthusiastic over his new acquisition that he offered Rolls his backing. Rolls accepted the offer; their names were hyphenated; and to-day the name *Rolls-Royce* is known throughout the world.

The Luck-Romance of the China Trade

THE beginnings of the china and pottery trade are a sensational drama of lucky episodes. The first European porcelain was made at Dresden, Germany, and was the result of a whole series of chance happenings. About the year 1700, a certain Johann Boettcher, while experimenting in search of the "philosopher's stone," made some crucibles which, unexpectedly, turned out to bear a strong resemblance to the porcelain hitherto obtained solely from the Far East and imported to Europe at great expense. The Elector of Saxony was interested, but little commercial progress was made, because Boettcher's clay proved rather coarse, and clay for the finer kinds of porcelain could not be found.

Years passed. Then, by accident, Johann Schnorr, an iron-master, was riding along one day, when he noticed his horse's feet stuck in a soft white earth. Alighting, he examined the clay, and thought it would make an excellent substitute for flour, as hair-powder. Indeed, he started making it for that purpose, and turned an excellent profit.

So widespread became the use of Schnorr's new hair-powder, that at length old Boettcher became one of his customers. And he had not dusted his wig long with the preparation before his observant eye saw a further use for it—the porcelain clay he had so long been searching for.

The discovery was kept a State secret. The clay was conveyed to the factory in sealed barrels, and every workman was sworn never to tell. *DUMB TILL DEATH!* was the grim inscription on the Elector's porcelain-workshops, and imprisonment for life was decreed the penalty for betrayal.

Yet, despite these precautions, the secret oozed out, and ere long rival establishments sprang up in other parts of Europe. However, they could be established only where the right kind of "china-earth" could be found. And in the discovery of such clay deposits luck played a leading role.

In France, for instance, the famous Sevres porcelain began when the wife of a poor surgeon came upon a white, greasy earth in a ravine near the town, and took some home, thinking it might serve as a substitute for soap. Her husband took it to a chemist, who pronounced it china-earth of fine quality.

In England, the discovery of a proper material came about in an even stranger fashion. English potters had had great difficulty with their ware. Some element was lacking—though what, no one knew. One day young Astbury, the precursor of the still more celebrated Wedgwood, was riding to London to seek a remedy for a disorder in his horse's eyes. Halting at the town of Dunstable, he saw the hostler at the inn burn a flint, grind it to a fine powder, and blow it in the horse's eyes. Astbury requested some of the powder and examined it carefully. Noting the beautiful white color of the flint after calcination, he wondered whether it might not be useful in his pottery ware. Returning home, he experimented—with remarkable results. The missing element had been discovered!

How Luck Gave Us Alpaca, Pale Ale, and Picric Acid

IN the year 1836, Mr. Titus Salt, during a wool-buying trip, saw in a warehouse on the Liverpool docks, a pile of dirty-looking sacks filled with some fibrous material which resembled superannuated horsehair. When those queer-looking sacks had arrived, or by what ship, the very oldest warehouseman on the docks could not say. There was a rumor that they had come from South America, on speculation; but nobody wanted them, and they were a nuisance. Only the rats appreciated them, building nests in the sacks and tracking some of the stuff out on the warehouse floor.

Then, on that particular day, along came Mr. Salt. Walking through this particular warehouse, his foot chanced to

get tangled up with some of the trash which the rats had dragged out on the floor. Picking up a handful, he looked at it, felt it, smelt it, rubbed it, pulled it about. Taking the sample home, he made experiments with it; and a few days later entered the office of the owners and made them an offer which led them to think him crazy. But he was a very canny young man. For the stuff was alpaca, and Mr. Salt had discovered a new textile fabric of vast importance.

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Mr. Bass had developed a pale ale which could stand transport through the tropics, and had built up a fair market for it in India; but it was unknown at home, and he never dreamed it would go in England. Then, one stormy night, a ship with three hundred hogsheads of this export-product aboard was wrecked in the Irish Channel; and the salvage, landed in Liverpool, was thrown on the market. It gained instant favor, and soon the great British home-market was conquered by Bass's Pale Ale.

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The medicinal properties of picric acid were discovered through an extraordinary happening. A laborer employed at a chemical works fell into a vat of picric acid. He was not instantly burned to death, as was expected, but was fished out little the worse for his accident and made a remarkable discovery. To-day, picric acid is used as an efficient remedy for burns.

A Careless Office-Boy's Blunder Invents Blotting Paper

THAT certain paper manufacturer who added blotting paper to the convenience of business and the world in general, had a stupid, or at least careless, office-boy to thank for the riches this invention brought him.

The manufacturer had told the boy to keep an eye on a batch of paper being turned out. But the lad had his mind

on other things; so when the paper was finished, it was found to be so soft in quality and texture that it absorbed ink in a blotty fashion.

The manufacturer, however, happened to realize that what he had accidentally discovered would fill a need, and blotting paper was the result of his observation.

A Lucky Pin Makes a Great Banker

JACQUES LAFFITTE, the celebrated French banker, came to Paris, a poor young man, with a letter of introduction to the Swiss banker Perregeaux. The latter condescended to give Laffitte a brief interview in his palatial office, but told the young man frankly that there was at present no opening in the bank, and advised him to try elsewhere.

Dejected at this rather curt dismissal, Laffitte, with drooping head, traversed the stately courtyard. Just before he reached the gateway, his lowered eyes noted a pin lying in his path. Stooping, he picked up the pin and carefully stuck it into the lapel of his coat.

Little did Laffitte realize that this trivial act was to decide his future and open up for him a famous destiny. For old Perregeaux, casually watching from the window, had observed Laffitte's action. A keen judge of men, the old banker was pleased with the young man's act, which revealed a sense of economy and a love of order. That evening, Laffitte received a note from Perregeaux which read: "A place is made for you in my office that you may occupy to-morrow morning." Laffitte rose rapidly and had a great career.

How Shortsightedness Rejected a Wonderful Opportunity

"LUCK," says an old German proverb, "may visit the fool, but does not sit down with him." The truth of this proverb is strikingly illustrated by an incident from America's early colonial days:

Anthony Duche, a Huguenot refugee, came to Pennsylvania on the same ship with William Penn. Having borrowed from Duche the trifling sum of thirty pounds, Penn offered him, in lieu of the money, a good real estate bargain. This was nothing less than a square of ground between 3rd and 4th Streets, Philadelphia—the town which Penn had recently founded. Penn told the Frenchman that he was offering him a choice lot which would become very valuable, in return for his kind accommodation. Monsieur Duche, however, replied: "You are very good, Mr. Penn, and the offer might prove advantageous; but the money would suit me better."

"Blockhead!" rejoined the Proprietor, provoked at the shortsightedness of his fellow-passenger. "Well, well, thou shalt have thy money; but canst thou not see that this will be a great city in a very short time?"

"So I was paid," concluded Duche, who often told the story on himself, "and I have ever since repented of my folly."

The Luck-Story of a Great Realtor

CONTRAST the preceding tale with the story of a more recent immigrant to our shores, who eagerly seized every lucky break that came his way. Mr. Benjamin Winter, to-day one of New York City's leading real estate operators, thus contributes this original story of the lucky episodes in his career:

"The first stroke of luck in my career was when I arrived in this country, an immigrant from Lodz, Poland. My father and mother, who had come here some years before me, lived in a tenement house on Third Street near Avenue C. All their friends and relatives had gathered on the night of my arrival to welcome me. The question arose as to how I was to earn my livelihood in my adopted country. Somebody asked me the question: 'What can you do?' I answered timidly: 'I can paint,' going into no further explanation of my meaning.

"What I did mean was that, while at Lodz, I had studied painting at an art academy there. My father, being artistically inclined but financially unable to pursue his ambition, had wanted me to become a portrait painter.

"My newly made friend who had asked me what I could do, immediately exclaimed that there was plenty of work for painters in New York, and promised to get me a job the very next day. He did get me the job; but it was not painting portraits or landscapes. At the wage of a dollar a day, I went to work painting houses from a swinging scaffold!

"Having been employed in this manner for some time, I finally decided there was no fortune to be made in working for others, and began to take painting contracts myself. From painting contractor I graduated into taking contracts for remodeling houses and office buildings, until finally I one day made \$1,500 on a real estate deal. I have bought and sold real estate in New York City to the value of nearly half a billion dollars, and while luck has not been the principal factor in these transactions, I believe it has been an aid to me, as it is to every one who is thoroughly familiar with his business.

"One of the most exciting realty deals of my career was the purchase of the twenty-five story Johns-Manville Building at Madison Avenue and 41st Street, which I resold to Colonel Jacob Ruppert, owner of the New York Yankees, within one week after buying it, and cleared a gross profit of \$210,000. And this opportunity came to me by the merest chance.

"A few days before Christmas I was in the Strauss Building on Fifth Avenue on some business. As I was leaving, I thought I would run in to see a friend of mine on the same floor, to wish him the season's greetings. There were several persons in my friend's office, and when I entered they began whispering: 'There's Winter. Shall we tell him?' They finally agreed to do so, and informed me of this particular building's

being put on the market for the first time. It was one of those prize real estate properties held closely by family and business ties. It could be purchased, however, if the right price was offered.

"I acted quickly on this unexpected tip. Our new company had only just been organized, and we had as yet made no deals. We wanted to start auspiciously, and this office building was one of the best in the City. Without hesitation, therefore, I answered: 'Surely, I'll take it. If you'll let me have the particulars, I'll make an offer.' And after making a quick estimate of the building's value, I made an offer of \$3,800,000, which I soon raised to an even \$4,000,000. After a hectic period of suspense, I was notified that the building was ours.

"If you realize that there is a certain gamble in every transaction, particularly when a large amount of cash is involved which may be tied up for years, I think I have been particularly lucky in my long business career, although I do feel that every one is lucky, but that few of us, either through lack of ability or initiative, take advantage of the lucky breaks which come our way."

Luckily, Irvin S. Cobb Had a Sense of Humor

IF Irvin Cobb's family had not lost their fortune, he might have been a lawyer back in his home town—Paducah, Kentucky.

But with the dwindling of the family fortune went young Cobb's hope of going to college. At sixteen, he found he had to rely on himself for a living, so he set out to be a caricaturist on the local newspaper. He soon came to realize that he preferred writing the captions to the drawing of the pictures, and changed into a reporter. In two years he had advanced to the position of managing editor (the youngest in the land)

but only to be told his services were not needed after three months in his new job.

When he was twenty-seven, he came to New York. He then had a wife and a sick child to support. He sent them to his father-in-law's home in Georgia, and from that same gentleman he also borrowed \$300.

With this modest capital, he landed in New York and started looking for a job. For two weeks he made daily visits to every newspaper in the big city, but there seemed to be no job in sight. His patience at an end, Cobb wrote a letter to the editors, assuring them in no uncertain terms that he was the world's best newspaper man. The letter ended as follows:

"This is positively your last chance. I have grown weary of studying the wallpaper design in your ante-room. A modest appreciation of my own worth forbids me doing business with your head office-boy any longer. Unless you grab me right away, I will go elsewhere and leave your paper flat on its back right here in the middle of a hard summer, and your whole life hereafter will be one vast, surging regret. The line forms on the right; applications considered in the order in which they are received; triflers and professional flirts save stamps. Write, wire or call at the above address."

Next day, Cobb had four jobs to choose from. He took one at \$15 a week. Eight years later, he sold his first story to the *Saturday Evening Post*, and a year after that, he was able to devote himself wholly to the writing of humorous stories and books.

And all because of the dwindled family fortune—and a sense of humor!

Is Business More of a Gamble than the Betting-Ring?

"YES!" asserts Mr. John T. Flynn. And this experienced business analyst backs up his startling verdict by the following observations:

"There are naturally many differences between the betting-ring of a race-track and the counting-house of an industrial plant. The differences, however, are largely in utility, purpose, tone, and entertainment. But if we look at them as business propositions and apart from their social uses, we notice that the differences are largely accidental. *Both are gambling institutions.*

"And, of course, the factory is much more of a gambling institution than the race-course. At the book-maker's desk the public gambles against the proprietor. In the market-place it is the proprietor who gambles against the public. At the race-course the customers always lose; the book-makers, who are nothing more than bet-merchants, business men of a very hard-boiled variety, always win. With them, the element of chance is almost entirely eliminated. They operate on a cunningly devised calculation which guarantees that their patrons in the mass shall lose.

"In trade, on the contrary, the proprietor is at the mercy of innumerable capricious circumstances outside of his control, which may bless him with profit or curse him with loss, according to the manner in which they happen to break across his path.

"In other words, the business man, in addition to a good mind, a stout heart, a far-seeing eye, a patient and enduring will, and a sense of thrift, must also 'get the breaks.' Bad luck can ruin him, or at least hold him back; good luck can make him, or at least speed him on his way."

To clinch his argument, Mr. Flynn cites an extraordinary series of instances, culled from his commercial and financial

researches. So striking are they that we cannot do better than quote from them.

An Ice-Jam Founds the Astor Fortune

"LOOK at Astor. John Jacob Astor set out from Holland with only a few guilders in his pocket. When he reached New York he went straight into the one business in which a penniless man might amass a fortune with the greatest speed and certainty. He might have become a storekeeper, or a stage-driver, or a peddler; in which case he would have doubtless achieved such modest success as was open to a man in those callings at the time.

"But he went instead into the fur trade—and that was in consequence of a pure accident. The ship which brought him over was held in the ice two months just outside of New York. In those two months young Astor made the acquaintance of a fellow-passenger who told him the opportunities of the fur trade, explaining that a poor man in exchange for toys and baubles sold to the Indians might get countless skins which he could sell in London for fabulous sums. The delay of Astor's ship thus put him in the way of a fortune of over two million dollars—a fortune which in those days he could hardly have made in any other way."

Goodyear Needs Jail Seclusion to Get His Great Idea

"AND look at Goodyear. He was bankrupt. That apparent misfortune set him wandering about one day until his gaze fell by chance upon a display of India rubber in a show window. The crude commodity (at that time almost worthless) took hold of his fancy. Later, another mere chance stroll brought him into conversation with a man in the rubber trade, who explained to Goodyear how that industry was on the brink of disaster because no means had been found to preserve the rubber for use. Goodyear thought he saw an

escape from his financial ills if he could discover the secret of treating rubber. But business entanglements distracted him until a third chance gave him the leisure to work on the problem.

"And this, again, had all the appearance of mischance—he was arrested for debt, and for several years was forced to live in the neighborhood of jail and frequently within its walls. Thus under the shadows of jail and in its enforced idleness, Goodyear found time to perfect his processes and lay the foundations of the Goodyear fortune. There was so much of the fortuitous in these events that Goodyear himself always believed he was called by divine Providence to commercialize rubber."¹⁶

A Steamboat Whistle Makes a Lumber King

"ONE of the great lumbermen of the country (Mr. Thomas B. Walker) tells how he was sitting one afternoon in the lobby of a little country hotel waiting for a letter from the University of Wisconsin which he hoped would bring him a teaching position there.

"The letter came; but before it did, Walker had flown—flown to another job and another career. Sitting in the hotel expecting his letter, he dropped casually into conversation with a man from Minneapolis who painted in golden colors the opportunities of that city. Almost at that very moment a whistle announced a Mississippi River steamboat 'comin' round the bend' bound for Minneapolis.

"It was the hour of fate for Walker. Opportunity, which usually knocks upon the door, this time blew a blast on a steamboat siren. Walker flipped a coin to settle whether he should wait for the letter or take the steamboat. The coin decided for the steamboat, and the would-be pedagogue went to Minneapolis and into the lumber business, in which he made a fortune."

The Extraordinary Luck-Story of James J. Hill

"IT would be difficult to call up a more impressive example of the interference of chance at the very outset of a career than the case of James J. Hill, the picturesque builder of the Great Northern Railroad. When Hill was a boy, his imagination was inflamed by tales of the Orient and its shipping. So at eighteen years of age he started for the Atlantic seaboard to become a sailor. There, however, he failed to find a place in any crew. It is interesting to note how many small chances altered his course as he moved from place to place, and how at last, as the result of almost aimless wandering, he found himself in a small Virginia town.

"There he suddenly remembered that the town was the former home of an old classmate whose family had moved to the Pacific Coast, and who had urgently invited Hill to visit him. Thereupon Hill made a decision. Though within sight of the Atlantic, he turned his face toward the Pacific, hoping that perhaps his friend's father might find him a place in some vessel.

"He trusted to chance for his route westward, and that chance led him by innumerable hitches to St. Paul, where, he had learned, he might join a brigade of trappers and traders, and thus cross the Rockies. But the winter beat him to St. Paul. When he reached that small Minnesota village (as it then was) the last brigade of adventurers had gone. He dared not attempt the bleak trail over the mountains alone. The dreadful Northwest winter came down and held him a prisoner in St. Paul until the spring should release him.

"But that spring never came. The series of chances which had led him to St. Paul was destined to hold him there. It was at St. Paul that he found the opportunity, first to enter rail-roading, and then to envision and build the great road which opened and developed half a continent."

Doheny Looks at A Wagon—and Strikes Oil!

"WHATEVER may be the verdict on the morals of Doheny's system of devouring government oil-reserves, the fact remains that he is one of America's wealthiest men and, judged by that standard, one of her most successful business leaders. He was sitting many years ago in front of a little hotel in Los Angeles. He was flat broke and was calmly meditating his next move.

"At that moment a wagon loaded with pitch and driven by a Mexican lumbered by. Something about that chance wagon-load of dirt commanded Doheny's eye. He hailed the driver and learned that it came from Westlake Park. Doheny trolleyed out to the park without further ado and, scratching in the excavations whence the pitch came, found the earth dark and apparently saturated with oil. He had no money, but he hunted up an old partner and the two got options on the land, raised a few dollars, and set to drilling. The oil gushed forth in response. They were made men.

"Had not that wagon crossed his vision, in a few hours Doheny would have left Los Angeles. And yet that wagon had passed a thousand persons, broadcasting its bargains. It was the call of fate to them all—but only Doheny's ear heard the call."¹⁹

*Durant Sees Another Wagon—and Becomes a
Motor Magnate*

"WILLIAM C. DURANT, that audacious maker of automobiles and bull markets, when a very young man strolling aimlessly along a country road, got a lift in a road cart. As he rode along his eye was fascinated by the graceful lines and sturdy construction of that cart. He looked for the name of the maker. Thus was his curiosity and interest at work. The maker's mill was at Coldwater, Michigan.

"So captivated was Durant with that wagon that he

thereupon made up his mind to go to Coldwater and connect with that factory. So far we have a chance meeting on a roadside and Durant's curiosity and decisiveness conspiring toward a result. When the young industrial adventurer got to Coldwater he found the factory for sale and, though he had no funds, he bought it. He had to seek a partner with cash. He found one in a chap named Dort—later to achieve fame as a motor-car maker. These two men built up one of the great wagon manufacturing firms of the country, and very naturally, when the wagon's days were numbered, drifted into the automobile field."

Two Amazing Freaks of Luck Make Two Big Bankers

"I HAVE heard two celebrated bankers tell how luck gave them their chance in their early years. Henry P. Davison used to tell how he was 'shot' into promotion. He got a job as paying teller in a bank. One day a gentleman presented a check for many thousands 'payable to Almighty God' and duly endorsed by the divine payee. Davison looked up and saw a revolver presented at his chest and a solemn madman demanding payment of the check.

"Bank tellers seldom have dramatic moments. But Davison had his. He scrutinized the check critically; then read it aloud—very loud, ostensibly to see that it was all right, but in reality to attract the attention of his neighboring tellers. The ruse worked. The man in the next cage summoned the bank officer, who seized the lunatic and saved the bank some of its money and Davison all of his life. He was immediately promoted to assistant cashier, and three years later was president of the bank.

"The late A. Barton Hepburn, the banker, always insisted he was lucky and that his first opportunity came from a pure chance. This opportunity turned up during his service in the legislature. At the time, John F. Smythe, chairman

of the State Republican Committee, was the great political mogul in Albany, and he went to no end of trouble to favor Hepburn. There was no apparent reason for these benefactions, and it was not until years later that he learned Smythe's motive. The Albany boss in his youth had been befriended by an old Scottish nobleman, Sir Andrew Hepburn, and Smythe, throughout his life, took a sentimental satisfaction in repaying upon any one named Hepburn his debt to the old baronet."

*A Sick Man Lies Down on a Lawn—and Discovers
"The Road to Wellville"*

THE foundation of the world's largest company for the production of health foods and beverages was laid as a result of chance.

Broken in health and with depleted finances, a man came to Battle Creek, Michigan, many years ago, in search for health at a local sanitarium. As he lay on the green grass of the lawn, the invalid's mind busied itself translating his own physical needs to the requirements of the other patients around him.

Thus, because his health was gone, he had learned to know the value of health, and he glimpsed a day when people would select their food with better understanding of its vital relation to physical well-being. Inspired by his vision, he drifted into research and experimental work; and in this way, after a year or more, he produced what became nationally known as Postum Cereal. Its manufacture began in February, 1895, with a factory force of one man. To-day, because of the illness of Mr. Charles W. Post in years gone by, his company has reached the position of being not merely the largest producer of health foods and beverages but also that of being the largest advertiser of grocery specialties in the world.

Chance Brings a Lawyer a Stock Tip—and a Fortune

How the sudden marketing of one invention can unexpectedly bring vast wealth to the promoters of another invention of quite another kind, has been recently told in the columns of the daily press.²³

Some years ago, William Travers Jerome, the well-known New York lawyer, by accident or chance became interested in an invention. A client had requested Mr. Jerome to investigate a process for the coloring of motion picture film, called *Technicolor*, in order to determine whether it had merit enough to justify an investment to finance the interests that were seeking to develop it.

The investigation revealed the fact that, while the new process had merit, it was still in the experimental stage and would probably need much capital and time before it could be perfected. Under these circumstances, the client decided not to make the investment.

Mr. Jerome, however, was so convinced of *Technicolor's* possibilities that he interested some friends in it and formed a syndicate of his own. They went into the venture as a straight-out gamble, putting up the necessary funds in much the same spirit that a person would bet on a horse race.

As time passed, it looked more and more as though they had made a bad bet. For over eight years, Mr. Jerome and his friends financed *Technicolor* in the face of constant discouragement. The original investment of \$40,000 had to be increased to nearly \$4,000,000 before the enterprise could be made to stand on its own feet. And even when the process had been perfected, the market seemed limited and prospects far from bright. The stock was selling at \$1 per share, with few purchasers.

Then, the "talkies" suddenly appeared in the film world, and almost overnight the whole situation changed. Colored films became the vogue for "talkies," and *Technicolor* sup-

plied the demand as nothing else could do. Within a year, the value of the stock mounted to over \$40 a share, although no effort to "make a market" was attempted and the stock was so closely held that few of the shares were available for the general investing public. Mr. Jerome and his associates had made great fortunes!

A Great Disaster Brings One Man His Opportunity

AT the age of ten, David Sarnoff, now Vice-President and General Manager of the Radio Corporation of America, could not speak a word of English. He had just come here with his mother, an immigrant from Russia. His father, who had come here some years earlier, had worked so hard to accumulate the money necessary for their passage that he had become an invalid.

At the age of fifteen, after his father had died, young David had to leave school to support his mother, who had desired to see him a rabbi. David, however, thought he would like to be a newspaper man, and was on his way to the old New York Herald Building at Herald Square one day, when he stopped at the office of the Commercial Cable Company, in the same building, to ask for information as to where he should go to inquire for the journalistic job he had in mind.

The man he addressed scrutinized him, and then asked David suddenly if he wouldn't like to be a messenger, instead, at \$5 a week. David happened to gaze into the rear of the office where the telegraph operators had their desks, and somehow his imagination was fired by the clicking of the instruments. He wondered to himself how long it would take to learn to operate one of those machines. But he kept the thought to himself, and took the messenger's job.

Then commenced the hard task of saving two dollars. They went for the purchase of an instrument, and he at once set to work learning the Morse code. It was not many

months before he was employed as a junior telegraph operator by the Marconi Company.

In April, 1912, Sarnoff's name flashed around the world, garlanded with glory, in reward for his unusual service as a radio operator, when he stuck to his post for 72 hours and was able to give anxious millions in all parts of the globe the complete news of the frightful *Titanic* disaster at sea.

A trick of fate that had wiped out hundreds of lives had, in turn, given at least one man a chance in life.

A Lucky Clue Due to Sheer Chance

MRS. ANNY LANDEN, discoverer and maker of *Virozol*, a well-known toilet accessory, tells this strange story of the role played by sheer luck in the invention of her product:

"Twenty years ago, I had a beauty parlor in Stockholm, Sweden. For some time I had been trying to perfect a preparation that would combine all the qualities for the improvement of the skin of the face. In vain had I looked for an ingredient that would heal that sickness of the skin which is the cause of enlarged pores.

"One day a woman client of mine came into my shop for a treatment. She was a talkative person, and would jump from one subject to another. In the midst of her chatter, she suddenly asked me a question which, for some weird reason, arrested my attention. She asked me whether I had ever heard of a certain herb, which she mentioned by name.

"I never had. But that she should have asked me this question (apropos of nothing) struck me as so unusual that the moment she had left I put on my hat and coat, and went to the nearest apothecary shop to inquire about this herb and its properties. What the druggist told me interested me still further. I bought some of the herb, and my first experiment with it convinced me that I had found the long-sought missing ingredient!

"The remarkable part of all this is that I had never mentioned a word to this woman about my research work, and there was no way in which she could have had even an inkling of what I was doing. Yet, in her random chatter, she had given me the clue to what I had been vainly seeking during three years of exhaustive experimentation."

A Woman's Lucky Hunch Makes Her an Oil Magnate
SOME years ago Mrs. Charles Murray accompanied her husband on a trip to Tulsa, Oklahoma, where he had gone to investigate certain oil properties of his that had failed to yield the profits he expected from them.

She herself became smitten with the prospecting fever, and while her husband spent his time in the oil fields with his advisers and experts, Mrs. Murray was not idling away hers. On her own initiative, she interviewed persons acquainted with the exploration of oil fields, studying the topography of the land on which producing wells and non-producers were situated.

One evening when her husband and his advisers had returned from an expedition that had not turned out favorably, they were sitting around the table in the living-room of the Murray suite at their hotel discussing their ill-luck, when suddenly Mrs. Murray broke in and said: "I think I can find you a well that will produce. Remember, I am always lucky!"

Being a direct descendant of Churchill Downs, the famous Kentucky gambler, and the gambling instinct still strong in her blood, her husband had to admit that whenever she had an intuition it always turned out to be a lucky one. Therefore he listened to her attentively. She suggested that a shaft be sunk on an abandoned field, a few yards away from where previous drillings had proved futile.

Her husband was half convinced. His technical advisers,

however, so ridiculed her suggestion that she decided to carry out her idea at her own initiative and expense. She formed her own company, inducing men prominent in oil and banking circles to back her. Work was begun, she herself directing operations; and soon, not one, but a number of wells were discovered. After one year she was able to pay her stockholders a 600 per cent dividend.

*Sinclair Gets His Start in Life by Blowing Off
One of His Toes*

HARRY F. SINCLAIR, the oil magnate, certainly got a bad "break" recently when he landed in the Washington jail for contempt of the Senate; nevertheless, he has had his share of lucky breaks on other occasions.

One day, many years ago, young Harry Sinclair, then living in a small Kansas town, and almost broke, went out with another man to hunt quail. "Carrying an old-style gun, Sinclair attempted to climb under a barbed wire fence. The hammer caught in the wire, the gun was discharged, and one of Sinclair's toes was blown off. He got \$5,000 from an insurance company for that. With the money he went to Oklahoma. After various ups and downs, he got into the oil game, made and lost a fortune, and built up another.

"He got his start by buying and selling options. He became an oil operator himself by a bit of sharp practice at the expense of James O'Neill, one of those with whom he years afterward organized the Continental Trading Company, which resulted in O'Neill's going into voluntary exile. Here is the story, as told by Sinclair himself:

"I got tired of passing prospective fortunes to others and decided that I wanted an oil well of my own. I saw gushers brought in on leases I had sold for \$100 profit. But drilling runs into big money—which I hadn't. So I went to Jim O'Neill, a field man for the Prairie Oil and Gas Co., and

talked over a lease I had. We dickered all evening. When he had made me an offer I knew was final, I told him I had no intention to sell. 'All I wanted to know,' said I, 'was whether you think there's oil on this acreage. You've told me that you do, and your opinion goes with me.'

"Sinclair persuaded the banks to lend him enough money to begin drilling. He 'took a chance' and staked everything on one well. He won his gamble.

"Another story that is going the rounds is this: In the Stock Exchange one day, with many brokers around, Sinclair was engaged in conversation with a broker friend. His friend took exception to a statement Sinclair made that Sinclair stock was due for a big advance. Finally the broker exclaimed: 'Bet you \$10,000 it doesn't touch 75!'

"'You're on!' replied Sinclair, without a moment's hesitation.

"Another broker edged into the talk: 'I'll take \$10,000 more of that bet,' he volunteered.

"'You're on, too,' answered Sinclair, with a smile.

"By this time, the other brokers were all attention. Why, here was a red-hot tip that Sinclair stock was going up; a tip from Sinclair himself! The result was a strong buying market; though the stock never got near 75, and finally went down to 17. Sinclair, of course, lost the two bets.

"Then the brokers thought they saw a light. They asked themselves how much Sinclair actually won by the buying orders which resulted from that wager conversation which was open to every one who cared to listen, and which had been repeated to every firm that did business on the Stock Exchange!"

A Chance Pullman Car Conversation is Worth \$25,000,000
A CASUAL Pullman car chat between a young bond salesman and the head of one of the largest railroads in the South, more than ten years ago, indirectly brought about the election of Walter S. Case, of Case, Pomeroy & Co., as a director of the Southern Railway.

Indirectly, too, the conversation between Case and Fairfax Harrison, president of the "Southern," was the first link in a chain of events stretching over a period of ten years, during which time Case and his associates purchased the controlling interest in the Southern Railway in the open market, netting a profit estimated at approximately \$25,000,000.

At the time of the train conversation, Mr. Case was making a study of the Erie Railroad for a group of European security holders, and it was during his trip of investigation that he by chance encountered Mr. Harrison on the train, and they began talking railroads—with the resulting outcome.²⁸

Another Big Business Man Admits Luck

JUST as this book was going to press, another leading figure in our business life joined the frank spoken minority who cheerfully admit the luck element in their own success. Mr. James A. Walker, President of the Blue Valley Creamery Company, the largest concern of its kind in the world, says in a signed article:

"In the little town of Cheney, Kansas, where I used to keep store, we had a justice of the peace who lisped. He was something of a philosopher, and one of his remarks always stuck in my mind.

" 'We,' he said, referring to the human race, 'are just creatures of thircumthanth. Everything ith luck.'

"If Marshall Field, he said, had happened to make his

start in Cheney instead of Chicago, he would have got to be as big as Cheney, but no bigger.

"Many a time I have reflected that the old fellow, up to a certain point at least, argued better than he knew. My own conviction, not achieved in haste, is that we assuredly are creatures of circumstances. Three score years and a bit more I have lived, all but the first twelve engaged actively in business, and with good helpers and associates I have managed to build what is, I suppose, the largest concern of its kind in the world. But this I never could have done had it not been for the fact that at every critical turn luck was waiting.

"We decide as boys to put aside a few dollars to make a certain purchase; an unexpected event takes place, and the money saved forms the first step to fortune. A comparative stranger drops a certain remark; as a result, an entire industry enters a new phase.

"I am not speaking at random. These very things happened in my life. I could neither foresee nor control them. There follows then, I think, from them a fundamental thought in business, which might be expressed thus—the wise manager trains to expect, and takes advantage of, the unexpected.

"Luck, as I see it, has too deep a meaning to be ignored or denied. It is one of the determining imponderables that should be given its due, and no more.

"Count on luck, expect it, be ready for it; it is bound to appear. Learn to recognize it for what it is, and use it. Bear in mind that not everything is bad luck that seems so; misfortune educates, if you let it. Finally, and this is the nubbin of my thought, it is what a man does with his luck that makes it good or bad"

The Eternal "Breaks of the Game"

WHAT conclusion (if any) can we draw from this sheaf of anecdotes, culled from an almost inexhaustible wealth of material along the same lines? "May we not conclude that the character of our success will depend on the *kind* of opportunity we seize? We have one set of choices to-day, and quite a different set to-morrow. One set leads to moderate and mediocre success; the other, with no more expenditure of intelligence and industry, leads to vast riches. A very enterprising and ambitious spirit, filled with belief in that ancient error that opportunity knocks but once, is apt to open upon the first knock and follow the first summons. The opportunity which knocks to-day may lead a man into the oil business, the automobile industry, or perhaps the department store,—all blessed by favoring winds. The opportunity of to-morrow may lead the same man into the textile industry or the leather business or some other such calling, harassed with problems and forever threatening disaster.

"Whether a man becomes a first-rate captain or plutocratic empire-builder, a college professor or a lumber baron, will be governed by the manner in which all the numberless circumstances of life and time are marshaled at some given moment when he is ripe for a decision. Having set out in one direction, he can never be sure at what corner he may be induced to make a turning. Judge Gary might still be practicing law and sitting as the honored dean of the Chicago bar but for the chance which brought him into court one day in a minor case against a man named John W. Gates. Gates never forgot the highly professional drubbing he received at the hands of that young lawyer, and when he was ready to put together his barbed-wire trust, he hired Gary to pilot him through the pitfalls of the law. That set Gary into the way of forming later the Federal Iron Co., and ultimately the United States Steel Corporation.

"Consider again the case of Henry Davison, already noted. Certainly, no man would select the teller's cage as the scene for a heroic exploit. Davison hoped to plod along as best he might, by industry, thrift, and attention; rising slowly through the levels of promotion. And if a pious madman had not entered the bank, Davison might have continued his plodding for years, finding his opportunity at last in an altogether different direction. Think of the many chances to be reckoned with! That madman had to make his entrance, and pick out Davison's particular cage. Davison had to think of the ruse which attracted his neighboring teller. That teller had to be at his post at the instant, and in full possession of his wits, to catch his cue. He had to recognize Davison's ingenious alarm. He had to call the watchman, and that gentleman had to be within call. Had not all these circumstances and innumerable others combined, Mr. Davison might have received a maniac's bullet, or indeed might never have heard of the maniac and gone industriously along his way until some other opportunity came along and swept him to another community and an altogether different fate. His own part in the affair consisted in his clever alarm. But if the other factors had failed, it is even conceivable that the incident might have brought him blame instead of promotion.

"Andrew Carnegie often speculated on this contingency in his own fortune. As a boy, riding in a locomotive cab, carrying a payroll, he dropped it from the cab window. The package fell on the bank of a stream and rolled to the very brink—but not in. The engine was stopped and young Andrew recovered his bundle. But suppose it had rolled another foot and into the deep stream, meditated young Andrew. He would certainly have been reprimanded, perhaps dismissed, and the whole course of his life changed. He might never have gone into the iron and steel business. And if he had not,

there might have been no Carnegie Steel Company, and hence no Charles Schwab, and of course no United States Steel Corporation, and finally no such Judge Gary as we know. Or, if those individuals were invincibly marked for success, the Charles Schwab might have been known to fame as a musical comedy star, and Judge Gary as a highly respected lawyer."

"The breaks of the game!" Let us leave it at that. For what more can we honestly say?