THE TOWERS OF NEW YORK

THE MEMOIRS OF
A MASTER BUILDER

LOUIS J. HOROWITZ
and BOYDEN SPARKES



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BY L. J. H.

WITH LOVE AND AFFECTION

TO

DAVID

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Foreword

DURING the years when New York City was extruding the highest building structures the world has known, one of the extraordinary leaders of the construction industry was Louis Horowitz, chief of the Thompson-Starrett Building Corporation. The prowess of my friend Horowitz went beyond the usual until in time he became very like a yeast which was making buildings rise.

A builder, such as the Thompson-Starrett Corporation, customarily takes the plans and specifications expressing the architect's conception of the needs or wishes of the owner of a building project and solves the problem of so combining material and labor as to produce that structure. The builder's work involves management of a high order and it involves as well analyses of methods of construction, of building; by this I mean the manner of handling the things which are to be composed into a building which some architect has planned. The builder is concerned with questions of comparative costs of available materials, measuring one against another through an infinitude of transactions. He is a manufacturer until at last the thing takes shape and stands complete, an almost geographic fact, a

big New York building. But Louis Horowitz did something more.

Most builders, particularly in New York, permit Fate to limit their opportunities to something called the building market. When a building has been conceived and planned, when an owner has his site and proper financing, builders may bid in competition with each other for the job: Each will have written down on paper the number of dollars in return for which he is willing to contract to make the building. But where competitive price was involved some few important builders never would appear; prominent among these was Louis Horowitz. These men relied absolutely on their reputations for building well and getting a result which could be counted on to give an owner a minimum of trouble afterward.

But Louis Horowitz, however virtuous, never was content merely to know that virtue is its own reward; he became increasingly aggressive in conceiving projects himself and then in cajoling into partnership necessary human elements possessing desire and site and capital to the end that there would be another big building against the skyline. Under him the Thompson-Starrett Company could undertake to furnish whatever might be missing from a half-formed set-up, even to the extent of searching out some proper one to be the owner of a building wished for by a merchant, a financier, or a hotel man. Indeed, if it were needed, Louis Horowitz himself would make the wish for the building

and then make it come true. That is how the Waldorf-Astoria Hotel's building came into being.

I think the tall buildings of New York City have risen from the most intricate construction problem field that men have ever known. The growth of an Egyptian pyramid to completion may have represented the lagging labor of generations of slaves, sometimes driven furiously in response to the will of successive Pharaohs. But any New York skyscraper has had to be born speedily in a welter of cross-purposes.

Because of intense competition for its use the land surfaces of New York have acquired values that elsewhere would be fantastic. The human traffic which justifies the values is a part of the problem, just as the tall buildings themselves are an expression of it. Furthermore, for many years in New York the building trades, embracing myriads of craftsmen, have been the most intensively unionized and sensitive mass of workers in the United States. In consequence of these and other factors New York has been a place where time in its relation to a building investment puts on fierce pressures for speed of operations. Delays mean financial loss. This is overwhelmingly so because a rental period lost through failure to complete a job on time is sure to mean a year of minus figures, and that, for an owner insufficiently cushioned with cash reserves, may represent the difference between success and ruin.

In such an industrial situation in which any sub-

contractor's failure to perform his work on time jeopardized completion of a building according to schedule, the Thompson-Starrett Company, under Horowitz, came to a state of development in which it was prepared to erect a building by using its own men and equipment for the execution of almost all of the work. This was extraordinary, contrasted with the methods of operation of numerous other firms. Some were no more than brokers who neither hired men nor bought materials directly. What they did was to make sub-contracts until they had arranged for a completed building. With many large firms it was, and is, rather commonly the practice to do perhaps the masonry and carpentry with their own forces, but all of them sub-let what are called the "mechanicals"—the plumbing, heating and electrical installations; and indeed most of the other work. Yet these were undertaken by Horowitz through his efficient organization, equipped as it was even to erect steel. The spark-plug of this organization was the man about whose initiative, resourcefulness, enterprise and friendliness these notes have been woven.

A well organized parade of materials from more than a thousand sources is required to bring a great building out of the ground in New York City as a solvent enterprise. It is no small praise, I think, to say that some of the most splendid of these parades have had as their grand marshal Mr. Louis Horowitz.

H. A. SHREVE
Shreve, Lamb & Harmon

THE TOWERS OF NEW YORK

1. From Immigrant to Builder

SOMETIMES WHEN I AM DOWNTOWN IN NEW YORK I step into the Woolworth Building, making to myself some false excuse of business necessity, though my real purpose is always the same. I go in there to steal a look at an image of me, of Louis J. Horowitz, roosting close to the ceiling in the company of a few similar excrescences—small grotesque statues of men who had a leading part in the creation of the world's first very tall building.

For a certain good reason, I never have been detected in this egotistic adventure. The head on one statue closely resembles Frank Woolworth; another has a less striking resemblance to the architect, Cass Gilbert; but the one fixed there in my honor looks not at all like me. More than a score of years since the statue was shaped have sculptured changes in my features. Yet it is a fancy of mine to suppose that the building itself has warped my stone image out of countenance as revenge for the arguments I used to make to Mr. Woolworth against its construction.

Even though I schemed with all my power, during several years, to get the contract for the vast project, I could not help arguing with Mr. Wool-

worth about the soundness of it. The result of my questioning was that one day, in a burst of impatience, he asked, "Does the Thompson-Starrett Company employ you to be its president just to have you talk customers out of spending their money?"

"Certainly not. I want to get all the big building contracts for my company that I can, but if we were to put up a monumental failure for you, the entire building industry would suffer. What I say is that I simply cannot see how this project is going to pay you. By every test of mathematics it looks to be a poor investment. I do not think you can get from the tenants enough rent to pay you a proper return on an investment of seven or eight millions."

Then Mr. Woolworth let me into his secret—that there would be an enormous hidden profit outweighing any loss. He confessed that the Woolworth Building was going to be like a giant signboard to advertise around the world his spreading chain of five-and-ten-cent stores. On that basis, of course, his splendid building was a sound investment.

Throughout my career as a builder I argued against extreme height and size. I emphasized the hazard against success from the standpoint of income to outlay. I was just as emphatic concerning the immorality of uncommonly big buildings. It should be obvious that an extraordinarily large building poaches sunlight and air from smaller neighbors. London, Paris—aye, and Boston—do not

permit the construction of buildings so large that they would hog a disproportionate share of the water supply, of sewers, sunlight, air, and transport. I said precisely that to General Coleman du Pont when we were discussing the possibility of the Equitable Building.

General Du Pont then had it in mind to sell, and a short while later actually did sell, to his Du Pont kinsmen, for an enormous sum, what he always referred to as his "powder stock"—his share of E. I. du Pont de Nemours & Co., which had been a corporation structure of his own devising. He listened to my arguments for and against the great forty-story box which we had under consideration. When I had finished, he whisked from his coat pocket a pack of playing cards. He delighted to capture the interest of his friends with card tricks or other feats of legerdemain. "Take a card, Louis."

I took one and shut up.

Well, we built the Equitable Building, and until a few years ago it continued to hold the world's record for rentable office area. But in 1912, and before we started it, General Du Pont in an astonishing gesture of friendship had given me a fourth interest in the building. I treated the stock certificate as carelessly as if it had been a cigar-store coupon. I doubted that the building ever would be profitable. The war in Europe proved me wrong as to that by creating in New York an unforeseen, an unpredictable, shortage of office space.

I argued against such buildings, as I say, but

eventually I began to think of schemes for big ones by myself. Thus, I am given credit or blamed, depending upon the point of view, for conceiving the new Waldorf-Astoria, one of the biggest of all hotels. We had in the Thompson-Starrett Company an organization employing so many people, experts in many lines, that we had to crowd ourselves to keep it busy. I was the contract hunter; how well I hunted may be inferred from the fact that, in the years I was with the company, we put up $600,000,000 worth of buildings, the jobs numbering 462, and representing a conspicuous part of the skylines in Chicago, Baltimore, Washington, San Francisco, Cleveland, Pittsburgh and, most of all, New York.

The New York skyline! Because I helped to make it—on any day I am in the mood—I can perform a wizard's trick with my life; and I buy my magic cheaply. With five cents spent for a ride on some New York harbor ferryboat I can compel each bold projection that rises as a peak upon the swelling mass of New York's artificial mountains to become a solid, three-dimensional memoir.

Once upon a time I knew great excitement in the work of rearing ever higher and higher the office spires of America. Nowadays the kind of excitement that best agrees with a Horowitz no longer young can be provided by a Gulf Stream sailfish, off Palm Beach. My reel sings, the boatman shouts, and against the straps across my back the muscles tighten. In a swivel chair above a tossing blue frontier I feel all the wild and furious passion of a

frantic creature threaded to me by a linen line. Sometimes I am exultant when I bring a fish to gaff; but there are days when, as I recall the things I used to do, I realize how little savor such a struggle really has for me. As the sea hides sharks and other pitiless forces, so any city hides greedy things, and some quite lovely, underneath its tortured surface.

When I first saw New York, the skyline that the world admires was a secret of the future. The only thing that I recall seeing on that day was the brightness of the sun making light the green of the metallic goddess, Liberty; that and the clamor of the crawling horsecars in the streets.

Because I was at that time an adolescent fugitive from Russian military slavery, trying to save for my own the years of youth a conscript is required to give as tribute to the state, my thoughts were much concerned with liberty. So were the thoughts of thousands of others who came here in the nineties from Russia, Germany, and Italy.

I was born in Poland. My earliest recollection is of my nurse, a great buxom woman who loved me very much and with whom I was engaged in a conspiracy. She was a Polish peasant, clad always when she attended me in a dark skirt that hung in deep folds, touching the ground on all sides of her. Usually the waist she wore was of some shiny bright fabric, a green or a scarlet, and the ends of a woolen shawl were crossed on that sloping plateau, her

bosom. Her hair commonly was encased in a tightly fitting white cap, stiffly starched.

Someone, possibly my mother, had forbidden the nurse to fondle me too much. She loved me a great deal, and I loved her, that vast peasant being. When I developed a mischievous habit she would not spank me, even though the spanking was ordered. On warm days I was fed on a small balcony, one story above the ground. Every time I finished drinking my milk I would throw the empty mug over the balcony rail and then listen, with delight, for the crash. I must have been three years old. Those in control of the house lost patience with the breakage of china mugs and cups and so, for a long time, I had to drink out of a tin cup, but even that one had to be recovered from the ground; and that was the basis of our conspiracy. As we passed from the balcony into the house, toward the dark staircase, I riding on the nurse's arm, we were unobserved and there my nurse would enfold me and kiss me again and again. I would hug her, too.

After a while I became aware that I no longer had a mother and that my father was away. Then there was no longer a nurse to hug and pet me. I was in the care of my grandparents.

My grandfather, furred with black beard so that he was bearlike, was the proprietor of a general merchandise store in Chenstochowa, a small city on the River Varta in Poland, about one hundred and fifty miles southwest of Warsaw. In that time and place he was considered well to do. With the help

of my grandmother he ran the store, selling coats of sheepskin and cheap fur to farmers; also he dealt in agricultural tools, tar, hides, and leather. He was intensely religious, fanatically honest, and, to the best of his powers, parsimonious.

We lived over the store. At five o'clock every morning my grandfather got up, and even though it was the pitch black, bitter cold of a Polish morning his breakfast never varied. He ate a piece of black peasant bread, making each mouthful a little more exciting by dipping it into a sack of salt in front of him. There was never butter even though he could well have afforded butter. My grandmother had a different sort of conscience. I remember that on the inside of her coat there was a vertical slit, and when she put her hand through, and dipped into the pocket of which it was the entrance, invariably she pulled out coins for some poor person. The town was overrun with beggars. That money, which in the hands of my grandmother became the property of God, was filched by her from the till in the store or even from my grandfather's pockets when he was in bed. I think he knew to a kopeck how much she took, although he never let on; but if a beggar was so inexperienced as to appeal direct to him, he growled through that thick beard which flourished clear to the tops of his cheeks.

Because he got up before dawn he wearied before the day was done and so, about three o'clock each afternoon, he took a nap, lying on a couch. There

I was required to be, to rub his head. I loathed this tedious chore. I would sit on a chair drawn close to the couch and rub and manipulate his almost bald scalp until it seemed to me that he was asleep. Then, stealthily, lifting each foot high so as to put it down more carefully, I would tiptoe toward the door. Sometimes when I had my hand on freedom's doorknob I would hear a growl from the couch, and then, venting a groan, I would resume the massage, but absolutely without further tenderness.

When I was thirteen I entered the gymnasium which was about three miles from where we lived. Often my feet were frostbitten on those long walks on winter days, and deep, raw cracks would form. My grandmother, so that I could avoid infection, would require me to put my feet into a wooden tub of water in which she would dissolve some raw lime. The bite of that solution into the open wounds caused excruciating pain. Remembering it, I shiver.

But there were worse afflictions in Poland, and not the least of these was military service. The term was long and the discipline was cruel, so we all believed. On days when conscripts started off to begin their service, there was gloom upon all our friends and neighbors. Women sobbed and cried. The conscripts themselves were in the frame of mind of men being sent to prison. Out of this widespread feeling there developed a variety of schemes and tricks to circumvent the military authorities. Young

men sometimes risked prison by maiming themselves, but a larger number chose to escape from the country.

Years after I had crossed the German frontier, but rather early in my career in the Thompson-Starrett Company, I had a desire to enter Russia on business. A large railroad station was to be erected in St. Petersburg, and employment of an American contractor was being considered. I believed that I could get the job for our company because our skyscraper jobs had made us well known in many lands. Yet I dared not go, lest I be seized in spite of my American citizenship, and thrust into a conscript's uniform. I remember Louis Marshall was at that time agitating for the abrogation of the commercial treaty between the United States and Russia, because it failed to provide protection against conscription for those born subject to the Czar who became citizens of the United States. Jacob Schiff, who had become my good friend, urged me, along with Marshall, to present my case at Washington as the concrete example of how American business enterprise was being injured by this situation. But I declined. I did not want the notoriety and, besides, there were plenty of big structures, railroad stations included, that I could build in America.

My own escape was engineered by my paternal grandfather. It had been decided upon when I saw and talked with my father. He himself was a fugitive from military service who had been living in

the United States and England. He had last seen me when I was a baby, and when he saw me this time I was a sixteen-year-old boy, clad in a soldierly looking blouse with a stiff high collar, a black leather belt, and a visored cap that displayed above its peak the school insignia. We met and talked midway of the bridge that linked the Polish town of Sosnowitz with the German town of Katowitz. The sentries of Germany and of Russia paced back and forth across the middle of that bridge.

My father was a handsome fellow, but he was able to recognize me only because my grandfather was there beside me. He embraced me; and the sentries watched us tolerantly, although they would have turned severe had I gone a step too far toward Germany or had my father stepped close enough for them to clutch him. My father took from his breast pocket a photograph, and when he showed me the sweet face of a young English girl he told me that she was my new mother. Right there at the actual frontier I made up my mind to get away.

At home some of the relatives raised a great fuss; they said I ought to complete the Gymnasium course and then go to work for my rich uncle who had a textile factory at Lodz. But notwithstanding these objections, my father's father proceeded with the plan. When the neighbors heard that he was going to England they began to pester him to perform errands for them: one wished him to buy an English watch; another wanted English cloth; and one, I well remember, wanted a pocketknife. Sar-

castically the old man said: "Of course, I am going to London for the specific purpose of buying you a knife. It is just incidental that I am taking this boy with me. Humph!"

About two weeks before the time we had fixed upon I began to loiter on the bridge at Sosnowitz. My grandfather had coached me and I was obeying him when I talked to the patrols and walked up and down the bridge. Occasionally I stepped across the line as if in boyish bravado. As the days wore on the soldiers there became accustomed to seeing me and gave me less and less attention. But one day, with my heart thumping so that it threatened to burst through my skin, I extended my walk. I walked faster and faster. My breath seemed to stick in my throat.

A German soldier with his musket on his shoulder and a heavy helmet on his head looked at me once and then lost interest. When he was behind me I was free, and if you were to ask me today that is still the way I feel about it.

I have forgotten the cause of the quarrel I had with my father. Probably it was a trivial thing, but I was seventeen and stubborn. Moreover I suffered hideously from the terrific dignity that afflicts young people, so that I was quick to take affront. As I felt myself to be the peer of D'Artagnan, Jesse James, and the Count of Monte Cristo, any implication that my behavior was uncouth was the more intolerable because of its closeness to the facts of the situation, that I was an immigrant, a Polander,

newly landed in New York and speaking the English that I had picked up during a six months' residence in England. What blunders I made in New York kept me irritable by reminding me of my status of greenhorn. I still can feel traces of the chagrin generated by a burst of laughter at my expense when I had my first encounter with a strange food called corn on the cob.

The year of my landing was 1892, and I can fix the date as July third because of the infernal racket that started with daylight on the following morning. I woke up in the flat of a landsman of my father, a man named Max Richter, who was the manager of Koster & Bial's music hall on West Twenty-third Street. He lived with his two grown daughters and a son in a house on Seventeenth Street, west of Eighth Avenue. My father had taken us there for our first few days; myself, my ten-months-old half-brother, and my sweet stepmother. So there were eight of us at the table, when I was served with corn on the cob.

According to an arrangement with that kind friend, my father's young wife (we are but seven years apart in age), I watched my elders at table for guidance. For the preceding half year, in Brighton, England, she had been striving to reform my habits and manners from those of the Polish town of Chenstochowa to those of the English-speaking world. I no longer made noises when I ate, and I had also accepted her view that a fork rather than a knife was the correct implement with

which to put food in one's mouth. On this Fourth of July day at the Richters' obediently I watched the others. They spread butter on their cylinders of corn. I spread butter on mine. Mr. Richter sprinkled his with salt, his daughters rather elegantly used both the salt and pepper shakers. So I put a sprinkling of salt and pepper on mine. After that I could see no need for further observation. Quickly I put the end of my ear far into my mouth, and with the enthusiastic crunch of a hungry horse, I bit it off. How loud their laughter sounded! And how I blushed.

Such things filled me with resentment. It was no more than a week or two later that I packed up and left my father's house. There had been an exchange of harsh words between us; that is all I can remember. In leaving him I suffered no deep pangs, because to me he was almost a stranger, a critical stranger who pretty constantly wounded my feelings. Up to that time, during most of my life, my Polish grandparents had served as parents for me; my own mother had died when I was quite young, and my father, while I was growing up, had been in America and England. Nevertheless, after leaving his house I was miserable with an ache of lonesomeness for my stepmother who so well knew how to "mix reason with authority and kindness with reproof."

From that day forward, my situation could be defined as simply a case of work or go hungry. Under such a spur I got a job very soon as errand boy for

Brill Brothers who had a clothing store then at Sixth Avenue and Fourteenth Street. I was paid three dollars a week. What I remember best of that employment was my struggle to live through each week on such a wage. My hope was that I might last until I could be promoted to parcel wrapper. In the meantime I found a room in Eighth Avenue around Ninteenth or Twentieth Street, the rent of which was one dollar a week. I have had a part since then in the creation of tens of thousands of rooms, but for smallness I would match that back-hall bedroom against all others. Nevertheless, it was a shelter. I had sufficient clothing, so that my remaining problems were simply how to keep myself clean and gratify my appetites. I had two insistent ones. I had to eat and I had to smoke. Come to think of it, I would not be surprised if my father could give testimony in the matter were he to say that my youthful addiction to cigarettes had been a partial cause of the difficulties between us.

However, I remember I figured out that I simply had to have ten cents a week for cigarettes of a brand each package of which contained a photograph of some actress. Usually her picture had been taken while wearing a form-revealing wickedness called tights. Some years afterward, in 1906, when I had left my poverty behind me, I dealt with Francis S. Kinney in getting the contract to build the Hoffman House. We became friends, and one day as we lunched together I discovered that his family had been the owner of the Sweet Caporal

brand. I moaned in my regret that I had not known him in 1892, and then I told him how in those days I had managed to make one pack last through a week, from payday to payday, by rubbing out the fire of a cigarette as often as three times. Only once or twice during a week would I indulge myself with the unholy delight of an entire cigarette, and when I did I smoked until the fire threatened to eat into my lips.

When Brill Brothers showed no willingness to advance me to the position of parcel wrapper I went to Stern Brothers' Department Store. They were advertising for such talent. I became a parcel wrapper there but, soon dissatisfied, went on successively to equally unsatisfactory jobs in O'Neill's and Simpson-Crawford's department stores. All the while I knew quite well what I wished to be—a salesman.

On a Sunday I discovered among the help-wanted advertisements a solicitation by Cammeyer's shoe-store for salesmen. As the following day was Labor Day, I did not apply until early Tuesday morning. The boss in charge of such matters was Ed Hart; afterward his brother, Louis Hart, owned the business.

With his face fixed in a severe expression Ed Hart challenged my request for a job by saying, "We advertised for people to come here yesterday."

"But I thought you would be closed yesterday," I said in apology.

"Oh," he exclaimed sarcastically, "so you don't work on holidays?"

"I work anytime there is work to do. I just made a mistake in supposing the store was closed."

He grunted and then resumed his attack with an accusing sniff. He said, "You also smoke cigarettes!"

"I hope that won't keep me from getting the job."

"Um. You look to me like one of those fellows who does good neither for themselves nor for the concern that hires them."

"Sorry if I look that way, but you try me anyway."

"Not as a salesman." Mr. Hart crushed the thought with a slap of his hand on his desk. "But I will give you a chance as stock boy. Remember! If you give me the slightest provocation, I'll fire you. You start under a severe handicap!"

Never for a second of that interview had I realized that his severity was mockery, that he was joking with me. As a matter of fact, maybe I am wrong now, maybe he was as sore as he seemed to be. After I started to work there he would often caution me, "I've got my eye on you. I think you are going to be fired directly." It was a dreadful hazard, but I faced it. However, despite all my job shifting—my personal turnover, so to speak—I was still getting three dollars and a half a week. That seemed to be my economic ceiling.

For a while in that period I could afford only

two meals a day. For breakfast I would get coffee and two doughnuts; these cost only a nickel, but they filled me up. At night I would go to a restaurant where, for fifteen cents, I could get a dish of meat and potatoes and help myself to the bread that was placed on the table. I was always hungry and I was becoming thinner with each day. I had been delicate for some years, so the wonder is that I lived. As winter came on, time after time, with teeth chattering, I would arise from beneath thin coverings to find that the water in the pitcher on the washstand had turned to ice.

Cammeyer's store at that time was at Sixth Avenue and Twelfth Street and it was the center of my universe. I took my duties seriously. Even the watering can with which I sprinkled the floor before sweeping was a satisfactory emblem of my responsibility. I kept the floor cleanly swept and the stock in my care was as tidy as I could manage. One day I accosted Ed Hart to say that I would like to be supplied with uniform white labels for my shoe boxes. From manufacturers the shoes came in boxes of varying colors, and as you looked at the box ends forming a solid wall to the ceiling there was an uneven jangle of greens, blues, reds, and yellows. I told Mr. Hart this seemed to me needlessly messy.

"You want special labels?" His voice rose as his amazement increased.

"I'd like to have them all white with just black showing at the holes where stock is missing." The

stock was arranged in rows that began with the smallest and finished with the largest sizes. I watched Ed Hart let his eyes swing from side to side while he appraised my suggestion. I could have sung when he spoke approval, saying, "All right; just so your sensitive taste won't suffer we'll make an investment."

I think the improved labels were no more than dry on the boxes before I went again to Mr. Hart to ask for a raise which he had several times denied me. This time I said, "Mr. Hart, I think I ought to have that raise. I'm doing more work."

"Um. Well, perhaps you ought. Commencing next week we will pay you four dollars."

Soon afterward I took on fresh responsibility that caused me to swell with importance. In addition to my regular section of the store stock, I was given charge of a surplus stock kept in a building on the other side of the street. That place was infested by rats with an acquired taste for shoe leather. My partners in the job of dealing with them were some cats. Thereafter on my requisition, on my own signature, I could draw from the cashier five or ten cents for cats' meat. It was as intoxicating as mountain air to realize that this was true; but there was more to set me apart and above my fellows. In the morning all employees "checked in" because the time-sheet record of our labor was carefully watched. To be late meant that one would be fined in proportion to one's earnings; for me such a disaster meant a loss of five or ten cents. At

noon we were checked "out" and "in," and the period allowed for lunch was precisely thirty minutes. But now, because of my duties on the other side of the street, I could go and come at will, and this liberty placed me in a position to favor the sales clerks. Some of the store girls had a fragrance that was as exciting as payday.

"Oh, Louis," one of them would say, "the next time you go out will you get me the five-cent half of a ten-cent pie?" The formula never varied. Always the girls were hungry for the five-cent half of a ten-cent pie. It is not to be wondered that before long I went again to Mr. Hart to say that I would like to have a raise.

"But I just raised you."

"Well, I ought to have another raise. I am doing more work."

So he raised me again, to four dollars and a half; but I was to have a struggle that seemed a nightmare of futility, in lifting myself to the level of five dollars a week.

Books borrowed from the public library helped to blanket out of my consciousness the dreary loneliness of my bleak room at night. I read James Fenimore Cooper to the end of the shelf, devoured Dickens, and passed along to George Eliot. The *Count of Monte Cristo* and other stories of Dumas I had read in Polish and Russian translations, but just in the greedy hope that some of their exciting passages had been skipped by the translators, I read them again in English. However, when I would

turn out the light to go to sleep my solitude would overwhelm me. I think that of all appetites none is so hard to bear ungratified as the hunger for affectionate human companionship.

I found an unattainable cure for my state of mind in the person of one of the salesgirls, an extraordinarily energetic creature whose long blonde hair seemed to me as a cloud of glory. Her eyes were blue, as mine were. I dared to ask her if I could call on her, and she made an excuse. Then there was a third occasion and again, and as usual, with a gentleness that made me more than ever eager for her friendship, she turned me down. I was most unhappy about it. I realized there was something about that crude stock boy, Horowitz, that contained the explanation of her refusals, but I do not recall that I immediately sensed that it lay in some of the implications behind the fact that her own name was Veronica. In that time *Abie's Irish Rose* had not been played on Broadway nor even written.

Who is there so expert in human feelings as to measure the impetus given to ambition by such an experience? I know I kept driving myself harder and harder. Once Jack Auerbach, the superintendent of delivery, was instructed to supervise some repairs on Cammeyer's country place in New Jersey. He picked me, along with several others, to pull nails from lumber and to help in other ways. I was sure by that distinction that I had arrived. Possibly it was that very chore that nerved me to the point

of asking for another raise. Ed Hart would not give it to me, though.

"Well," I said, "I will come and see you about it again. I am willing to do more work—but I simply must have five dollars."

When he finally consented to pay me five dollars a week he cautioned me. "This thing has got to stop somewhere," he said, "or you'll have the business."

Thereafter whenever I had occasion to approach him for a talk, he would scowl severely until I had stated the purpose of my errand; then he would burst out at me, "How relieved I am! I thought you were after another raise."

I talked with Ed Hart so frequently that other stock boys and salesmen, when I was in their vicinity, would guy me by snooting and saying, "us bosses."

I do not recall now what made me so daring, whether it was the raise or whether it was a desire to show Veronica what a mistake she had made; however, when the stock-room boys surreptitiously arranged to have an international boxing contest in the store cellar I permitted them to match me, as the representative of Poland, to fight against, of all people, the representative of Ireland, Mike Looney. I think he weighed thirty pounds or forty pounds more, and probably he lived at home, for he was better fed and, I must confess, a better fighter. We fought with bare fists, and Mike nearly killed me, or so I thought. The next day both my

eyes were swollen almost shut by empurpled flesh. I had a difficult time keeping the truth of that affair from Hart. Afterward Mike Looney got to be a policeman, and for years when we encountered one another in the streets we would yarn about the time we two were the shoestore champions for Ireland and Poland.

When I was earning five dollars I saved money at the rate of fifty cents a week. Even when I was doing this I fully realized a man does not accumulate from wages enough capital to engage in business on a large scale. I was simply saving against the chance that I might lose my job and know again the taste of hunger. I saved as a squirrel saves nuts. However, I proceeded to allow myself two cigarettes a day, and once each week, for twenty-five cents, I bought the right to scramble for a seat in the gallery of some theater. It was a triumph to keep ahead of the clattering feet, the snatching hands, and rude voices of the whole mad swarm of gallery gods. The race was up flight after flight of stairs to a place where one might touch the ceiling; the home stretch was an almost headlong plunge steeply down toward that thin iron railing that was placed before the precious front-row gallery seats. If you were one of a party of three or four from the shoestore, you were expected to stretch yourself prone on enough seats to accommodate your slower companions. Those were long minutes that we spent waiting for the blissful moment when the theater would become black and the footlights

come on. That was the instant when I would breathe deeply of the peanut-scented atmosphere and prepare to be entranced.

Because I never spent my quarter without carefully appraising the offerings of all the theaters, I saw Henry Irving in *The Bells,* E. S. Willard in *The Middleman* and Henry Irving and Ellen Terry in *The Merchant of Venice.* Many times in later years, when I tried to wrench my mind from business and fix it, for escape, on some opera or Broadway show, I wished that I had been able to keep the capacity of fixing on myself the spell of rapture that I used to know up in the gallery. Actually, I think it was simply my undernourished body that was up there beneath the rafters. The authentic person, the me of that skinny little shoe-stock clerk, was off in other times and places, clad in rich stuffs, in silks and velvets. But I was never Shylock; in all my dreamings then I played Antonio.

Cammeyer moved north to Nineteenth Street, to what was called the Cammeyer Building, and the one who was given charge of moving all the stock and laying out the new stock room was Louis Horowitz. Of course my added responsibilities justified a raise, and Ed Hart raised me to seven dollars and then to eight dollars. This meant that I could go, some nights, with the more sporty salesmen of the store who dared pay fifty cents for a dinner, wine free, in a Hungarian restaurant. Whether it was wine or goulash I do not know, yet not alone my thin body but my ambition as well was nour-

ished by that rich fare, so that I persuaded Ed Hart to let me step on the floor as salesman. When that change was accomplished I had entered a field of grand adventure.

Cammeyer had a system then by which old or abandoned styles of shoes had stamped on their soles YC. One who persuaded a customer to take a pair bearing such a symbol was rewarded on pay-day with an extra five cents, but there were other shoes stamped GT. What infirmities of style or quality merited that mean brand I have forgotten, but I never can forget that selling a pair of GT shoes was worth ten cents to the one who worked the trick. I used to issue challenges to myself and make them binding by speaking them aloud. To whomever was with me on the aisle I would say, "The next woman that comes in I am going to sell a pair of GT's. No matter what she comes in for I'll send her home with a pair of GT's." Almost invariably I kept my word. I had discovered that few women who came shopping for shoes had fixed their minds on some predetermined pair. They wanted to make a choice, if at all, only when some poor clerk was half buried in open boxes, tissue paper, and heaped-up shoes. Of course, when I took such a customer and hypnotized her mind with the cheapness of a pair of GT's I did not emphasize the change of style.

The store had a rule compelling the unsuccessful salesman to report his failure to the floorwalker before any unsold customer left the store. The floor-

walker then would try to induce the customer to let a more expert salesman undertake to please her whim. I became one of those shock troopers of the selling staff, and somehow my feelings, my pride, became involved in this work, so that my conscience fairly ached with a sense of failure when I had to let a woman go without buying.

Maybe I had learned a trick or two beyond persistence from some of my own adventures as a buyer. In that time when I had to have a new suit I used to go downtown to the East Side. It was my belief then that it was a place to look for bargains. At any rate, I know the attendants of those establishments were more difficult to pass than the sirens against whose voices Ulysses wadded up his shipmates' ears. These men were called pullers-in, and they would take you by the arm as you reached their sidewalk lurking places and fairly drag you into their store, saying, "We have something to show you, just the clothing a young man needs; big bargains, just let us show you." If they got you inside the door, it was most difficult to escape without buying. Literally, they held a customer fast by the arms when he tried, unsold, to walk out. I think that at Cammeyer's I was almost as persistent with my voice, although of course we dared not be so bold as those East Side pullers-in who were such champions as salesmen. Anyway, that was where I bought my clothing.

At Cammeyer's I began to grow more and more dissatisfied with long hours as my earnings in-

creased. I needed the time in which to spend, to enjoy my money. The least bearable period of the week was Saturday afternoon when certain other stores were closed. One day when I discovered that Stern Brothers were seeking shoe salesmen I applied for such a job and was hired.

I loved that job. I was being paid sixteen dollars a week, and each weekday night I was free at six; on each summer Saturday I was released when the day was only half gone. I tell you, that was lovely. There was a strict rule, the strictest of many, that smoking was not allowed. Backstage, so to speak, the place was plastered with red-letter warnings against smoking and carrying matches. The management was so fearful of a fire breaking out during some customer-crowded day that we employees were under notice that anyone detected carrying matches would suffer dismissal. On a busy Saturday morning when I had sold a pair of shoes to a lady and, in order to write the sales slip, had pulled a pencil from my pocket I also, without being aware of it, pulled out a match. It fell on the floor close by me, and when someone in the throng stepped on it the match flared, then went out.

Perhaps ten minutes later I was informed that I was wanted at the office. There I was handed an envelope containing what pay was due me up to the moment and with it was what we clerks lived in dread of—the pink slip, the printed notice that one's services no longer were required. I was fired; and I was heartsick.

On the following day, on Sunday, I discovered that Stern Brothers were advertising again for a shoe salesman; my job. On Monday morning I went to their employment office and sat down. After a while, when I had grown nervy with restlessness, I accosted no less a personage than the superintendent, Mr. Kugelman.

"I am applying for the job as shoe salesman."

"What experience?"

I recited everything I had done up to the point in my career where I had abandoned Cammeyer's.

"Your face seems familiar to me," said Mr. Kugelman.

"Yes," I said, "the rest of my experience was that I also worked here in Stern Brothers."

"And yes," said Mr. Kugelman, with a sudden flaring of memory, "you were fired last week for carrying matches." He made a series of wordless noises, something like grunts, to show the awfulness of my offense. Then he resumed speaking, "It is a rule we have that anyone who carries matches will be discharged. We can't change that rule."

"Pardon me," I said, "I am not asking you to change the rule. The rule is to fire anybody who carries matches. I carried matches. I was detected. I was fired. But there is nothing in the rule that says I must not be rehired." I showed the palms of my hands in a gesture of reasonableness.

Mr. Kugelman leaned far back. The spring of his swivel chair squeaked. "Perhaps you are a little too early. Come back and see us again sometime."

After that I got a job in Union Hill, New Jersey, but I could not forgive Mr. Kugelman. It seemed to me that it was wickedly stupid to shut me out of work I so thoroughly enjoyed because of a rule. I had violated it, of course, but I felt that if only I could be received back into the shoe department of the store I would abandon all use of matches. Almost I would have forsworn tobacco. I built up a Corsican hatred of Mr. Kugelman.

Years afterward, when things had happened to me, I was riding in my first automobile on the New Jersey seacoast along a dusty road. I was wearing a dust coat and goggles and my wife beside me had her face swathed in veils. In an automobile just ahead of me, I recognized its driver as the once awesome person of Mr. Kugelman.

My chauffeur was an excellent driver. I said to him, "Get in front of that car. Stay in front of it. Give it all the dust you can."

I think that was one of the nicest rides I ever had. Behind me I could hear the furious, basso profundo bulbings of the horn with which Mr. Kugelman was commanding me to let him pass. Sometimes he was so close, so deep in our cloud of yellow dust that I could distinguish the extraordinarily undignified words that he was forcing through his clenched teeth. Now and then, when he had dropped back as if to hunt an opening through my blockade, I made a gesture with my cigar as if to add its ashes to the rest of the debris of my triumphant journey along Ocean Avenue,

in Deal Beach. At the West End Hotel Mr. Kugelman brought his car to a stop, and so I had my chauffeur stop, too. I got out and walked back until I was beside Mr. Kugelman. His face was coated thickly yellow with dust, except for the comparatively clean circles where his goggles had been. This gave him an almost demoniac expression. I held up my hand in the Indian sign of peaceful intention, because he was inflating himself with wrath.

"Mr. Kugelman, I want you to know there was a reason for my rudeness. You fired me from Stern Brothers one time and then refused to rehire me. I have thought ever since that you were unnecessarily cruel to me. I wanted to erase the incident from my mind." Then, as if I were a Dick Turpin unmasking, I took off my own goggles. I saw, with pleasure, that the lids of Mr. Kugelman's eyes contracted. I knew that he had recognized me and remembered. Perhaps D'Artagnan would not have behaved as I did, but the Count of Monte Cristo surely would have thought well of my behavior.

Still more years yater, in 1912, at a party to celebrate the engagement of Bernard Gimbel to Alva Bernheimer, I was acknowledging introductions to some there who were strangers to me. Suddenly I found myself shaking hands and saying, "Pleased to meet you, Mr. Kugelman."

Both of us by then had reached a point in life where we had begun to take ourselves less seriously. Nothing would serve Mr. Kugelman then but the

attention of everybody at the party and when he had it, and we two were practically embraced, he told them everything, including his feelings as he took my dust in Ocean Avenue.

After the loss of the job at Stern's I had gone to work as shoe salesman in a store in Union Hill, New Jersey. There I worked from eight in the morning until nine at night, on Saturdays until eleven at night, and on Sundays half a day. In a little while the owner left me in charge of that store while he devoted his attention to another that he had opened. He was disappointed when I told him I was leaving. He said he would give me a partnership; but I said no to that. I had been seeing my father and hearing from him a good deal about the real-estate business. I had decided to get into that business on my own hook.

I felt that I had capacity for more important work than I had been doing. At school, in the Gymnasium in Poland, I had been rated as a star pupil in mathematics. I was quick, when an algebraic problem had been written on the blackboard, to grasp the way to its solution, to detect where the key was, and generally with a glance I knew the reason for the minuses and pluses. At that school, after our example books, all differently colored, had been marked, they were stacked with the poorest on the bottom, the best on top. It was a wretched day for me when I failed to see my bright green book on top. Today I have such a memory for figures as almost justifies me in saying that my

mind deals with them photographically. Indeed, it was another pattern of that same gift that enabled me, as a schoolboy, quickly to memorize any poetry that I fed into my mind. In the same painless way I had learned Polish, Russian, Hebrew, Latin, and then English. Probably my Latin would have sounded queerly in the ears of Julius Caesar, but if I had written him a letter I'll bet he would have understood me. The point of all this is that I have been able to perform certain phases of my work in business effortlessly; and when my father explained to me some of the details of the real-estate business, of the loan-brokerage business especially, I readily understood.

Money, you may well believe, is quite as important an element in a building enterprise as the bricks, the lumber, and the lime. I used to find money for anyone I could discover who owned a piece of property on which he wished to build. I had learned that the places to borrow money in such circumstances were the savings banks, the insurance companies, and certain firms of lawyers handling estate funds. Bowers & Sands lent a great deal at that time; so did Weeks & Weeks, who had their offices in 62 Wall Street, where now stands the Commercial Bank, of which I am a director. In those days, however, when I was about twenty years old, my youthful appearance was something of a handicap. Possibly that is what impelled me to seek a partnership with a man who had grown old in the business. He had an office upstairs in 62

Liberty Street. His name was Simon F. Pretzfelder. He was a German, taller than six feet, and his cheeks were covered with a gray beard that he brushed into long side whiskers, emphasizing their shape by keeping his chin smoothly shaved. He was a vain man, generally austere, and he had the bearing of an Austrian archduke. He was prouder than the Kaiser, and even when he did not have a dime, he could not be made to admit that he was otherwise than prosperous.

We entered partnership on a sixty-forty basis, but I think Mr. Pretzfelder was a little dubious over the arrangement until I worked what he regarded as a miracle. He could not afford a telephone, and increasingly that fact was causing him embarrassment. I learned that the telephone company was prepared to install a pay station above the ground floor in our building. So I negotiated a deal with the agent whereby this pay station was installed in our office, with a sign in the hall indicating its location and we experienced the further glory of having the firm name listed in the directory. With that telephone Simon Pretzfelder achieved something as satisfying to his dignity as his whiskers. Without wasting a moment, he had cards printed that bore in bold type our telephone number. Thereafter when he handed out a card he would say, "And please note the telephone number."

Mr. Pretzfelder lived in a brownstone house, and in his pride in this he had become adroit at working into the most casual conversations references

to his "residence property." It was not until he was dead that I learned he was not the owner of that house, but was merely its tenant. Whenever we placed a loan and earned a commission his conversation became studded with references to a "huge commission," and he would talk expansively of jewelry he was thinking of buying. For a while I did not understand that all this was to Mr. Pretzfelder's ego what that brownstone façade was to his house. I really continued to think of him as a man of large affairs until one day in Park Row. Business was dull, and he implied that he was going to get some money from the bank. He asked me to wait outside for him, but I failed to understand and followed him into Clark Brothers. This small firm of private bankers some years ago went to the wall with a bang. I was standing at Mr. Pretzfelder's elbow when he wrote a check. The day was October 20 but Mr. Pretzfelder on his check wrote December 20. The bank, for a fee, was permitting him to kite a check. When Pretzfelder discovered that I had observed this his face grew red until the tint of his beard was changed. He was so dreadfully humiliated as to be downcast for several days; and, in sympathy, I felt badly, too.

When we were prospering we would celebrate the completion of a loan transaction by riding on a horsecar up to a point near the Bronx River. There was a beer garden there that served steaks which Mr. Pretzfelder, after years of research, had decided were the best in New York. With our din-

ner we would drink more beer than the human anatomy was designed to hold. If Mr. Pretzfelder met an acquaintance he would clear his throat and then rumble an explanation that I was his assistant; but if I looked straight at him he would amend the introduction to say that I was his "young partner." What with Mr. Pretzfelder's beard and background when he said "partner" he seemed to say "bartner."

My recollection is that my share of the profits of our loan-brokerage business in the first year was about $1800; and in the succeeding years the profits rose until in 1898, when we dissolved partnership, we had divided between $8000 and $9000. I was well fed, better dressed than formerly, and in other ways had been spending freely. Nevertheless, I had in the bank about $2000. Over in Brooklyn, at 118 Clinton Avenue, there was a narrow, vacant lot in an unrestricted section. I decided to buy that lot and erect on it an eight-family apartment house. That was really the beginning of my career as a builder.

2. Apartment Houses and the Sears, Roebuck Building

As a builder I got from my business the sort of heart-pounding excitement that some men get from watching horses race. In fact, each project that I undertook was a race in which I matched myself to win against the unnumbered, hidden things that rise to frustrate any builder operating on a shoestring. Always I was trying to get my building up, complete, two or three months before October 1. That is the day of madness in New York and Brooklyn, when vast swarms among the millions change their dwellings, as if in response to some unspoken urge like those that seem to govern social insects. At any rate, the builder of a new apartment house who fails on moving day to get his share of those rent-paying human bees is out of luck and usually winds up in the bankruptcy court.

My recollection is that I had about $2000 when I began my first building. I had negotiated a loan of about $7000, to be handed over bit by bit: when the framing was complete, more when the brown plaster had been spread upon the walls, still more when the fixtures were in. I nursed my cash with the utmost tenderness to pay the brick masons, car-

penters, and others who wanted their pay every Saturday. As best I could, I got stretches of credit on materials. I finished well on time; but I was far behind on sleep and taut with worry. Nevertheless the worry ended when my tenants moved in and I could be sure that I had worked that miracle of business, of producing something that earned money. There were eight apartments and the average rental was forty dollars. Therefore, the gross annual rent was $3840. Such a property was not hard to sell. I sold mine at a profit of about $5000. As a means of unwinding my nerves I sailed for Europe.

The scene of my next building adventure was Columbia Heights, a part of Brooklyn Heights which rises above the bay across from Wall Street. For generations piled on generations, the region had been the dwelling place of proud old families whose names, many of them Dutch, were interwoven with the early history of New York. I saw how close it was to Wall Street and began to hunt there for a site on which to build an apartment house. By then the Heights for some time had been changing in character. Numerous families with wealth had moved to New York or deeper into Brooklyn, to the Prospect Park section. I picked up a twenty-five-foot lot, and the plans that an architect made for me I filed with the superintendent of Brooklyn's building department. What I was going to build was a seven-family apartment house; but that scheme of mine was most distaste-

ful to the Tories of the Heights. They did not want their neighborhood defiled by multiple dwellings, and they had influence.

I was told by the city official that my building would have to have wider staircases. I had the architect attend to that. Then I was told that I would have to provide not only wider ones, but more of them. Other changes were indicated, and some were quite unsound. When I became sure that this was all part of a game to dissuade me from building an apartment house, I got very mad. I have forgotten now just who it was that gave me advice, but it was good. To the building superintendent I said, "I have made up my mind to do one of two things. If you approve my plans as drafted by my architect, when the building is finished I will fill it with single-floor tenants who will be a credit to the neighborhood. However, if you persist in requiring unreasonable changes, I will follow your requirements precisely; but I will put more apartments on each floor and I will fill those apartments with less desirable tenants."

A few days later I got the permit to erect my building.

When I had applied to the Title Guarantee & Trust Company for a loan, I had been told they were not making building loans; but I had been advised to go across the street and see a man named Venette F. Pelletreau. There had been no trouble getting the loan from him, but the first of my friends to hear that Pelletreau had put money into

my project uttered a moan and clapped his hands to his head.

"If you are even a minute late," this friend had warned me, "he will crucify you. He'll take your house and land." As a matter of fact, I came to know that Pelletreau was rather cheerful about it when the failure of some builder to whom he had made a loan enabled him to pick up another equity. However, despite his legendary ruthlessness he always treated me well, and we became friendly. Indeed, I used to enjoy a great deal the privilege of sitting in Pelletreau's office talking shop with him and with the other builders who were generally to be found there. In that time the New York mechanics-lien law was not the powerful instrument that it is today. The subcontractors on a job, in order to protect themselves against a possible failure, would get from an owner, from a building operator, an order on the maker of the loan for direct payment of the money due them. In consequence, there were always a number of subcontractors loitering there for the instant when they might be entitled to collect a bit of money from the lender, Pelletreau. The place had the atmosphere of a small bourse, and many deals were made in the office, both in actuality and in fancy.

One particular day that I remember I had entered Pelletreau's office, leaving in the outer room a great tub of a man named Mike Shevlin. He was a plumber, a Gargantuan fellow who once had told me that his pleasure in eating thick steaks and

drinking wine went deeper than his palate. Placing his hand in a heavy caress upon his vast midriff he had said that more than swallowing he loved to feel champagne trickling into his stomach. This was the one, this plumber, who pushed his head through Pelletreau's door to interrupt our talk with what began as sarcasm and ended as a roar.

"For two mortal hours," he said plaintively, "I've been sitting out here listening to talk of real-estate trades and building deals involving hundreds of thousands, of millions." As he passed a hand across his bald head, it was as if he tried to wipe away some of his feeling of impatience, and that was when he burst into a roar, asking, "And now I'd like to know if a poor plumber can collect in real money two hundred and thirty dollars."

I was sometimes spread so thin in those days that I was hard pressed to get even less than two hundred and thirty dollars in time to save my neck, which is to say, my equity. But I was always rather more concerned for the safety of borrowed funds than for my own. At the time I did not realize that this was the operation not only of a conscience but of a sound policy.

One day on that job I had a visitor. I heard the clatter of a team, and when this stopped out front I looked, from the third floor, downward through the skeleton of two-by-twelve framing into the street. Beside the mound of bricks and pile of sand I saw a pair of bony nags harnessed to a shabby two-seated phaeton. I saw the driver wrap the lines

around the whip socket and then get down; he knew those elderly beasts of his would never run away. In a little while the man's head appeared at the top of a ladder near where I stood. The hard fabric of his derby hat was broken, and in its curled brim was an accumulation of dust. From his exertion in climbing up my ladders his complexion was almost purple-red, and his whitish mustache was moving in a tempest of quick breathing.

"You're Horowitz? Louis J. Horowitz?"

"Yes." Inside my mind there swelled a notion that he had a summons for me, or something like that, but I was wrong.

"I'm Bolton," he explained. "William C. Bolton." I recognized him then as a druggist whose pharmacy at Fulton and Clinton Streets continually was flamboyant with sensational sales of a varied stock. I confessed I knew him.

"Don't you ever need money?"

"Sure. I often need money."

"Well, I have been thinking I might back you. I've lost money lending to other builders, but I'm crazy enough to take a chance on you." I asked him to tell me on what basis he thought we could get together. I saw at once that he was far less experienced than Pelletreau in moneylending, but the proposition that he stated was a tempting one. He said, "My idea is that I'll put my name on the back of your note, so that you can borrow whatever you need. For that I want half the profits."

"That suits me," I said, and that was the begin-



Louis J. Horowitz and Miss Mary E. Decker who subsequently became Mrs. Horowitz (1896).

ning of an unusual partnership that enabled me to expand swiftly.

In all his behavior, in dress, in eating, and in business Bill Bolton was consistently sloppy and erratic. You never could guess what he would be wearing until you saw him. He was likely to go without an overcoat in winter only to appear in one when the days grew warm and merchants were sacrificing such garments. He bought his straw hats in October when they could be had for ninety cents, but he would make one last him for several seasons until it was the color of dirty hay. He had several stores, but in his biggest—that one at Fulton and Clinton Streets, where there were twelve or fifteen clerks and a fancy soda fountain—the aisles were formed of merchandise; there were trays of tooth-brush bargains, of patent medicines at reduced prices, of sugar, hot-water bottles, and sacks of dog biscuit. Often as I talked with him his hand would be fumbling in one of those sacks and his jaws crunching on dog biscuit.

One day when I went there to have him endorse another note that I intended to take to the bank he was struck with a thought.

"Why should the bank collect that interest?" he asked me. "I've got the money here. From now on I'll collect the interest."

Thereafter I got the money directly from him, but I had the devil's own time doing business with him in a businesslike way, because in the disorder of his old roll-top desk he would lose the notes I

gave him. Months after a transaction was concluded he would come across one of these old notes and ask me sharply, "Have you ever paid this one?" I always had a record with his signature on it. Actually I had to take care of him in our dealings, almost as if he had been an infant; but there could be no doubt as to his ability to make his stores return a profit. He acquired an interest in the Riker Stores and in Rexall Remedies. Eventually these, as well as the Bolton Stores, were absorbed by the Liggett chain of drugstores.

On each Friday I would go to Bolton's main drugstore to tell him how much money I would need for my payroll on Saturday, and on that day when I came (within an hour of the time to pay the men) probably he would have forgotten how much I had asked him to provide. Juggling a dog biscuit as we stood close to where the soda water was hissing into bulging glasses of chocolate bubbles, he would ask me again to say how much I needed.

"Two thousand dollars? Just sit down there a few minutes; I'll make it for you; I'll take it in over the counter."

That was his stock jest.

I was living and dressing well. My trouble was that I worked all the time: Saturdays, Sundays, holidays; morning, noon, and night. I had hired a small office in Montague Street, so as to have a place to receive prospective tenants. If I had an engagement in the evening with Miss Mary Decker,

whose mother required her to be home early, I would take my leave of her and go back to my office. A friend of mine, a free-lance accountant named Harding, who worked for me at night, probably would be there when I came.

When the Columbia Heights building was finished and its seven apartments rented I sold out for a fancy figure, $125,000. I had named the house the Riverview although it had no view of the river; but the name was no more misleading than the fine-sounding selling price.

After long hours of trading, the purchaser had said: "All right, I'll pay you $125,000; but for $45,000 of it you must take an apartment house I own in Hoyt Street."

I knew his Hoyt Street tenement was worth less than $45,000, but by the time we had adjusted some mortgages I had paid off all my obligations and had for myself some profit plus the equity in the tenement which sheltered, poorly, seventy-five or eighty families.

Then Pelletreau said to me that he had liked the way I handled that Riverview operation and that if I wished to undertake a still bigger one he would arrange to let me have a larger building loan. I made a trip to Europe again, and when I came back I had a scheme for a more ambitious project, for an apartment house at Pierrepont and Henry Streets in Brooklyn. I remember I paid $65,000 for the land, and then I made a further building loan; and in Bolton I had a reservoir of cash from

which I would be able to get further loans as I needed the money. But even this was not enough to let me sleep through the nights.

As with my other jobs this was a race to get a structure ready in time for the renting season. Today that apartment house may be seen from the harbor as a dwarfed panel of green in the Brooklyn skyline, but when I was erecting it the Florence Court (named for Pelletreau's wife) pretty well dominated the skyline. It was a daring enterprise for a youth of twenty-three. How I hated then to have part of my small wealth tied up in a shabby tenement house!

One day when I was standing in front of the excavation in which Florence Court would rise, I saw a woman, clad in what was called a wrapper, running toward me as if pursued. She was beside me gasping for breath and plucking at my sleeve, when I recognized her as my Hoyt Street tenement's janitress, Mrs. Schlenker.

"A fire in Hoyt Street!" she gasped. "I discovered it in the basement! I yelled for the other women, and with pails of water we put it out!"

Mrs. Schlenker paused to receive my gratitude. I was morosely silent as I thought of the very full coverage of insurance on that old building.

"But for me," said the janitress, holding down her heaving bosom with reddened hands, "right at this moment you would have no flats in Hoyt Street. And the running to tell you! A mile or more."

"Mrs. Schlenker," I said, turning away from her, "all I have to say is that you have been too damned energetic."

There was a tragic reverse in store for me even as I completed with entire success the renting of the Florence Court's twenty-eight apartments. This had been a stride four measures longer than my last; there had been but seven apartments in the Riverview. One day, just about the time I was sure this new and bigger apartment would be a money-maker, Charles McLaughlin came to see me. He was one of the firm of McLaughlin Brothers, toy manufacturers. Sometime previously I had learned that much of the money lent to me by Pelletreau actually belonged to Mr. McLaughlin. He was a fine type of man, so I was flattered when he revealed that, having bought a building called the Argyle, he wished to have me supervise some alterations.

The changes we discussed would have cost about $60,000, but as I explored the project more thoroughly I came to the conclusion his plan was inadequate. A little later I put my plan before him.

"How much would it cost?" he asked.

"About $120,000."

In the silence after that I saw a change in his expression and fancied he must be thinking I was trying to lead him into larger expenditures simply in order to earn a bigger fee. I was very sensitive.

"Listen, Mr. McLaughlin," I said quickly, before he had a chance to voice a thought that would

stab deeply into my pride, "so that there may be no question of good faith on my part I would like to take a half interest with you in the Argyle." I could see the muscles around his eyes relax at that. He even smiled; and then he said, "That will be satisfactory to me."

Nothing more was said or done to bind the partnership.

I proceeded to carry out the alteration of the Argyle with such enthusiasm that the total bill was nearly $135,000. The upstairs quarters were converted into handsome lodge rooms for the use of various fraternal orders; downstairs was a restaurant. Little as Mr. McLaughlin knew about the handling of that kind of a building, I found I knew even less. In the course of months I came to realize that I was a partner in an interest-devouring failure. However, nothing more had been said or done with respect to our partnership beyond that single discussion in the beginning of the project. Should I choose to evade it, there was no possible way for Mr. McLaughlin to force me to bear my part of the loss. When a year had gone by, the holders of the first mortgage were moving, step by step, toward foreclosure. There could be no doubt whatever: all our equity in the Argyle was about to vanish. Day after day went by, but I seemed unable to screw up my courage to the point of reminding Mr. McLaughlin that half of the loss was mine. I had been preparing to be married, and I knew that the Argyle failure had swallowed up,

twice over, everything that I had made as a builder. I was sick about it. Then one day Mr. McLaughlin spoke to me.

"Remember a conversation we had about a year ago? You said you were going to be a partner in the Argyle."

"I remember."

"My mind is not clear whether the extent of our partnership was discussed between us."

"A half partnership was what I had in mind," I told him.

"What do you propose to do about it?"

I had just sold Florence Court and had accepted in part payment some vacant lots on Ninth Avenue in Brooklyn. In the protean way of my craft, I had slipped my various possessions into the transaction so that practically my entire fortune had taken the shape, for the time being, of those Ninth Avenue lots. Of course, I had known that it would be easy to raise money on them and I expected they would increase in value.

"Mr. McLaughlin, I am humiliated," I said, "because I did not have the courage to speak first. I want to be sure now that I will not again have the choice of turning coward. Please instruct your lawyers to draft a mortgage on my Ninth Avenue lots for an amount representing my half of our loss."

By that action I cleaned myself out. Of course, while I was practically empty handed, marriage was out of the question, or so I felt, and if you could have seen Miss Mary Decker you would ap-

preciate fully just how much anguish this threatened postponement was causing me. I felt driven to make greater efforts than ever before to win back what I had lost. In the meantime, as my credit and my friendships were unimpaired, I was able to go ahead; Bolton and Pelletreau were still willing, even eager to make loans to me. I had built the Montague Hotel with Bolton as my backer. When I proposed a still bigger apartment house, one of possibly twelve stories, he agreed to furnish the money. What I planned became the Tourraine on Brooklyn Heights. It seemed to me this was too much of a building operation for a one-man organization, so I retained a virile young company of builders from Manhattan, the Thompson-Starrett Company. I think we had no more than started to sink the foundations when I caught a cold—a bad one. It seemed to settle deeper and deeper into my body; but I had no time, I felt, to nurse it. I got up much too soon.

Despite the solemn warnings of my friend Bolton, I worked morning, noon, and night, supervising the erection of the Tourraine, and on several smaller jobs. I would not take the time to eat regularly nor to sleep so long as would have been wise. I was angry with myself because I had less energy than I required.

I remember when I was in the doctor's office to be told his diagnosis; it was my second visit. As he stood near the chair where I sat, his face was averted from mine. I had no chance to try and

read anything in his sharp and expressive eyes. The backs of his hands, even the backs of his fingers, were rich with dark hair; they were at the level of my eyes because he was holding them behind him, wrestling them in a furious struggle. On my previous visit those fingers had been still enough; I had observed them delicately holding against my ribby chest the shining nickel end of his stethoscope. I had watched those hairy knuckles as they tapped, as if at an inhospitable door, against the ribs below my heart. This time, however, I had my clothes on, but suddenly I was thrown into a spasm of coughing. That was when the doctor turned around.

"Young man, I won't mince words with you," he said. Beyond him on the wall I could see in a mirror the reflection of my cadaverous head: sunken cheeks, eyes darkly shadowed by brows. The doctor's own face was ruddy with health. He was about forty but in his manner quite paternal under an assumed brusqueness. "No," he repeated, "I won't mince words with you: you are a man with affairs to be put in shape. You have quick consumption."

I do not think I quite realized for a minute or so that the doctor felt that he was condemning me to death. I was watching a pair of buttons set above the tails of his morning coat. They were like round, miniature checkerboards from the pattern of the silk that tautly covered them.

When he turned to face me again I could see

that he had prepared himself to shoot another sharp arrow of fact into my mind. He was a busy diagnostician, with so many patients coming to have him read their pasts and futures that he could not, in justice to the others, be liberal with his time to one.

"You are likely to go off in six months," he said.

I found a kind of anesthesia for the pain of what he was revealing in my quick conclusion that he was trying to scare me into accepting a strict regime of living. Nevertheless, I went out of his office into a street of private brownstone dwellings on the West Side of New York with a sensitive alertness that others passing and walking near me probably held within their minds some bits of knowledge not unlike that dreadful secret of my own. When the emotion is strong enough one can stir up swiftly from the bottom of the mind all the philosophy of one's ancestors. I was saying to myself before I crossed Brooklyn Bridge that, after all, life is simply the interval between two eternities. My mother, at twenty-seven, had been dead from tuberculosis, and I was twenty-five. What did it matter? Well, actually it mattered a hell of a lot. I went to the Brooklyn Board of Health and asked them to make a microscopic examination of the contents of a bottle I gave them. I was acutely conscious as I did so of my fingers touching the cold bottle, of my feet against the floor, of my breath in my nostrils and other evidences of being alive. A few days later I had proof that Dr. Alt-

schule knew what he was talking about; an impersonal report from the Board of Health testified that tuberculosis bacilli had been found in that bottle. So I returned to Dr. Altschule's office; this time in search of hope.

I began to nag him with questions.

"Has anybody ever recovered from tuberculosis?"

"Oh, yes; there are cases, plenty of them, perhaps. But in your case I can find no excuse to be encouraged. You let it go too far before you asked your questions."

"Tell me about those who have recovered. What did those people do?"

"Listen," he said, "the whole battle is between the bugs and your ability to build up resistance to them."

"How do I accomplish that? What must I do?"

"Get plenty of fresh air; for that, when you are stronger, go to the mountains. Eat; eat enormously and rest slothfully."

"Anything else?"

"Take creosote in a way that I will prescribe to further handicap the bugs; they hate it. The trouble is that creosote will tend to destroy your appetite, so that you won't eat enough."

"I'll eat enough," I promised him.

"All right," he said. "Eat big, rare beefsteaks. Drink ale and stout. Eat, eat, eat!"

So I began on a schedule of five and even six meals a day: breakfast, then a second breakfast, a

luncheon, afternoon tea, dinner, and then a supper before bed. I enjoyed the eating so much that I simply could not accept the notion that I was going to die. But the creosote was vile.

Bill Bolton was deeply touched by my plight, but to cover up his feelings moaned about the awfulness of the situation my illness had placed him in. When I showed him a prescription written by Dr. Altschule he would curse and growl. "That damned horse doctor! He'll kill you with this creosote. If you die I'll be in a hell of a pickle with a couple of hundred thousand dollars tied up in half-finished apartment houses that will never rent. You ask that doctor if I can't put this creosote foolishness of his into capsules." The doctor did not object; he just increased my dose of creosote. The way I knew that Bill was feeling badly about me was because he was giving me the medicine free of charge. For Bill that was an extraordinary concession.

Somehow, with plenty of food, with regular sleep, with medicine, and other helps I began to mend, to repair a little of the damage done to my body by too close application to the herding of the thousand tasks of my building operations. It had been a ceaseless effort to keep them from breaking into a stampede of frustrations. Ill though I was, the Tourraine became a successful operation; and when the rest of my affairs were in pretty good shape, but with myself still hollow-cheeked and yellow, I sailed for Europe. I went to Bergenstock, to

a sanatorium high up in the Swiss Alps. I was fairly sure by then that I would not die, but I supposed that in what remained of my life there would be no further room for business or romance. So, in 1902, aged twenty-seven, I figured my career was ended. Yet, one year later, at the end of spring 1903, I came back to the United States cured. That was when my life began, when I was twenty-eight.

For their great adventures, some men embark on ships that carry them far off to the other side of the earth; setting out on mine, I simply went on a ten-minute ferryboat journey from Brooklyn to Wall Street and, when I landed, had reached my scene. Frank Bailey, who is now my neighbor in Locust Valley on Long Island, and to whom I shall never cease to be grateful, was responsible for that trip that was so momentous, as I never tire of telling him. Bailey was at the head of the Title Guarantee & Trust Company's Brooklyn office, as a sort of Eastern emperor of that business of which Clarence H. Kelsey was the Western ruler, in New York.

Bailey had asked me to come to his office. By then, I was cured, married, and out of business harness, so I supposed, for life.

"But you can't retire at twenty-eight," protested Bailey. "You'll quickly lose your grip and go to pieces. And I know precisely what you ought to do! Since you went away, Kelsey has gotten us into the Thompson-Starrett Company. It is a mess. They are good builders, but they seem unable to

handle financial matters. With two or three hours a day you could keep them on an even keel, make them keep their money fluid. You go see Kelsey; he'll be expecting you."

I would not let Frank Bailey commit me, but I went over, as I said, and when I met Clarence Kelsey I began to want the job. He sat behind a roll-top desk that was littered with papers to the level of his warm brown eyes. Afterward I was to discover that three-fourths of that litter generally had to do with Yale University, Hampton Institute, and Tuskegee; the rest of it was likely to be concerned more directly with the Title Guarantee & Trust Company. At that time—December, 1903—Kelsey wore a beard that was just beginning to turn gray. His clothes were gray, quite somber. Somehow, he was so gentle and so nice that I quickly felt a yearning to know him better.

In those days I was proud, independent; and aggressive to the point of being fresh. With anyone less gentle than Clarence Kelsey talking to me as he did, probably I would have flown off the handle. I think my disposition would have been to blurt out, "I'm not trying to sell you anything; I thought it was you who wished to sell me the bill of goods," and then stalk angrily out of the office. But Kelsey made me much more tolerant; he was considering with care lots of factors in the situation that, in my previous experience in business, never had received the least attention. He was talking of the great opportunity for usefulness of the Thomp-

son-Starrett Company. He told me of its directors' wishes, and when he mentioned E. T. Bedford I sparked just as a magneto does, as I thought with excitement, "The Standard Oil man!" Kelsey was showing me a new vista of life, of business; and my reaction was somewhat, I imagine, like that of a freshman having his first conference with the dean of his college. Oh, it was grand! And I say at once that during years of association with Clarence Kelsey my feeling of being thereby privileged never lessened; it increased. On that ferryboat journey I had, indeed, crossed a wide river.

About the first thing he had said to me was, "You and I, Mr. Horowitz, are talking just informally about this matter. If anything is to come of Mr. Bailey's suggestion, it will have to be at the request of Mr. Theodore Starrett, because he is the head of the company. We will not impose any arrangement on him." Then I saw Theodore Starrett, an excitable genius, and he seemed glad to see me, because he said that I could give him freedom to attend to buildings by handling for him what he detested—all mortgage matters and other details of finance. So I went with the company, nominally as assistant to the president, at a salary of $2500.

Most of the company difficulties at that time were due to the fact that its profit-and-loss account was on the minus side and its assets were frozen; it had tied up a whole lot of its capital in operations into which it never should have ventured. In building the Union Station in Washington for

the Pennsylvania and the Baltimore & Ohio Railroads, granite had been needed. Instead of contracting for it Thompson-Starrett had undertaken to develop a quarry up in Vermont. Aside from the bad effect of this on all material men, it was foolish for the simple reason that no one in the concern had known anything about the quarry business. Through a natural anxiety to get business the company on several jobs had agreed to accept, in part payment for the building, painfully slow-selling junior securities. There was plenty of work for me to do in clearing up these situations, but one of the first things I tackled was a problem growing out of the ownership by Thompson-Starrett of a plot of land at the Southwest corner of Madison Avenue and Forty-second Street where the Union Carbide building now stands. On it, then, besides some untenanted houses in a state of decay, was a mortgage for more than $1,000,000. That particular asset was eating up $80,000 or $90,000 a year. I was horrified. It was explained to me that it would be a wonderful opportunity for the Thompson-Starrett Company to clinch a fine building contract when a boom started as soon as the new Grand Central Station was erected. I continued to be horrified and undertook to do something.

I concluded that the proper thing would be to tear down the old structures and on the site build a one- or two-story taxpayer to be leased for a five-year term. I had sketches prepared and also figures which showed that by this means we could carry

the property from then on almost without loss. Probably it was in the same week that, on my own initiative, I hustled to close a contract for a small job. Then there was a meeting of the finance committee of the board, and with the briskness of a terrier I reported on this contract. I was proud of it.

E. T. Bedford held his watch as Clarence Kelsey spoke. Mr. Bedford always held his watch, and with it weighed the importance of each thing that he did.

"Probably, Mr. Horowitz," said Mr. Kelsey in a gentle reproof, "it is because you are unfamiliar with corporate procedure that you committed the company before consulting our committee. That is the way the present management got the Thompson-Starrett Company into the difficulties from which we are now trying to extract it."

"But, Mr. Kelsey," I protested, "it would be utterly impossible for me to be effective here if I were required, before making any decision, to have a town-hall meeting. The truth is that you gentlemen cannot know anything about these matters; but if I make too many mistakes you will soon know about them, and you will know how to deal with that situation. I have great respect for your judgment, but—" Without realizing it I was being brash, almost impertinent. I saw Kelsey look at Albert Boardman and saw Boardman look at Mr. Bedford, who in turn looked twice at the face of

his watch and once at me. They concluded then to give me some scope to exercise my judgment.

"Now," I said, "I have something that does require your consideration," and I proceeded to outline my scheme for a taxpayer on the property near the proposed Grand Central Station. In concluding I said, "I would therefore like to have you authorize the spending of $150,000 to build this structure, and further I want you to approve the leasing of it for a five-year period." That was when Mr. Bedford broke in.

"The Standard Oil Company lost a chance to sell a piece of property at a profitable figure through just such a lease as that. I say No to the five-year proposition."

"Listen," I commanded with such impudence as makes me blush right now, "because my grandfather died in bed would you say I must never go to bed? We can't hope to get a reliable merchant to rent that property unless we give him at least five years. Only a fool would hazard his business with a lesser term." I was full of argument.

"I have two more minutes," said Mr. Bedford, "but I want to say that I like the way you reason and I agree with what you say. I move we spend the money for your taxpayer and I approve a five-year lease."

I had so fortified myself with facts and figures that I felt I should burst if I did not show off further. So I said, "And there is another reason—" but Mr. Bedford interrupted me, and because he

tapped his finger on the watch face it was as if he used two voices to reprove me.

"Young man," he said, "once I submitted something to my executive committee and gained their approval, and then I continued to explain my reasoning until I talked them out of it. You have from us what you want. I suggest that this is a good point at which to drop the discussion."

I dropped it and never afterward forgot his lesson in salesmanship. Incidentally, when the five-year lease expired Grand Central Station had been built, and we sold the plot to Fred Johnson at a profit of $250,000.

We had a grand organization for putting up a building. One of the best men in it was the vice president, grouchy Jim Dinwiddie, a lank man of six feet two. He had a unique talent; there never has been another possessing his almost clairvoyant power of taking a sketch of a building, before the plans and specifications have been made, and then of seeing as in a vision everything that would be required in the finished structure. In one of his pockets where he could reach for it, quicker than a frontier bad man going for his gun, Jim Dinwiddie had a book that, with the aid of a slide rule, helped him do fast figuring. He would deal with a square foot of floor construction, taking in the steel, the arch, the plaster, and the floor finish. He had worked out these units in combinations for every conceivable kind of structure an architect might, some day, feel inspired to design. As soon as he had

seen a sketch Jim would make a lightning calculator's "dope" estimate. Astonishingly, rarely was there as much as a difference of two per cent between his "dope" estimate and the real one that would be prepared after weeks of work by many men bending over their desks in our establishment.

On a big job, an estimate, properly prepared, will have fifty or sixty pages where costs are broken down into the most minute detail. We came to have in our estimating department numerous, well-staffed divisions, each headed by an expert in some special field; marble, steel, plumbing, heating, electricity, masonry, and others. Because that part of our organization was well developed, we never had to depend on the less reliable figures of subcontractors to know the cost of anything from plumbing to terra-cotta tiles.

My own mind is gaited for figures and when I say that Jim Dinwiddie's gift transcended what I call normal, I am not exaggerating. Our estimators would bring to him one of their impressive catalogues of carefully sorted facts, the specifications for some big job, and Jim would send his eyes swiftly up and down their columns of figures—excavating, steel, and plumbing. Suddenly he would stop, glare, and tap his bony index finger on a page.

"Something wrong about this!"

"Now, please, Mr. Dinwiddie, we—"

"There is something wrong! Dammit! Go back and check them over!"

When the figures were checked over a mistake would certainly be uncovered. It was a feeling, almost a thing of the senses—as it is with a musician whose blood runs cold when he hears a sour note. But it was more practical than that, as if with a mother who saw in the family budget the disproportion of a contemplated purchase of ten pounds of meat and beside it one for four pounds of pepper. The two are out of balance; and so it was when Jim Dinwiddie focused his brain on some building-job estimate. His irritability was an expression of his impatience because other brains were not geared to keep pace with his. On the most involved calculations he got to be as quick as lightning, eventually, through his skill with that puzzling instrument, the slide rule. Yet we almost had to keep our figure wizard shut off by himself, so likely was he to get in a temper.

Once John D. Rockefeller, Jr.'s office telephoned and requested an estimate on some alterations on his father's Pocantico Hills house which we had built. Gruffly Jim replied, "We're much too busy to fuss with an alteration," and snapped his telephone receiver back on the hook. Years of effort thereafter were required to win the Rockefellers back to Thompson-Starrett.

Jim's brother, William Dinwiddie, was another star of our organization then. He had no trace of grouchiness. Like his brother he stood in his socks two inches taller than six feet, but he was strong as any man on the jobs he bossed. Bill weighed

about two hundred and ten pounds and every ounce of him was energy and muscle. On any contracting job he was a wonder. It was not uncommon for him to work forty-eight hours in a single stretch; sitting at a desk, smoking, planning. Bill Dinwiddie was Theodore Starrett's brother-in-law, and he was chief of our important branch in Chicago.

I had not been working with the organization very long when we learned that Sears, Roebuck & Company rather suddenly had decided to build a new plant on the West Side of Chicago. So I went out there to help land that job. Rather soon after my arrival I succeeded in getting an appointment to see Julius Rosenwald and William Loeb.

Beyond the $4,000,000 estimate their architects had given them Mr. Rosenwald and Mr. Loeb had no information at all; no plans, no specifications. However, they had their site and they wanted the plan; indeed, they wanted it as of yesterday from the time of starting. Well, at this time, about February, 1904, Thompson-Starrett was a comparatively new concern. It had been organized in 1900, and there I was trying to take this contract away from some much better known building concerns in Chicago.

Mr. Rosenwald watched me through his glasses as I talked to him; he was relaxed in his chair and I knew I had his attention. I told him how we were organized, how much experience Dinwiddie had lived through, how useful that would be on the

Sears, Roebuck project; how careful we were in buying materials. I believed implicitly in the Thompson-Starrett Company, and I feel sure Mr. Rosenwald was impressed by my sincerity.

"Now, Mr. Horowitz," he said at last, "I have listened carefully to what you have had to say, but, frankly, I am confused. Before you came in here I talked with the head of a firm competing with yours; while he talked I was persuaded that I could not do better than to give the contract to him. The head of a third firm of building contractors is waiting outside" (Mr. Rosenwald picked up a card that a secretary had placed on his desk), "and I feel pretty sure that when I have talked with him, he will have persuaded me that his firm is the best. I have got to be satisfied with one of you and I really do not know what to do."

I was burning inside with a white heat of enthusiasm, and out of that combustion in my spirit there came a flash of selling inspiration.

"Now, Mr. Rosenwald," I said, as softly as a spider attaching its web, "I understand your confusion. You've never seen me before in your life, and I am asking you to give me a $4,000,000 job and a fee of $250,000. That fee is what brings me here; there can be no question about it. Of course, it is also true that I feel deeply that in earning that fee your interest will be served, but you have no way of knowing whether I am not simply talking glibly.

"So, I am going to make a suggestion whereby

you will not have to take me on faith; instead, I will take you on faith. I am sure if you could believe that what I say were true, that we are as good as I have been telling you, you would give us the job."

"Yes," said Mr. Rosenwald in a tone so low I barely heard him.

"Very well," I said, "my proposition is that we will put up your $4,000,000 building and charge you for our fee just one dollar. After the job is finished you, and you alone, shall determine whether we have earned $250,000 for our services. I am not willing that you be permitted to determine the amount of our fee. If we are as good as I say we are worth the $250,000, but you shall be the one to determine whether we get it—when the job is finished."

"Do you mean that?" Mr. Rosenwald's swivel chair spring creaked as he sat up straight.

"That is precisely what I mean."

"You leave the room for a minute; I'll talk this over with Mr. Loeb."

It was more than a minute; it was more nearly half an hour of such suspense as nearly had me frantic before I was summoned back into Mr. Rosenwald's presence. He said, "We have decided to have you do the job. However, instead of one dollar we are going to make the fee $40,000, because we are informed that it is a stronger arrangement legally if the fee arranged for is a substantial

one. Nothing in our contract is to refer to any further compensation."

That was the contract with which I returned to New York, and when Mr. E. T. Bedford heard about it he inhaled deeply before asking me, in a tone like thunder, "Young man, can you afford to do business on a one per cent basis?"

I gave him an elaborate, a dramatic account of my talk with Mr. Rosenwald. Clarence Kelsey was impressed but worried. Mr. Bedford was excited, almost angry.

"When you are as old as I," he said, "you will have learned that you are doing extraordinarily well in business when you succeed in getting the other fellow to fulfill the scant terms of his contract with you. To expect him to do more is running after a will-o'-the-wisp."

"Mr. Bedford," I pleaded, "I made this proposition because of the character of Mr. Rosenwald. If we do our part he will keep his part of the bargain."

"Time will tell," said Mr. Bedford, frowning at his watch, "but if we should get our fee, we ought to have a flag celebration." His head was shaking from side to side as he hurried from the meeting.

3. The Thompson-Starrett Company

ALL FIVE STARRETT BROTHERS WERE STRANGELY gifted by blood inheritance as builders. The eldest, Theodore, was a genius. With swift strokes of a lead pencil, the artist in him could release on paper for other minds whatever architectural brilliance was shaping itself in his mind. His entire being seemed devoted to the nourishment of that instinct in which his family was so rich, for the creation of magnificent buildings. But his enthusiasms were as shifting winds, blowing hot one minute, cold the next.

When I had been only a short while with the Thompson-Starrett Company, Theodore leaned back in his office chair one day and said, "Louis, you are very smart."

I was about to thank him for the compliment when he added, "I am just wondering if you won't prove too smart for me."

I was shocked by the discovery of the company president's reaction to the work I had been doing. After a minute I said, "Mr. Starrett, you need have no concern. I have been through a mill in which boys learn loyalty. If ever there comes a time when

we have differences that cannot be reconciled, I will withdraw from the company."

Quickly his face was gleaming with a smile. "That's fine; probably nothing ever will occur—"

Every one of us in the company felt himself to be an adventurer. We visioned the cities of America rising to dizzy, gleaming heights. We dreamed of unshaped inventions that would become part of fabulous, mechanistic structures we were going to build. So, we had need of special aptitudes; I have mentioned the Dinwiddies; likewise each of the Starretts was a treasure of his kind. The youngest, Billy, afterward became the builder of the Empire State Building. Three of the brothers, Theodore, Paul, and Goldwyn, had spent years in association with Daniel H. Burnham, the architect who became one of America's greatest city planners. Ralph had worked as a builder with Theodore for years. Unhappily, Paul, the second of the five brothers, was a major force in the George A. Fuller Company, which was giving us our stiffest competition in New York and in Chicago. Theodore and Paul were not on speaking terms. I came to the conclusion that it would be a master stroke if I could bring Paul into the Thompson-Starrett Company. He was strong in certain points where Theodore was weak. I spoke about my plan to Theodore.

"You frequently cut Thompson-Starrett prices to beat Paul's figures, and then he cuts Fuller prices to beat you. This is unprofitable, and I am

sure it must be distasteful to be at odds with a brother. Paul is a fine executive, able and far seeing. Wouldn't it be wise to bring him into this company?"

"Maybe that's a good idea," said Theodore.

"If I have your permission, I will talk to Paul."

"Go ahead!" Theodore spoke heartily.

As go-between I found Paul receptive. During the negotiations Billy, Goldwyn, and Ralph hooted me. They said they would be delighted to have Paul associated with us, but they were as dogmatic as only brothers can be about such a matter when they said it would not work. They kept reminding me that Theodore was a prima donna.

Nevertheless I proceeded, happy in the thought of the future benefits of this double play; our own company was to be strengthened enormously, and our rival to be correspondingly weakened. I went back and forth between Paul and Theodore until an arrangement seemingly satisfactory to both had been planned. Then I reduced this to writing; Theodore read it in his office, Paul read it in his. There remained nothing more than the actual signing of this agreement before there was to be a big family celebration.

Billy, Ralph, and Goldy had approved the agreement, but they continued to be entirely without faith in my scheme. Despite their pessimism, I arranged an appointment for Paul with Theodore, so they could sign. The sun was shining that morning when Paul strode into our offices. I opened the

door of Theodore's office for him and, as Paul entered, Theodore rose behind his desk. He placed his hands on its glass top and put out his chin, saying by way of greeting, "You seem to have an idea I can't run this company without you. Well, you are damn well mistaken! That is all I have to say to you. Good morning!"

We had a grand supply of enthusiasm in our company. On the Sears, Roebuck contract, in Chicago, Bill Dinwiddie performed beautifully. Everything occurred according to schedule, with the result that the building was finished ahead of time. Sears, Roebuck had paid for the job, as we say, out of the till. That is, every thirty days we sent them an accounting of money spent on their behalf in the preceding month, for materials and for labor. We sent them also requisitions for what was to be done in the next month. Consequently, when the job was done what remained to be settled was simply the matter of the Thompson-Starrett Company's fee. The letter of Mr. Julius Rosenwald concerning this was brought to me.

He had written: "Your contract account has been audited and found correct. I enclose our check for $40,000, representing the fee of the Thompson-Starrett Company, as provided for in the contract we signed."

I am ready to admit now that my heart missed a beat or two right then, but I read further: "By a private agreement between us I was to decide, when the job was completed, whether you were

to have the full fee as originally proposed by you. Because your company did what you said it would do, I enclose another check for $210,000."

We had our $250,000 fee!

But there was another paragraph to Mr. Rosenwald's letter. He said: "Because you accomplished something beyond our expectations I enclose also an extra check for $50,000."

My faith in human nature remained unimpaired. With Mr. Rosenwald's letter I fairly ran to the office of Mr. Kelsey.

Mr. Kelsey was as pleased as if he had been my father, but he said almost nothing about the $300,000 fee. What he stressed was his pleasure that our organization had been able to discharge its responsibility to Sears, Roebuck to their complete satisfaction. Even from a cold-blooded point of view, he was right. This was demonstrated by other contracts that came to us as a direct result, but Mr. Kelsey really was an altruist.

Afterward I learned that unfailingly he set aside one-fourth of his income every year for philanthropic purposes. Money never was first in his mind. I know that when his co-directors chided him because he was not receiving his full share of profits, he resisted their arguments. But he was not widely understood. He had a reputation of being difficult to get along with; this was not justified, because anyone could get along with Clarence Kelsey who behaved according to his high standards. Although I was constantly going to him for coun-

sel, I spent a good deal of time winning him to my point of view. Once at a meeting of the Thompson-Starrett Company finance committee, I asked to have something to which they were hostile referred to a committee consisting of Mr. Kelsey and myself. He challenged me, saying, "You are going to come to my office now and persuade me, eh?"

"Right," I said. "You want to be persuaded, but not here in the meeting." It was his habit to turn down almost any proposition made to him if for no better reason than to bring out the favorable arguments.

Although I failed in bringing Paul and Theodore Starrett into harmony, in a different sort of effort to strengthen the company I was successful. On my representations, Mr. Kelsey and his associates put another $500,000 into Thompson-Starrett. We had powerful friends, and we were getting a powerful lot of business. Out in Cleveland we were putting up an office building for the Rockefellers. I remember it was in connection with that job I had my first meeting with John D. Rockefeller, Jr.

The Rockefeller executive who was representing them in connection with the building under construction was asking us to do something which we felt had not been included in the contract price. I was so sure of our position (the other man was equally sure of his) that I appealed to Mr. Rockefeller. Quite promptly an appointment was made. The other man was present. I had with me the estimate sheets, which clearly showed that no provi-

sion had been made for the work, but Mr. Rockefeller forebore to look at them. Instead he asked a few questions.

"We could not have foreseen that this work would be required," I said. "There is some ambiguous phrasing in the contract which gives color to the contention of your representative, but a careful checking of these figures will show that we did not allow for the work."

Mr. Rockefeller listened without moving. When I finished, he addressed himself to his subordinate, Mr. Bowers.

"Are you disposed to challenge Mr. Horowitz's statement that no provision for this work was made in the estimates?"

"No, but the contract puts another light on the matter."

"Is the contract susceptible to two interpretations?"

"Yes."

"On the evidence of your answers," said Mr. Rockefeller, fixing his eyes on the other man, "Mr. Horowitz is right. I rule that the Thompson-Starrett Company be paid for this work."

Since that time I have had a number of opportunities to observe extraordinary lengths to which Mr. Rockefeller, Jr., drives himself out of his conscientious regard for fairness and for all matters of principle.

A year or so after that first encounter, we contracted to make about $40,000 worth of alterations

on his house at 13 West 54th Street in New York. A small contract, perhaps, but we had the sense to know that potentially it was enormous. No item of that job was too insignificant to receive his personal attention. No matter what it was he would telephone us; generally he asked directly for the chief of whatever department would be concerned, whether plumbing, lighting, or masonry. Then he concluded that he would build a bay window on the second floor, and some additional figures were prepared. I arranged to deliver these to him, but I was not too pleased when I discovered he had fixed the appointment at his office at nine o'clock in the morning.

I arrived punctually, but he came in about five minutes afterward and apologized for being late; it had been the fault of the railroad. I asked him then why he was willing to come to his office so early on a hot August morning. Why not ten? or eleven? I suppose there was something in my tone revealing that what really mystified me was the fact that a Rockefeller should so haze himself.

"Mr. Horowitz, I made up my mind as a boy that I would not allow the fact that my father was a rich man to alter my idea of my own responsibilities and duties."

I gave him the figures.

"Are they all right?"

"Perhaps the sheet-metal man is taking advantage. He knows that there are no others available

for such a job right now. His figure is forty dollars or fifty dollars too high."

I expected Mr. Rockefeller to wave that aside as inconsequential. His family would be returning to the city in another six weeks. They would want to find the alterations completed. After all what was fifty dollars to a Rockefeller?

But Mr. Rockefeller's face was stern as he said, "That at once raises the question as to whether the bay window should be built at all."

Jestingly I asked, "Should not such a matter be determined by Mrs. Rockefeller's wish?"

"Of course, I will not ignore her wish, but there is something involved here with which I have to deal constantly. I do not want the fact of my father's wealth to change my outlook from that of other men who do not possess such wealth."

We talked further, and I caught a glimpse of that against which Mr. Rockefeller had the rare good sense to know that he was contending. He knew that there was that pulling at him which might sweep his feet from under him. He was defending himself and his family against being drawn into an unreal world where they would dwell alone. Ever since, I have had a profound respect for the conscience of John D. Rockefeller, Jr.

However, on that occasion I asked him to allow me, as one who had no inherited wealth, nor prospect of any, to interpret the normal point of view. We built the bay window.

When the Rockefeller residence was to be built

at Pocantico Hills I went again to see Mr. Rockefeller, Jr. We were not house builders; we concerned ourselves usually only with industrial building, but this was a tempting exception. There was close to a million dollars' worth of work in prospect, and besides we coveted the distinction of putting up the home of John D. Rockefeller. The son was to have charge. In presenting our case, I made the point that if we were given the contract on a fee basis, he could be sure his father would be getting one hundred cents of value for every dollar he spent, but that this might not be true of any other method of building the house.

"What you say impresses me very much," he told me. "Come back tomorrow at the same time and I will give you my answer."

He decided in our favor and we proceeded. One day our contract department sent over to the Rockefeller office a tabulation of bids for laying up a rubblestone wall. With it went our recommendation that the job be given to a certain Italian. Before long I was asked to come to Mr. Rockefeller's office.

"Mr. Horowitz," he began, "do you remember the reasons you advanced in support of your argument that you should be permitted to do this work for my father?"

"Yes, Mr. Rockefeller."

"Do you recall that you made a point of the fact that your company performed certain kinds of work without resorting to subcontractors? Do you

recall that you cited what advantages that carried with it in terms of economy and quality?"

"I remember perfectly. I have made similar arguments many times."

"Do you recall that you specified masonry?"

"Yes."

"Is rubblestone a part of masonry?"

"Yes."

"All this being so, how do you reconcile your recommendation that this work be given to a subcontractor?"

I explained that the Italian we wished to have do the work could do it for less money than Thompson-Starrett; further, that he had an exceptional skill with rubblestone, and that he had a following of Italian workmen who were the best artisans in that specialized field. I finished my explanation by saying, "Mr. Rockefeller, this is the exception that proves the rule. We made a careful survey of this situation, and money will be saved by giving the work to this man."

"Your explanation is entirely satisfactory. I was afraid I had been influenced by an argument that had no basis in fact."

I realized then that he had been disturbed by the thought that possibly he had been "sold" by just a lot of selling chatter.

It was a wonderful house that Delano & Aldrich had designed, and we took a rare pride in building it, but so did the Rockefellers. Mr. Rockefeller, Sr., began to haunt the job. Always he carried a

cane, and he would use it as a wand to wave out of existence anything that did not suit him. He ordered so many changes that I appealed to the son, "Please, keep your father away from the job! The workmen will learn it is a cost-plus contract. At least ask him not to give orders for changes to the field staff. Have him tell you, and you tell us."

Young Rockefeller took my counsel to heart. I think he must have cautioned his father to be careful, because changes thereafter came from the office. When the job was finished I had a heart-warming letter from the son, telling me that he was sure his father had a much better house than he would have had without our conscientious interest in all its details.

I kept my word with Theodore Starrett when a sharp difference rose between us. What happened was that I went to California to install a more effective system for accounting control. Bill Dinwiddie, by that time in charge out there, had no patience for any new-fangled system of bookkeeping. He balked. When I reminded him that I had been made responsible for all financial matters and insisted on his cooperation, he telegraphed a protest to his brother-in-law. Theodore Starrett telegraphed back that Bill need pay no attention to me. I was not happy about it, but there was nothing for me to do except resign. I gave no reason.

Albert Boardman was the largest stockholder in the company and he came after me, urging that I tell him why I had resigned. I was stubbornly

silent. I said, "There is no possible good to come out of a discussion of the matter."

Next, Kelsey got hold of me. "Mr. Horowitz, don't you think you owe it to us to be frank?"

"Yes, I suppose I do. But when I tell you that to discuss it with you does violence to my sense of right and wrong I am sure you will respect my position." Then Kelsey came back with a fresh argument.

"Mr. Horowitz, you are wrong about this. We put $500,000 into Thompson-Starrett on your say-so, because we believed you were going to be here to keep an eye on our money."

My feeling that I could not place myself in opposition to Theodore Starrett was more strong than I can say. After all it was his company; he had created it and it bore his name. Moreover, his great technical skill had been important to it. It meant somewhat less to me than it did to him, and I could not bear the thought of having anyone say or think that I had come into the business intending to undermine him. However, after about three months, under considerable pressure from Clarence Kelsey and Albert Boardman, I told my side of the story; Theodore had been telling his pretty steadily. The result was that a committee was appointed to investigate the cause of my resignation. The verdict was unanimous that Theodore had been at fault. I was invited to remain. I said I would do so only if a situation was created which gave me freedom of action and at the same time protected

the financial status and the dignity of Theodore. Furthermore, I said that the entire organization would have to join in a request for me to remain. These conditions were met, the three brothers of Theodore joining in that request, and so I remained as vice president and general manager; Theodore became chairman of the board, and Albert Boardman succeeded him as president.

My great concern then was Bill Dinwiddie. I was fearful that he would be embittered because he had happened to precipitate the difficulties between his brother-in-law and me. Bill's value to the company was immeasurable. I made it my business to show him I had no feeling against him. We two and our families became close friends.

The act of getting a building contract rarely was a simple transaction; quite often success was bought with a campaign lasting for a year or more. When I say that the negotiations preceding the erection of a big building were sometimes as delicate as the steel that went into them was tough, I find myself thinking of the Gimbel job.

Ernest R. Graham, the Chicago architect, was the one who revealed to me that Gimbel Brothers had become ambitious to have a department store in New York City. They had a thriving store in Philadelphia and another in Milwaukee, but Graham told me the New York project had been conceived as one to become a gigantic merchandising establishment. Naturally, I was excited as soon as I learned that the proposed department store would

require a building to cost between $5,000,000 and $6,000,0000. However, Graham explained that a vague and mysterious set of circumstances had arisen that was preventing consummation of the merchants' scheme.

There were six Gimbel brothers, and the chief was the eldest, Jacob, a bearded bachelor who was customarily clad in a Prince Albert coat and wore a boutonniere. Next to him in age and authority was Isaac, an extraordinary merchant. He was to become the executive in charge of the New York store. Bernard is his son. After Isaac came Charles, whose genius was the merchandising of women's wear. Today his son, Adam, is the head of Sak's Fifth Avenue. Ellis Gimbel was the family's treasurer. Then there was Dan, a bachelor, who was connected with the Philadelphia store, and Louis, associated with the Milwaukee store. I think I never had fewer than four of the Gimbel brothers in any conference I had with them in those early days; generally, when anything was to be decided, the six were present. Separately they were diffident, almost timid; together they were as a band of lions. They were punctilious, and through years of close association there had developed among them an almost telepathic understanding.

Whenever a decision was to be made in one of our conferences, there would be an exchange of intelligence among the brothers. They seemed to have signals, but what these were never became apparent to me. There were meaningful glances, per-

haps, but hardly as much as a nod. Whatever the means of this silent form of communication, when the circuit had been completed, when the brothers had been in this way secretly polled, invariably Jacob was the spokesman who announced their decision. Always he stood up before speaking. Sometimes he would depart from the custom by addressing himself forthrightly to one of his brothers, asking, "What do you think, Mr. Isaac?" but in such conferences with an outsider like myself, the answer, although it might come from a countenance alert and merry, would be given as silently as one from Harpo Marx.

What we had to consider in the first of those meetings was a qualified option which the Gimbel brothers had obtained from the owners of a highly desirable site in New York City—the one they now occupy. This option gave them the right to lease a building which the owners of the site were to erect if— If the owners could borrow the money. The owners were the Hudson & Manhattan Railroad Company which owned the site the Gimbels coveted. Underground it was intended to develop the Manhattan terminal of the subterranean railroad. The building site was possessed originally by the Hudson & Manhattan Company only because of its importance to them in their railroad operations; Gimbel Brothers meant less than nothing to them. But the six Gimbel brothers, being smart merchants, were well aware that the sidewalks about such a building as was contemplated would carry a

big part of the tidal flow of commuting humanity as it went out of New York to New Jersey and Long Island at night, and again when it returned in the morning. The site was right on the path to the Long Island Railroad's and the Pennsylvania's terminal.

The development of the Hudson & Manhattan Railroad Company's terminal real estate into an income-producing property was being handled for it by Harvey Fisk & Son. Shortly before I became interested, this house had informed the Gimbels that its members felt it would be impossible to borrow the money to put up a building suitable for a department store. I got from the Gimbels statements of their earnings in Philadelphia and in Milwaukee. When I had studied these, I came to the conclusion that there ought to be no trouble whatever in borrowing the money. That was what I undertook to tell Pliny Fisk.

Pliny Fisk was a man difficult to see at his office in 62 Cedar Street. When the stock market was open, he was too busy; when it closed, he vanished. So I began to stalk him as if he were a specimen of big game, and the water hole to which I tracked him night after night was the enticing bar cafe of the Holland House. That was the resort of many epicures; it was especially favored by Chicagoans in New York. Pliny Fisk arrived there usually between eleven o'clock and midnight. Always he was charming to me, but as we grew better acquainted, he was more and more frank in revealing that the real difficulty with that far-from-iron-

clad option of the Gimbels was that he had experienced a change of heart.

In a tone faintly querulous he would say to me, "But, Horowitz, we don't want a Gimbel department store, and we don't want to have any Chicago firm of architects." Then he would lift his glass to his lips and toss back his head.

"That option, Mr. Fisk, means something, and you know you are a man of your word." I kept harping on that string, because he took great pride in his integrity.

We went over the ground many times, and usually I felt I was making progress when I could keep Pliny Fisk from being too positive in his assertion that what he was going to have, on that site, was a hotel. He would say to me, "Come, come, Horowitz, if you were to take a drink with me now and then you would be more reasonable. We don't want any Gimbel department store, and we don't want to deal with any firm of Chicago architects. I tell you what: let us build this hotel. Then we can have Clinton and Russell for our architect and we can have Thompson-Starrett for our contractors. That will be just as nice for you."

"Now Mr. Fisk," I would plead, "let us stick to realities. You gave the Gimbel brothers an option, and you are a man of your word."

"But the money, Horowitz!"

"Look! I know that for such an enterprise as they wish to develop I can borrow the money."

"Please, Horowitz, don't try too hard. I don't want—"

"It is well known that Pliny Fisk does not play the game that way," I would repeat.

Eventually my persistence along this line of attack seemed to overwhelm him, and he said he would go through with the deal, making every legitimate effort to borrow the money to put up a structure appropriate for a department store. Possibly his surrender was helped a trifle by the fact that the Gimbels had taken my advice and filed against the property in question, as a means of further validating their option, a legal instrument called a *lis pendens,* simply a warning to all that a lease was pending.

Nevertheless, we were still a long way from having the deal completed. The six Gimbels kept having flashes of inspiration concerning improvements on the building they wished to have, but concerning the rent they were willing to pay their minds were as unyielding as year-old concrete. I recall in particular one conversation when three or four of them were present. In dismay I exclaimed, "A parcel chute! But why have you said nothing about a parcel chute until now? Arrangements have been made for just so much money; we are not dealing with a rubber band that can be stretched; Thompson-Starrett Company are not magicians!"

I tried to find some gleam of reasonableness in the faces of the Gimbel brothers; but they were listening to my protests with their eyes half closed, as

if further to guard themselves against any arguments I might make. To each protest I uttered, their spokesman said, "A parcel chute or we don't sign."

I wailed, "It begins to look as if you would never sign! However, I will try to get for you a parcel chute." Yet when the parcel chute had been cajoled out of Pliny Fisk, they had thought of something else. Once it was an objection to the use the Hudson-Manhattan Company was planning to make of the subterranean areas. Concerning that, it was Isaac Gimbel who spoke to me from Philadelphia over the long-distance telephone.

"We can't have their trains running through our store," he said. "I appoint you a committee of one, Mr. Horowitz, to go down to Ply-ney Fisk and tell him what I am saying."

"All right; I'll tell him what you say." By that time Pliny Fisk and I had become pretty good friends. I went to him and said, dutifully, "I am appointed a committee of one to tell you that Gimbel Brothers are spending $650,000 a year for rent, so they may sell merchandise, and the selling of merchandise will be interfered with if you persist in running trains through the basement."

"Now then, Horowitz, I appoint you a committee of one to go back to Isaac Gimbel and tell him for me that our only purpose is to operate a railroad successfully. We did not buy the land in order to erect a building in which the Gimbels could sell ladies' underwear; we bought it for the use of our

"Unless we get it for Isaac's baby-shoes department," said Dan, and paused to inflate himself with the means to voice thunderously a threat, "we won't sign."

"Let me remind you, Mr. Dan Gimbel, that you and your brothers signed yesterday."

"It makes no difference. We won't sign anyway."

The most curious part of all was that I actually succeeded in getting the railroad management to concede a large part of what the Gimbels asked; they rearranged their platforms for the sake of the baby-shoes department. But how Pliny Fisk swore as he consented!

Next we had to settle upon the completion date of the building the Thompson-Starrett Company was to erect. I addressed myself to the assembled Gimbels, asking, "When do you want this store?"

Glances were exchanged by the brothers, and then the answer came from Jacob, "July first."

"You astonish me," I said. "Most New York merchants in July and August are wishing there was some way to put their stores on ice. They would like to close them during the vacation season. Are you sure you want the store completed by July first?"

There was another silent exchange of thoughts, and then Jacob answered me again, "We are sure; by July first."

I was puzzled for a little, and then I said, "I suspect that you really want the store on September first, but are saying July first in order to provide

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railroad, and what we have considered leasing to him is merely a by-product, that part of our land on which the railroad will not function. Tell him that for me."

I think there was never a day that I did not meet some fresh difficulty. I was the one who had to compose all conflicting interests, to conquer prejudices, to soothe anger. If I had not done as I finally did, I think that all of us would still be arguing. What I did was to call up Isaac Gimbel in Philadelphia and say, "I want you to get all your brothers and any other relatives who have a voice in the matter to come to my office at 49 Wall Street day after tomorrow at nine o'clock. Have your lawyers. We will have ours. I am asking Mr. Fisk to come with Mr. Oakman, the president of the railroad."

Then I telephoned Graham in Chicago, told him I had arranged for a showdown and asked him to come east for the final meeting. "When that meeting breaks up, either the papers will be signed, or else, so far as I am concerned, they never will be signed. I can't spend my life galloping around a circus ring."

We all attended the conference with our lawyers; Gimbels' lawyers were Werner and Cardozo, the same Benjamin Cardozo who now is a member of the Supreme Court of the United States. There were several sheets of typewriting covered with the list of debatable items, and invariably as one of these points was raised there would be a cry from the Gimbels, "We won't sign."

Red-headed Ernest Graham was a marvel of diplomacy in negotiations of the kind. In an engaging way he compelled the parties to deal first with those things on which there was agreement. He said, "We will return to these points of dispute later."

None of us went out for luncheon or dinner. At intervals sandwiches, milk, and coffee were brought, but even in those moments of relaxation there were sudden outbursts of "We won't sign." Actually it was eleven o'clock at night, when we had been in session fourteen hours, before the papers were signed. Appropriately, the first one to write his name was bearded Jacob Gimbel; then Isaac and the others in turn. They signed jointly and as individuals.

Even today I enjoy kidding my friend Dan Gimbel about the happenings of the following day. He came to my office early and said, "You know the front part of the basement? The part the railroad has reserved as a baggage room?"

"Yes, I know the place you mean."

"We can't give it up." Dan Gimbel spoke in such a tone of passion as I have heard David Warfield use when he was playing in *The Music Master.*

"You have given it up."

"We can't give it up! Isaac must have that as a place to sell baby shoes."

"But I am reminding you, you permitted the railroad to reserve that area. It is mentioned specifically in the agreement."

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New York skyline—1895.

against such delays and disappointments as you have experienced in connection with other new buildings. Please take me into your confidence: Let me know what you really want. Otherwise, you are likely to have the store on your hands July first."

There was movement among twelve Gimbel eyes; then Jacob said, "We want the store completed by July first."

I cautioned them as solemnly as if I had been a djinn warning against an unwise use of magic; but they were not to be changed, even though I reminded them that for every day we were finished ahead of a specified date we were to receive from the railroad a bonus of $1000. I explained further that this bonus was something the railroad planned to pay out of rent the Gimbels would have to pay from the day of completion. Again Jacob announced their verdict: July first. I said, "Very good."

Two interesting things happened in connection with the erection of the building. First, Pliny Fisk called me.

"You maneuvered me into building a department store when I wanted a hotel. Now I want you to do something for me. Charlie Schwab is coming to my office, and he wants the order for the steel. You come here and talk to him about it." I was glad to do that.

At our meeting Schwab said, "This is an important building. My sections are new, and I want you to introduce them. I will name you a favorable

price." The Bethlehem section to which he referred was a steel column rolled in one gigantic piece instead of being built up by riveting numerous small members.

"If the architect is satisfied," I said, "and if you make the price right, we will buy your steel." The trade we made was at a price of thirty-two dollars a ton. Schwab went to Europe after our meeting and was gone about six weeks. During his absence, the steel market broke; prices came down two or three dollars a ton. Shortly after Schwab returned, he telephoned me for an appointment, and when we were together he said, "Things have been happening to the steel market since we talked. I suppose we will have to retrade the Gimbel job."

"Retrade? Why, I don't see that at all. If steel had gone up I would have expected you to stand by our agreement, and I propose to stand by mine. I have no right to do anything else; and no inclination." He was astonished and said it seemed to set a new standard for the contracting business.

Charles Schwab is ninety per cent heart. Afterward we gave his company the steel order for another job, and so he telephoned me early one morning to ask if I would stop and breakfast with him at the St. Regis on my way down town. In those days I was keeping myself trained for business as if I had been a prize fighter. By sunup I was on a horse's back trotting around bridle paths of Central Park. Consequently, I had to explain that I had begun to digest my breakfast, but that I would

enjoy watching Mr. Schwab eat his. When we were together he said, "I wanted to tell you how much we appreciate your business. Because of the way you people feed your orders, it is a pleasure to give you preference. I would like to find some way to show you my appreciation."

Just what he was considering I never discovered because I said, "Mr. Schwab, the way I want you to show appreciation is to continue to make deliveries of steel to us as promptly as in the past. That is the controlling reason for our doing business with you whenever the price is right. Anything other than that might become an obstacle to our doing business with you. You remember you were surprised when I stuck to a bargain with you on the Gimbel job?"

"I remember."

"Well, some day I am going to get square with you."

"I hope you do," he said. When it came time for his company to build an office building in Bethlehem, Pennsylvania, we, of course, got the job.

The other matter that comes readily to the surface of my mind whenever I recall the Gimbel job concerns the fabricating of the steel. At that time, Schwab's company did not have a fabricating shop, and so the steel was shipped from Bethlehem to the Staten Island plant of Milligan Brothers. This concern was in the hands of a receiver, Waddill Catchings. He was the one with whom I dealt. I said to him, "You will have to keep to a tight

schedule to deliver the steel as we want it, but you can do this if no time is wasted. If it becomes necessary to incur extra costs through overtime or through other ways that force you to spend more than is necessary on a leisurely job, we will pay you a bonus. If it costs you a dollar more we pay you two more." But I did not drop the matter there; two and sometimes three times every day I was after him about the steel. Ours was not the old-fashioned contractor's way of discovering that materials were going to be delayed only when they failed to arrive at the job. We kept our own inspectors at the plants of those with whom we contracted for materials, and the minute difficulties developed, we took action. So with Catchings there was no time when he could excuse delay by blaming it on Bethlehem. "Never you mind about the raw steel," I said. "You attend to fabrication and I'll see that the steel comes to you as fast as you can work on it." If he fell behind, I was immediately on top of him. However, we were liberal to the point of generosity, so that he not only hurried but hurried with eagerness.

Twenty years afterward, when Goldman, Sachs were planning to have their own high building in Pine Street, I went down to see if I could persuade Walter Sachs to give my company the job. Finally he said, "I would like to do business with you, but I want to see how Mr. Catchings feels about it." By this time Waddill Catchings had become an influential partner in Goldman, Sachs. Walter Sachs

left me, and then, in a few minutes, into my presence bounded Waddill Catchings, hands outstretched, voice roaring, "Will Goldman, Sachs have Thompson-Starrett erect its building? Nobody else in the world!"

I felt grand when he told me that he never had forgotten the way I had extended the power of our organization right into his foundry in order to get speedy delivery of steel for the Gimbel job. However, neither did the Gimbels forget.

When it was certain we were going to complete the department-store building by July first, the Gimbel clan rallied at my office. They were in a mood of despair. Through Jacob they propounded to me a question: How could a reasonable person expect them to pay rent for July and August on a store it would be insane to open before Labor Day? Saying that as it would ruin them to open the store any earlier, certainly they would not. Jacob sat down.

Never did anyone say with more vehemence than I, "I told you so." I recalled to them that I had pleaded with them to take me into their confidence.

"Yes," acknowledged Isaac, rising to his feet, "but we were afraid to say Labor Day was the date we wanted, for fear you would not finish until Christmas. You should go to Ply-ney Fisk and tell him not to charge us any rent until September!"

"I should ask Mr. Fisk to give you more than $100,000? That is an awkward errand for me, surely! And after all that I said on the subject of

completion, too." I felt outraged; but the Gimbels were, they assured me, quite in my hands.

"We did not know you then as well as we do now; we did not know what a dynamo you were." They knew when to flatter.

So I arranged a meeting. After so many months of association with the brothers I had begun to appreciate what a terrific force of money, of merchandising knowledge, and of courage was involved in the opening of a new department store. Millions of dollars' worth of goods had to be moved into the place and attractively displayed; thousands of employees had to be recruited and trained for their work; and the people of the city had to be excited to a high pitch of curiosity concerning this new store. It was such an undertaking as, in armies, is entrusted only to generals, but by this time I knew that as merchants all the Gimbels were generals; and there was one, Isaac, whom I regarded as a field marshal. But these were matters of small moment to Walter Oakman and Pliny Fisk. They wore their faces grimly tight as we gathered.

Jacob, with one hand inserted between the breast buttons of his Prince Albert coat, proceeded to explain how he and his brothers were being strained to the breaking point to pay clerks, and to concentrate in warehouses millions of dollars' worth of merchandise. Then came his climax, "All because the contractors fooled everybody by finishing on a scheduled date!" Actually, he made Thompson-

Starrett seem blameworthy; yet in the face of Pliny Fisk there was not one relaxed muscle.

Then I spoke, saying that all my contracting experience had prepared me only with excuses for being late; I had no excuse for being on time. However, I spoke of the years to come during which the New York business of Gimbel brothers would be paying $650,000 annually for rent. I was thereby trying to dwarf the two months' rent that the Gimbels were unwilling to pay. I finished abruptly by announcing that Thompson-Starrett had decided, at a meeting of its board of directors, to waive its bonus and expressed the hope that the landlords would be generous enough to forego the rent for July and August. And they did!

In human relationships Isaac Gimbel was an artist. He was tolerant, sympathetic and tactful to degrees far beyond those achieved by most men; and it was second nature for him to give expression to these qualities in his contacts not alone in business, but—what is more rare—at home.

When his son, Bernard Gimbel, was a student at the University of Pennsylvania, Isaac gave a demonstration of his tact that I find delightful to recall. One night, after leaving his store in Philadelphia he stopped in at the Bellevue-Stratford Hotel. As he approached the bar he heard boisterous conversation. Four or five wide-shouldered young men were there celebrating something. They were just at that crucial emotional point at which it would be necessary for someone to decide whether they

ought to be curbed in their enjoyment. There was more than a hint of truculence in their manner and one of these celebrants was Bernard.

Another father might have decided that it was an appropriate time to scold, but not Isaac. Stepping up to the bar he asked the young men if they would allow him to join them and buy a drink. That round was served and swallowed and then, after taking a genial leave of the group, he put his hand on Bernard's shoulder, saying, "Son, you know I have confidence in you. I believe you know when to stop." Then he walked out of the bar, and Bernard will testify that a minute afterward the party was breaking up, sober.

A short while before the successful completion of the Gimbel transaction I had been elected president of Thompson-Starrett. Years afterward, Jim Dinwiddie confided to me that my selection for the office was due largely to the manner in which I conducted the Gimbel job.

4. Rector's, the Woolworth Building, and Three Chicago Enterprises

THINKING BACKWARD IS AN OCCUPATION WHICH has for me some of the landscape-distortion capacity of a ride on the rear platform of a swiftly moving train. I simply need to start remembering to have my images of vast structures—the white terra-cotta of the Woolworth Building, the cliff-like walls of the Equitable Building, and all the others —go hurtling out of their proper shapes back to a pin point in time when they were merely dreams. Indeed, within my mind I see the biggest buildings held together by a masonry of chance encounters, vague ambitions, and even less substantial things.

One afternoon in 1909 a suave, a gentle, old gourmet walked into my office to tell me of his vision. His hair and mustache were as finely white as if made of threads of spun sugar. One as passionately concerned with good things to eat as I would never make the acquaintance of Charles Rector by waiting for him to call; when he came, I had for some time known him and his restaurant.

"I want you to build me the finest hotel in New York," he said.

"You've got a site?"

"At Forty-fourth and Broadway. I own it, ex-

cept for a little piece at the corner, and that I hold on a long lease. What I want to have is such a hotel as will be talked about wherever two people who appreciate fine living get together." Mr. Rector was as effervescent as champagne as he recited details of his scheme, but all my thoughts were practical.

"What is your equity in the land?"

"I owe only about $200,000 on a mortgage. I have in cash, besides, about $600,000."

"Your hotel begins to look quite possible. Have you some plans?" He did have plans, and they were good, yet all the while that we discussed his venture I had the feeling that it was unwise—for Mr. Rector.

As far as we were concerned, the hotel plan was sound enough; for building it we were to get a fee of $150,000; the loan of about $1,700,000 that was required was easily arranged. I remember on land and building there had to be a mortgage of $2,100,000 in order to provide a complete place, furnished and with a margin of cash left over for his working capital. It could be done; but I kept asking, Why? When he came one day, I was determined to broach the subject and began by asking bluntly, "Mr. Rector, how old are you?"

"I am seventy-two years young." There was a trace of defiance in his voice, and it was not me that he was defying; rather it was the fact of all those years, and the brooding consciousness that he was not going to live forever.

"Do you think that it is wise, at your age," I asked, "to embark upon this enterprise? You are staking everything you have, and you are going into hock for more than $2,000,000. Aren't you letting yourself be blinded to the risks by hope of getting greater fame in a field where you already have enjoyed a satisfactory career?"

I could see at once that I had hurt his feelings. He said, "You know, Mr. Horowitz, I thought I had arranged this deal with Harry Black. One day when I went to see him, he started talking to me just about the way you are. That deal fell through. I survived that disappointment." He paused a moment, then went on, "I doubt if I could survive another."

"Mr. Rector, I have no selfish motive in asking you to give thought to what you are doing. This is an attractive job for the Thompson-Starrett Company. We are bound to make $150,000, because there is no question about the means for building the hotel. But when you have your hotel, what then? You have a nice profit in this piece of land. Why don't you take that profit and squander it in traveling? If you spent it all you'd still be well off."

"Mr. Horowitz, that hotel is going to be built; I hope it will be built by you, but if not by you then it will be built by somebody else."

"Well, we will build your hotel, Mr. Rector, but you have said nothing about the issue I raised:

the wisdom of the undertaking as a venture for a man seventy-two years old."

"I am determined to go ahead."

When the Hotel Rector was opened its proprietor began a campaign to bring to it a smart and exclusive patronage. His location was wrong for that, and yet it seemed to me that he was actually discouraging the old trade out of which he had made his money. It was painful to watch him go deeper into the red from day to day. I remember that as a means of helping him we took a second mortgage in lieu of cash for our $150,000 fee. He had occasion to come many times to my office, but finally he came in and revealed that all his courage and his high hopes had run completely out of him, leaving him in a state very much as if his veins had been drained.

"Mr. Horowitz, I'm through. I can't make the interest payments. I never expect to be able to make them."

We discussed the situation thoroughly, but he spoke with finality when he said, "I can't go any further. What next?"

"The normal way would be for the Thompson-Starrett Company to foreclose, to wipe you out and get the title."

"That won't be necessary," said Mr. Rector. "You have been good to me, and patient. I will simply meet my indebtedness to you by giving you the deed."

I expressed regret but did not feel at liberty to

hold out any hope for him. However, when our board met and I had announced that Rector's hotel had gone sour, I gave it as my opinion that the situation was less hopeless than the old man believed. I said that if anything was to be saved, we would have to remain for a while in the hotel business; that we would have to hire some good manager.

Then I said, "We have a deed to this property, but I want this board to adopt a resolution that if and when we liquidate our position, whether through operation or sale, any profit beyond what is due us as builders, plus any further investment we may have to make, shall go to Mr. Rector. We are builders, not pawnbrokers, and I would not want to be a part of a company that would profit through his misfortune." There was not a single vote against that proposition.

First of all we erased that which had been the principal motive for the building; we took down the name of the establishment. Rector's had acquired a connotation of Broadway sinfulness through a number of road shows of a theatrical production called *The Girl from Rector's,* and this had been hurting the business. About that time I had a fondness for a London hotel and so Rector's on Broadway became the Claridge. Finally we brought in as manager an experienced young hotel man named Lucius Boomer, and we succeeded in working our way out of the hotel business. The most satisfactory part of the adven-

ture was when we were able to hand back to Mr. Rector some money we had salvaged for him.

In an effort of this kind it is difficult to trace out the significant, the true, chronology of events. For one thing, we were engaged simultaneously on the erection of many big buildings in numerous cities. Moreover, any big building job was likely to bring forth another more important one. I did not suspect it at the time, but I now know that in my association with Lucius Boomer in the salvaging of Rector's was lodged a seed that would become the $40,000,000 bulk and magnificence of the present-day Waldorf-Astoria Hotel. I had met Boomer in connection with the building of the Hotel McAlpin which, unsuspected, nourished the seed of the mammoth Equitable Building. There was working in many minds then an idea that was like a ferment; it was a belief that every big fortune ought to be partially solidified by at least one big building representing income in the shape of a rent roll.

I remember that during the very meeting of the board of the Thompson-Starrett Company at which I was elected president there was waiting for me in the reception room an architect named Frank Andrews. He was in a hurry.

"I have organized a company," he began, "to lease a site for a hotel at Thirty-fourth Street and Sixth Avenue, diagonally across from where you have built Gimbels' store. The McAlpins own the land, and some of the money is being put up by

Charles P. Taft, of Cincinnati, and Coleman DuPont. It is stipulated in the lease that the hotel building must be erected by the Thompson-Starrett Company."

I know that C. P. Taft just about worshiped his half-brother William Howard Taft who then was President of the United States, and President Taft's close friend, in turn, was Clarence Kelsey. They had become devoted to each other at Yale, and the friendship endured and strengthened throughout their lives. Probably we owed a bit to that circumstance, but we owed more to the fact that every man for whom we erected a building became a booster for the Thompson-Starrett Company. Foremost among these volunteers was Isaac Gimbel and his son Bernard. During the period of uncertainty when the Woolworth Building contract was a prize for which contractors were almost ready to trade an eye or leg, Isaac put on his hat and went to see Frank Woolworth. He did his best to turn the scale for me. That was a period—and it lasted several years—when all my nightmares had to do with the black despair of failing to get that mighty contract.

Woolworth's method of selection was extremely aggravating for those of us who waited for his decision. It was a slow process of elimination. He talked to everybody; and time and time again he seemed to have his mind made up, only to change and begin to hunt all over again. Some of his meetings with me and with my rivals were in his office;

some were in the office of Cass Gilbert, the architect, where the excitement was enough to keep me on fire with hunger for the job.

Each time Woolworth made an appointment to see some other contractor he would tell me; that was his idea of trading. However, he was always frank enough to tell me when he had eliminated another contractor from consideration. Usually what he said was, "I talked with that fellow, and he is out; not big enough for this job."

Finally, after three years, he narrowed down the race to my company and one other, the George A. Fuller Company. There the matter rested for several months, because Woolworth just could not make up his mind. This was for the reason that either company was well equipped to do his job well. Then he chose my company.

As soon as this fact was made public, I had a note from Paul Starrett, written on the stationery of the George A. Fuller Company. He said, "I just don't know how you do it! I am heartbroken, but I congratulate you."

Well, at that moment I did not know, myself, just how or why success had come to us, but I puzzled over the matter until I fixed upon an incident which I believe to have been the deciding factor. However, it is only fair to say that I do not think Mr. Woolworth ever realized what caused him to turn his back on our chief rival. Nevertheless, the simple truth is that his feelings had been hurt.



New York skyline—1937.

Before he let the general contract Mr. Woolworth had let the foundation contract, involving between $700,000 and $800,000. It was exactly the wrong thing to do; of course he never should have done it, but my feeling was that since he had made the mistake there could be no good accomplished by reminding him of it. It was obvious that he knew he had acted unwisely, because he kept seeking my opinion.

"How are they getting on with the foundations?"

"Making pretty good progress. I think they'll be out of the way in time."

"What do you think of that company?"

"It's all right." This was quite true.

"But what do you think about the deal I made with them? Did I get a good price? Or did they trim me?"

I squirmed out of that corner many times. Usually I would say, "I haven't enough information to answer your questions. It has not been analyzed for me yet. Anyway, what does it matter? It is water over the dam."

Then one day I found out from Cass Gilbert that Paul Starrett, as a part of his strategy in trying to get the contract, had taken an attitude about the foundations contrary to mine. He had cited the foundation contract by way of proving to Mr. Woolworth that he needed the George A. Fuller Company to protect him. They argued, and then Starrett caused a careful study to be made of the

foundation job. Armed with indisputable figures as to costs he had gone to Woolworth and shown him that a large sum might have been saved if the foundation contract had been sublet through a competent general contractor. It was proof that might have brought another sort of man than Woolworth into camp; on him it acted differently. His pride in himself, in his judgment, meant more to him than money. It is my surmise that when Paul Starrett won this argument he lost the job.

Before the contract was actually signed, Woolworth said to me, as I entered his office one day, "Now we have to settle the matter of your fee."

"Well," I said, "we made a proposal more than a year ago giving you our terms precisely. We named the outside figure which we are to guarantee. We are going to charge you that plus our fee." As I recall the matter, I added, "Our fee for our services will be $300,000."

"I am not going to pay you that much," said Mr. Woolworth, "and you really don't expect me to pay you $300,000." His manner said that I was wasting the time of an extraordinarily busy man. "Let's get down to cases." I had the feeling that Mr. Woolworth was turning on me, as if it were a fire hose, his customary way of buying goods for his five-and-ten-cent stores. Nevertheless, I knew there was danger that he might declare himself so flatly that some emotional center in his mind would take control; when he had taken a position,

it was difficult for him to yield. I did not want him to turn stubborn.

"I don't want to give you the impression that I am arbitrary, Mr. Woolworth. We calculated our services as carefully as we would calculate any of the expenditures you are going to have to make before you have a building. Our fee is $300,000."

"You are talking nonsense—$300,000!" His tone would have been appropriate if used to chide a willful boy of eight or nine years.

"I am sorry. It is that or nothing."

Mr. Woolworth pounced on that word.

"I have a good contractor who wants to do the job for nothing," he said. "He is anxious for the contract because of the prestige, the honor, the advertising value of being the one to put up the world's tallest and most beautiful building." Then, seeming to read doubt in my eyes, Mr. Woolworth admonished me with a leveled forefinger, "A good man."

"It is contradictory," I said, "to tell me he offers to do the work for nothing and that he is a good man."

"You ask $300,000, and another good firm wants to put up my building for the sake of the prestige." Mr. Woolworth was shaking his head over my unreasonableness.

"This fellow, whoever he is, certainly must be the best judge of the value of his services as we are the best judge of the value of ours. We be-

lieve our services are worth $300,000; this other man says his are worth nothing."

"He would not be working for nothing. The contractor who puts up my building will get advertising worth a fortune." Woolworth had his chin thrust forward.

"Listen, Mr. Woolworth, the Thompson-Starrett Company cannot afford to put up your building for the sake of prestige, because we already have earned an abundance of prestige. We are not trying to make our reputation at your expense."

"But $300,000 is—"

"Mr. Woolworth, you are too good a merchant to determine a question so important on an item that is relatively unimportant. An incompetent contractor, through improper buying and improper handling, might cost you several times the fee we are asking."

Mr. Woolworth implied that his close watch of the operations would prevent that; he suggested that in this very matter of our fee he was showing himself capable of dealing with the sort of hazards I referred to. He reiterated that the lucky contractor who put up the world's tallest building would get a fortune in the shape of fame.

Then I asked another question, "Can you expect to carry this job to completion if you load the responsibility for it on the shoulders of a man who would concede to you what should be worth $300,000?"

Apparently he was impressed by that, because he

came to terms abruptly and we signed the contract. That was April 20, 1911.

When first projected, the building had been designed as one to rise 692 feet, but Woolworth had a secret. As he expressed it, he had determined to play a joke on the populace by keeping 100 feet "up his sleeve." By this device he meant to insure for himself for a longer time the glory of owning the tallest building in the world. It was, indeed, a startling piece of news when it was first announced that the finished structure would lack only eight feet of being 800 feet high.

What Woolworth risked was money, but Cass Gilbert was risking an enviable reputation on a scheme that took all who had a part in it far into an uncharted realm of architecture. Gilbert's reputation had been established by the splendor of his design for the United States Custom House that stands at Bowling Green, down at the lower end of Broadway, and by other important buildings. The Custom House is fine, but what Gilbert had designed for Woolworth was a structure not only splendidly daring but completely lovely. Cass Gilbert was the first architect ever to contrive a scale to give the Gothic quality of lace in stone to a building of supernormal proportions. Really, that had been his greatest problem, to find a scale that would create a pleasing effect from the ground, close by, as well as from a distance. It was a stroke of genius when he determined to fix the cathedral quality he sought in the gloss of white terra cotta.

That never had been done before; and if Cass Gilbert had been one whit less an artist, the Woolworth Building might have looked like $9,000,000 worth of gingerbread. Instead, I never have seen it during more than a score of years when it was less than beautiful; in the early morning it is entrancing.

The greatest difficulty we had on that job was to prevent Mr. Woolworth from making decisions which only specialists were fitted to make, because so much that we were doing was entirely new. I remember that the steel members were of such heavy weight we had to survey the routes over which they were to be hauled to the site. We wanted no cave-ins! Below the surface of New York streets there is a deep and complex mechanical jungle. Raw power in the form of electricity, steam, and gas is channeled just under all the city's hurry—indeed it is a part of that hurry; likewise down there is a rootlike system of wires, pipes, and larger tubes that provide means for the transport of everything from the human voice to the human body. We had to give thought to gigantic water mains, subterranean railroads, vaulted sewers through which a coach and four might be driven. Some of that subsurface structure lies almost as deep in the rock under New York as the Woolworth Building rises above it. What we were going to do was to build into the air a structure of equal complexity. Our water supply was to be a vast fountain; our vertical sewer system as large as that

of a small town; our railroads—the elevators—were vertical too. Scaffolds and hoisting engines of the kind we needed did not exist; we had to create them. But as every problem came up for solution, the most active participant in the discussions was Frank Woolworth.

We were pleased by his interest, but repeatedly we had to persuade him out of some mistaken point of view. For example, there was the structural steel. He had a relative or friend in the steel business, and this man told him the base price of steel was going to be advanced a dollar or two a ton. Mr. Woolworth was greatly excited when he told me this. He said, "We are going to lose money unless you hurry and close the contract for our steel."

I did not want to hurry. The American Bridge Company, a subsidiary of the United States Steel Corporation, had quoted us a price I thought was five or six dollars a ton more than was reasonable. I explained this to Mr. Woolworth, but he kept dingdonging that steel was going to advance. My resistance annoyed him.

"After all, Louis," he reminded me irritably, "I am paying for the building."

I acknowledged the truth of that, but I told him he was going to pay us a large sum of money for our services. I said we were not willing to jeopardize our reputation by having the building cost more than it should under proper management. I really think he finally consented to let us wait on

the steel contract just in the hope that events would chasten me; then, in the future, perhaps I would be less assertive.

Well, the base price of steel was raised, but Mr. Woolworth said nothing about it. The one who said "I told you so" was Joshua Hatfield, the president of the American Bridge Company. He called me on the telephone a few days after the price change.

"Louis, you made a mistake in this Woolworth steel. You fussed around trying to trade, and the market got away from you."

I blew some tobacco smoke into the mouthpiece of my telephone and Josh continued, "But you are too good a customer and too good a friend for us to let you suffer because of that." His reference to my friendship had to do with the fact that a short while before I had given some testimony in connection with a trust-law suit to dissolve the United States Steel Corporation. I had said that it was a vital requirement of the building industry to have strong steel manufacturers with large mill and fabricating capacity.

"Fine, Josh."

"So, I will restore the price I had quoted to you and which you persuaded Mr. Woolworth to turn down."

"You are very kind, Josh, but I have not changed my mind. I considered the price too high when you first quoted it. I think it still is too high."

"Oh, you are wrong," said Hatfield. Then he re-

minded me again that the base price had jumped, I think, from twenty-six to twenty-eight dollars a ton and repeated that they would disregard the rise because of the monumental character of the Woolworth job. He finished, "It is only because we favored you on the base price that we were able to quote you the figure we have given."

"Are you sure about that?"

"Of course, I am sure. I have our estimates in front of me."

"So?"

"I'll tell you what I'll do: I'll agree now to close this steel contract with you, giving you a base price lower than the market."

"All right; that is done. Your base price is acceptable."

"When can we have this meeting? Who shall come?"

"I think the owner, the architect, and myself; I'll bring an engineer. You have whomever you want."

"Make it for a luncheon in two or three days at the Railroad Club," said Josh; and I accepted.

James A. Farrell, who shortly before had become the president of the United States Steel Corporation, came to the party. Josh had provided a most elaborate luncheon, and in the fashion of high-grade salesmen he did not broach the subject of business until the cognac and the cigars had been served. Then he opened up, saying, "Mr. Woolworth, I called Mr. Horowitz the other day and told him that out of regard for our friendship for

him and the pleasant business relations always existing between us, we would not embarrass him by withdrawing the price we had made heretofore, although the base has gone up." Joshua Hatfield reviewed the entire situation and said finally that he was glad I had changed my mind and was going to accept his original figure.

"That is not quite what I said, Josh. I said we would close the contract with you, using the same base figure you told me you had used. Now we will build up from that base, so you take a piece of paper and a pencil and start." My recollection is that from a base of twenty-six dollars he had built up a price of forty-eight dollars or thereabouts for the finished steel. Josh looked not too happy then; but he produced a lead pencil, and on the back of a menu he wrote down the base price upon which we were agreed.

"Now, shop drawings."

"Three-fifty. Shop labor—"

"Wait a minute, Josh. Shop drawings on this job should cost two-fifty and not three-fifty. If there is any questions in your mind about that we, the Thompson-Starrett Corporation, will contract with you to make the shop drawings at two-fifty a ton. There is no room for argument on this item. Put down two-fifty."

"Aren't we to have profit?" Josh raised his voice a trifle.

"We will get to overhead and profits. Now we are talking costs. Put down two-fifty."

Josh wrote, and I said, "Now for shop labor."

He had nine dollars a ton, and our figure, as I recall it, was six dollars and a half a ton. Of course, nobody can forecast accurately the cost of shop labor; it depends on too many unpredictable elements. The skill and speed of a team of workers varies from job to job as does that of football players. Probably my figures were tight, but Josh's certainly were too high. So we compromised. Then we went on to paint and from paint to delivery. We discussed the precise length of time it would take a drill to rivet hole. Then we took up overhead and profit. We at last agreed on a price of forty-two dollars a ton which was six dollars less than the price at which Woolworth wanted me to close the contract. I have forgotten just how much more than 30,000 tons of steel we needed; I know the difference to Mr. Woolworth was between $180,000 and $200,000. It would have been difficult to have staged a more dramatic exposition of my argument that we were organized to protect the owner's interest. In that one trade we had made for Woolworth a big share of our fee. Thereafter we found our client more cooperative.

An amusing sequel happened a few days after the luncheon. I encountered Joshua Hatfield in a barber shop. He came and stood above me as the barber adjusted my chair to a horizontal position.

"A hell of a note for you to put me in that position before my boss."

"You were the host, Josh. You invited Mr. Far-

rell. Besides, either you had to be discredited before your boss, or else I had to be discredited before my boss. You happened to be wrong."

There were still further reverberations of that struggle. Some months later when I was shaking hands with Judge Gary he made an allusion to the Woolworth Building episode. He said he hoped it was not to be regarded as evidence of unfriendliness on my part toward the United States Steel Corporation.

"It would be most unfair, Judge," I said, "if you were to look upon my behavior in that trade as an act of unfriendliness. The only possible interpretation is that we have a proper regard for the interests of our clients and seek, to the best of our ability, to protect those interests. It is not my job to get high prices for the Steel Corporation; my job is to buy steel for our clients at the right prices."

Judge Gary was very nice then, and in after years, when the steel corporation had need of a general contractor in connection with some building work, he hired us. Of course, we bought a great deal of steel, and Judge Gary and others in the industry came to know that it was our policy to fight against unsoundly low prices just as determinedly as we did against prices that were too high. If a subcontractor's figures were too low, we would throw them out, on the theory that the fellow must be either a fool or a knave; in either event he would be a poor person with whom to do business. Neither would

we support an owner in any effort to buy material below its fair price.

In the beginning of my narrative I told how I often argued with Mr. Woolworth against the unprecedented height of his building project. Everything that has happened since that time has served to fix my attitude in opposition to such structures. Socially, the gigantic buildings are, to my way of thinking, quite wrong. It should be obvious that it would be utterly impossible to cover the Island of Manhattan with tall buildings, even to the extent of thirty or forty per cent of its area. The streets could not take care of the traffic of such buildings; not even streets in layers. The water supply would be inadequate and the sewers, too. The sidewalks would become a solid mass of suffocating humanity. Such a piece of foolishness is unthinkable and, anyway, there are not enough people to serve as tenants. All these things add up to something which convinces me no city ever was meant to contain the buildings of fabulous size—fifty, sixty, or seventy stories and more—that have been attached like monstrous parasites to the veins and arteries of New York. Those who create such buildings, in my opinion, are taking an unfair advantage of their neighbors, of their fellow property owners, of their fellow citizens. As time goes on, I believe the regulations against such buildings will tend to become stricter, but only to guard against egoistic building. The truth is that every extremely tall building

seems to be a solid refutation of the notion that they may be good investments.

The economic purpose of putting up high buildings is to distribute the cost of the land over an increased rentable area.

As modern buildings rise they are shaped into forms somewhat pyramidal against the invisible barriers of zoning laws; but on the inside they are shaped by another inexorable factor. The higher you build, the more space you have to provide for elevators to distribute the people in these human hives; likewise the plumbing stacks swell thicker. At that point where the space sacrificed on the lower stories for these services begins to offset the advantage of diluting the cost of the land, and the added cost of building high, the building becomes unsound from an investment standpoint. In the Woolworth Building, as I have said, there was a new factor of value in the advertising it would give to the merchant's chain of stores. It never was hoped that it might yield, through rents, a fair return on Mr. Woolworth's big investment.

Because I am not an engineer I do not feel equipped to discuss in detail the technical difficulties of the Woolworth job. Fundamentally, the most serious ones had to do with the fact we were using steel in members heavier than had previously been used in any building. This meant, in turn, that equipment had to be devised to lift loads which never before had been lifted, and lift them to unprecedented heights. I remember that we

came to realize that to lift a load of steel from the ground to the topmost height would require a drum of such cable capacity as to be unwieldy. We compromised by hoisting all material halfway and then using a second hoisting machine to lift it higher. The architect, too, had a thousand problems; among other things bigger steam pipes and bigger water pipes than were in use in any other building must be designed; everything was *de novo*.

As the steel skeleton was extended higher and higher, it penetrated a level in the sky so high that from the ground, on wet mornings, its upper half was lost to view in clouds. One might suppose we would have had difficulties in recruiting enough adventurers to put that steel together; actually that was no problem at all, because the steel erectors seem not to know the meaning of fear. It was their habit to stand on the edge of a beam, literally leaning outward against the wind. For me it would have been a cushion too uncertain. I have seen them do it many times, but I never ceased to marvel and to admire their courage. When the quitting whistle blew they would swarm like flies onto the chain of the hoisting mechanism, and then be lowered, almost as swiftly as falling, to the street. The elevators we provided were too slow, they felt.

During the several years of building I became devoted to Frank Woolworth. He used to take me to his home in upper Fifth Avenue at Eightieth Street. His favorite toy there was an electrical reproducing pipe organ, the ducts of which were

cunningly placed throughout the palace-like interior. Many times I have watched him at that organ. Other minds, other skills conceived the music but his was the will to control the speed and volume. He told me that this playing gave him exquisite pleasure; when he was tired or vexed he would play for hours, not stopping until he was relaxed and easy in his mind.

Notwithstanding Woolworth's lack of education he had developed a quality of greatness. Beyond a doubt his ego was a thing of extra size; whoever tried to find a reason for his tall building and did not take that fact into account would reach a false conclusion. His marbled office in the completed building gave a clue to how the Woolworth Building's owner felt. The furnishings were all French empire things; upon the wall just where his gaze would fall most often was a full-length portrait of Napoleon in his coronation robes and, beside him, Josephine. Mr. Woolworth's only weakness was a kingly affliction. The matrix of greatness, more often than we realize, I think, is an extreme eagerness to win the good opinion of the world; indeed, susceptibility to flattery is the common weakness of great men. Frank Woolworth was no exception.

As a matter of routine we met several times a week at the architect's office, and there were numerous less formal meetings, so that the three of us began to find companionship in these conferences. One evening a month or so before the completion of the building Mr. Woolworth said, "When it's

finished I am going to give a celebration dinner in honor of my architect and my builder."

Cass Gilbert and I agreed that would be nice.

"And each of you will be called upon to make a speech."

We two agreed that would be not so nice. In fact, I really protested that speech-making was, for me, fraught with horror. Mr. Woolworth heard nothing that I said as he talked on, "I am having our advertising man prepare a program, and he will let you know what toast you are to respond to." For some days thereafter I worried about the speech and found myself growing more and more concerned. Then, characteristically, I delegated it to Frank Fletcher. He had started with me as a secretary and rather quickly had revealed the talent that has been developed, until now he is a first rank advertising man.

I told Fletcher to write my speech, explaining to him that Cass Gilbert had sagely concluded the dinner really was designed to give Mr. Woolworth due credit for his accomplishments. So my instructions were, "When in doubt flatter him some more." Fletcher thereupon combed his mind and all his books of reference for purple, scarlet, and golden words with which I might lard the ego of our client.

I had to memorize it, but the only time I might devote to this task was during my early-morning horseback ride. The speech had been typed with wide spacings so that, almost, I could read it at a

gallop. Actually so often did I start, "I am asked to respond to the toast, 'The Builder of the Woolworth Building,' " that the poor horse began to rattle its bit and cavort at the very sound of Woolworth. But learn it I did and absolutely by rote.

The night before the dinner I was in the office of Cass Gilbert when Mr. Woolworth strolled in. There was an eager gleam in his eyes.

"You boys got your speeches ready? How about you, Cass?"

"Oh, I've got mine pretty well organized in my mind, Frank. You know, I talk extemporaneously. I don't find it hard. I'll have a few notes to set me going should I run into a blank spot."

"How about you?" Woolworth had fixed his eyes on me.

"Oh, I'm prepared."

"Is your speech written?"

"Yes."

"Got it with you?"

"Carry it all the time. That's the way I learned it."

"Read it to me."

"Now, Mr. Woolworth, don't ask me to do that!"

"Why?"

"Well, in that speech I say some very pleasant things about you, all well deserved, of course; but you might not feel comfortable, and you might ask me to make deletions. That would be fatal to my effort. I have that speech laid up in my mind like the courses of a brick wall. To pluck out even a

paragraph would cause the whole structure to collapse."

"Come, come, Louis. Read me the speech. I insist."

When he commanded me a second time I pulled forth the speech, and with a despairing look at the grinning visage of Cass Gilbert I began to read Fletcher's acclamatory phrases. It was fulsome stuff; and when I had finished, before Mr. Woolworth could muster the breath to voice an objection I said, "Now please don't ask me to take anything out of the speech."

"No, no, Louis, of course not. It is all right. If you like, you can say some more."

Mr. Woolworth was quite solemn, but Cass Gilbert was not.

Chicago was the home of the George A. Fuller Company; there they were the favored natives, homefolks; but we, the Thompson-Starrett Company, out there were too often made to feel like outlanders, foreigners. Of course, our successful operation on behalf of the Sears, Roebuck & Company and on certain other jobs had given us some standing, but notwithstanding this our name in Chicago unquestionably was somewhat less of a conjure word than it was in New York.

Then I learned three big jobs were hatching in the office of one firm of Chicago architects, that of D. H. Burnham & Company, of which the senior was Ernest R. Graham; sometime afterward the

firm became Graham, Anderson, Probst and White. I had known Graham from my earliest days with the Thompson-Starrett Company, when we were building the Union Station in Washington, of which his firm was the architect. I determined that I was going out to Chicago and try to land all three of those contracts. They would total about $14,000,000. As I felt that the campaign would take everything I had, I gave instructions at my office in New York that I was not to be bothered with the details of anything that was pending. I even asked my wife not to communicate with me. Then I went to Chicago.

I was not counting on anyone's friendship. In the first place, when a man has a building contract to let, if he has any sense at all, he is not going to place the contract on the basis of friendship. If things were to be done that way consistently, soon there would be no friendship left in the world. The truth is that most men who have influence are careful in its use; should they abuse it they soon lose it. Dwight Morrow was one of my dear friends, but I learned that it was almost better not to solicit his help when a contract was pending in some business house which had affiliations with J. P. Morgan & Co. Mr. Morrow, if asked to introduce the subject of a pending contract on my behalf, would weigh all the reasons pro and con. Once when I heard him count off on his fingers all the reasons against selection of us for a certain contract, I interrupted

him, "Dwight, stop! Before you finish you may suggest to this man some reasons for not giving us this job that would not otherwise occur to him." But there was another sort of reason why I was not counting too heavily on the help of Ernest Graham on those Chicago jobs. The kind of contract the Thompson-Starrett Company consistently required rather tended to interfere with the fun of Ernie Graham.

In those days Graham's hair was red and he wore a wisp of red mustache. He always carried his head to one side and as he waddled swiftly, sharp-eyed, he reminded me of an alert duck. He was almost always hustling, and much of his activity had to do with his efforts to make some contractor shade his price to a client of Ernest Graham. He loved to beat contractors with their own kind of sharpness. It was a game with him; indeed, he delighted to skin their eye teeth by day and then skin them again at night as he gathered them around a poker table.

It was his greatest joy to order a good dinner for a band of his friends in the building business. Graham had a fine skill with a chafing dish; only Coleman du Pont, among the men I have known, was in his class. But Graham's specialty was cooking birds too small to interest the giant Du Pont. Ernie generally hunted through the markets until he had a few dozen reed birds. I have forgotten the true name of the species which met their des-

tiny under the name of reed birds, but I never can forget the concentration of Ernie as he would select the wine to be served with the birds.

Once in Washington Graham had arranged for a group of us, engaged on the same job, to dine in his suite. After dinner he told us to start playing, that he would rejoin us about ten; then he left on some errand. When Ernie had his mind focused on a job he could easily forget an appointment, as I well knew. I have gone, in response to his demand, loudly voiced over a long-distance telephone wire, from New York to Chicago only to find his office and all Chicago containing no trace of Mr. Graham. On this evening we played until half-past three without having had any further word from our host. As we settled up we decided to play a joke on him. We opened up the windows, had all the litter of our smoking, drinking, and eating cleared away; and when we were sure the hotel servants had erased the signs of our playing we vanished to our rooms.

Regardless of how little sleep he may have had Graham began each new day with breakfast at seven-thirty. Probably he had had no sleep when he joined us in the morning, but he looked fresh and promptly he lifted up his voice to roar, "Where did you fellows go last night? Didn't you promise to play poker until I got back?"

"Well," I said, "if we decided to go to a show, what then?"

Ernie swore as if he were greatly annoyed. "Here

I run myself ragged to finish up my business and then come back to an empty room; nothing to do but to go to bed."

"And when did you get back?"

"Oh, not long after ten."

Then we jeered him; and that jeering lasted through many years, becoming a part of other jests and uncountable hours of companionship. The hope of renewing our association was blended in the brew of my ambition as I schemed to get those three Chicago jobs. One was the Field Museum, to cost $6,000,000; next in importance was the Continental and Commercial Bank Building, to cost about $4,500,000; and the third was the Conway Building, for the Marshall Field Estate, to cost about $3,500,000. The Field Estate, I knew, was likely to be an important influence in the making of the decision on the selection of the contractor for each job. So I aimed my arguments at Stanley Field and found him an understanding and a charming person. He quickly recognized the common sense of what I had to say about the foolishness of supposing that a contractor whose bid was lowest for a given job was thereby demonstrated to be the best man for the work. We never bid because it was our creed that writing down a number on a sheet of paper proved less than nothing concerning the fitness of a builder. All my selling was a preachment that the Thompson-Starrett Company was a firm that took more pride in being builders than in being contractors. Our craftsman-

ship, our knowledge of the many markets of the industry, and our resources—these were the things I talked about. An architect could dream and plan but we could make the dream come true and keep the owner solvent.

I got the contract for the Field Museum and then I got the contract for the Conway Building; but these successes, if anything, made me more eager to have that third contract. I wanted to make a grand slam.

In this campaign I had fresh force for my usual arguments. I was able to show convincingly that by pooling the three jobs, tempting economies could be worked on behalf of the owners. Moreover, in the active building market which then existed in Chicago, we could keep, by means of three related big jobs, through several years to come, gangs of the best craftsmen, of masons, plumbers, carpenters, electricians, and hosts of others. Smooth relations could be developed and maintained from the beginning of the first job to the end of the last. In the course of weeks I hunted out every man who had a particle of weight in making the decision on the bank building. They talked among themselves, of course, and I made sure that what they had to say concerning us was based on solid knowledge of our capacity. I had found that a good place to catch them was in Ernie Graham's office. I suppose I made a nuisance of myself, but I made progress. Graham, although he wanted us to win, never ceased to argue that we ought to get our chance by

trying to bid low—that is, he never ceased to argue so, until some years later, when he was ready to invest the bulk of his own fortune in the Insurance Exchange Building; then he gave us the job on a guaranteed maximum cost basis, plus our fee.

I had persuaded George M. Reynolds that we ought to get the bank job. After a talk with him one day I wrote home that we were almost ready for pen and ink. Then came trouble.

Mr. Reynolds sent for me; his lips were pursed as he fumbled in his mind for words to shape his news.

"Mr. Horowitz, I am afraid things aren't as rosy as I led you to believe when you were with me yesterday."

"You told me then the bank's building committee was disposed to take Thompson-Starrett's proposition."

"That's true; but Barney Eckert is disposed to block the plan we had. The point he raises has to do with you."

"Why, what could Mr. Barney Eckert have against me?" I was amazed.

"He says you are a favorite of Ernest Graham's. What have you got to say to that?"

I waited half a minute before I spoke. Then I said, "It's true."

"What? You admit it?"

"Yes, I admit it. I boast about it. We have done some important work for D. H. Burnham & Company, jobs such as the Union Station Building in

Washington. We have made good for Graham and for his clients every time we have been associated. In the circumstances, it would be something for us to be ashamed of if we were not favorites of Ernest Graham. So I must tell you flatly that we admit the charge; but if Mr. Eckert means by his suggestion to imply anything sinister, then I want to say that he insults Graham and he insults me However, this would be a ridiculous assumption on the part of anyone knowing Graham, and Eckert does know him."

George Reynolds nodded and beamed. He said he was going to talk to Mr. Eckert over the telephone. "I am inclined to think you have given a proper answer to my question."

Actually the building committee already had voted to give us the job but wished to get something else in the trade. I left Mr. Reynolds' office and went directly to Graham's office. I could hear Graham storming as I entered. "Where is that certain-kind-of-a-person, Louis Horowitz. I'll bet he has gone back to New York, blast him." Then he turned around and saw me. He really looked ill as he asked me, "Have you heard the latest? Do you know that Barney Eckert is saying you are my favorite; that I am trying to give you contracts to build all Chicago?" He was so wrought up he was trembling. Graham always gloried in a reputation for stripping contractors on behalf of his clients.

"I just left Reynolds," I said.

"You've been up there? What happened?"

"George Reynolds told me that Barney Eckert had warned him to be careful about this job. He said Eckert thought there was something rotten when one firm of architects had a hand in giving three big contracts to one firm of builders. He said this was because I was your favorite."

"Yes, yes, yes. What did you say?" Graham was pacing the floor.

"I admitted I was your favorite."

Oaths fairly exploded in Graham's mouth, but he calmed as he saw that I was grinning. I repeated my conversation with Reynolds, and added that the banker had been entirely satisfied with the explanation. I saw Graham inhale deeply and relax. "Fine, Louis, fine," he said, and clapped me on the back.

I have thought many times since that if I had attempted to make it appear that Mr. Eckert was wrong, that Graham was not partial to us, then a momentary suspicion might have been nourished into something that would have cost us the contract. My experience has been that generally the best diplomacy is truthfulness.

No matter how much business I brought home, it caused less wonder and excitement than when I failed to get a contract. However, when I returned from Chicago and reported to our board, E. T. Bedford, watch in hand, as a kind of apology for not making more of a fuss over my triple triumph, told a yarn about John D. Rockefeller, Sr., in his prime.

A Standard Oil Company executive mustered a table of figures which showed that in a certain important market eighty-nine per cent of the oil sold was Standard Oil. He made a verbal report of the figures to Mr. Rockefeller and delivered that gratifying total as a climax, but Mr. Rockefeller made no comment; he was lost in thought. So the man, hoping to hear his boss break out a bit of praise, repeated, "A total, Mr. Rockefeller, of eighty-nine per cent."

"Yes, yes," said Mr. Rockefeller, "but let's keep our mind focused on our problem, on the eleven per cent we did not sell."

In the Thompson-Starrett Company we were actuated by the same sort of impulse that made Mr. Rockefeller tick; our appetite for more and bigger business was a constant one. Before the Woolworth Building was complete we were hard at work putting up a vaster thing, the Equitable Building. While it lacked a name General Du Pont used to call that scheme "The Du Pont Cottage."

5. The Equitable Building

SUPPOSING I WERE ASKED BY SOME OLD-WORLD stranger to tell what manner of men inhabited the choicest chambers in the astonishing towers of New York, I think I could produce out of my memory no more appropriate specimen than that vanished friend of mine, Coleman du Pont.

I met General Du Pont in connection with the building of the Hotel McAlpin. He had put about half a million into the syndicate which financed that enterprise. At his invitation, I went to a party he gave in his apartment high up in the McAlpin, when the hotel was opened; afterward I discovered it was more in keeping with my taste to play with him at one of his several country places on the Eastern Shore, and I often visited him there. In the country he usually wore close-fitting knee breeches and tied his stockings fast with tasseled cords. The ducks that fell before red flashes of the powder that had made him ultra rich he cooked for us himself; he cooked their breasts in a chafing dish in a sauce I learned to love. He made it by flaming with brandy the juices squeezed from the carcasses of the ducks in a press he turned with arms more sinewy than those of most rich men. In his after-

college years he had swung a pick in a Kentucky coal mine.

Rightly, he should have lived a score or more of centuries sooner. He had enormous wealth that had been swiftly gathered. He had made his own big fortune despite his kinship with the rich Du Ponts of Delaware; in fact, but for Coleman probably none of them would be quite so rich. He was the one who put their powder trust together. All that was in his past when I came to know him; then he had newly come up from Wilmington, Delaware, to New York because he wanted a larger playground. For him, the second best in fun was making money; spending it was first, of course. The power of his money could give him all the satisfactions of a king; he was six feet, four inches tall, rather vain and generous. What other candidate for senator ever distributed in his campaign hand mirrors for the lady voters with his photograph printed on the pink celluloid that backed the mirrors? I have seen him when his mustache almost changed its slant as does a peacock's tail. He loved to be the host of a numerous throng, and when he entertained it was a puzzle, sometimes, to tell whether he was a king arrived on earth too late or whether, after all, he had come too soon and moved among most men and women as if he were a trader with glass beads to give the natives for some more precious things. Because he often strewed his money carelessly he had his sycophants and toadies, but he also had a lot of friends.

One day an architect I knew through association on an earlier building job telephoned to ask if I would meet him at the Manhattan Club, where he would bring General Du Pont. I agreed, but I smiled, because this man had maneuvered Du Pont into a suite of offices close to his own; and for some time I had been entertaining a cynical belief that he was keeping the multimillionaire like a carp in a tank until a convenient day. Seemingly that day had arrived, because as soon as I reached our rendezvous the architect quickly whispered that he had conceived the idea of having Du Pont buy the fire-scarred empty plot at 120 Broadway and become the owner of a building which the Thompson-Starrett Company might hope to build and of which he planned to be the architect. Number 120 Broadway belonged to the Equitable Life Insurance Company, which had not then been mutualized. The company had hired us to raze the shell of the old building after it had been ruined by fire, and we had been engaged in persistent negotiations with the insurance company's President, Paul Morton, and then with his successor, Judge Day, in the hope of getting a contract to erect the new building which must rise there.

Before the architect had time to tell me much about his intention, General Du Pont arrived and would not let the conference proceed until he had shown us a trick. He pulled his coat sleeves up, exposing hairy wrists, then plunged one huge hand

into a pocket and produced a pack of cards. "Now then, Louis," he instructed me, "take a card."

After we had watched the trick the architect found time to whisper, "We can put this over if we work together. The General likes you and has confidence in your judgment." I needed a match for my cigar and was fishing in my pocket when Du-Pont said, "Allow me." I took his matches and had vainly scratched six or eight before his loud guffaw revealed that I had been hoaxed again. He always went equipped with trick devices: explosive cigars, rubber candy, or a cigarette case that when opened released a serpent made of springs.

The architect outlined his plan; he wanted General Du Pont to buy 120 Broadway, but he had figured out that this could be done entirely with other people's money. At that game there were few men as skillful as Du Pont. In this instance the scheme the architect had plotted required the insurance company to make a loan larger than the amount it was to receive for the land, and then second-mortgage bonds were to be sold to the public. According to this proposal, the General was to put up nothing whatever except the use of his name, and for this he was to receive, the architect said, a handsome profit. "What do you think of it?" In addressing that question to me the architect supposed that as the favored builder I would wax enthusiastic; instead I scowled.

"I think your plan is unsound, wrong in every single phase," I said. "The building you have

planned could not be built for the sum you say. The building would not produce the amount of rent you seem to think it would. In my opinion, it would be utterly impossible to sell such second-mortgage bonds. Furthermore, it is my feeling that it would be immoral for any man to prepare to take a major profit while letting other people carry all the risk."

The architect by then was scowling, too. "You don't seem optimistic," was his comment with his lips, but his angry eyes were saying more.

Du Pont was fascinated by the idea of owning a gigantic building in New York, but I think he was greatly impressed by the discovery that I was not willing, just to get a big job, to support anything that came into the architect's head. He said to me, "You say our setup is not right. Perhaps you will tell me what would be right."

"I'm not so smart that I can do that without careful thought," I told him, "but I will prepare some figures for you."

My study of the proposition showed that instead of nothing, Du Pont would be required to put $7,000,000 into the venture. That made him whistle, but I made him whistle louder. I said, "We would not feel warranted in taking on the job unless you find it convenient to put aside ten millions."

The General had a phrase he often used; when he wished to read himself around a corner or to extricate himself from some situation that did not

please him, he would say, "I guess I'll wiggle." If we were going to embark with him, we did not want to leave him with the choice of wiggling. I could not tell him that, of course, but what I said was that we were fearful he might get tempted into some diverting, money-needing stock-market action.

"Um," he said, "I could sell some of my powder stock, I guess."

He thought the matter over, though, for days; sometimes he was hot for starting; on other days he shook his head and said he guessed I was right about the too-big risk of adding 1,200,000 square feet of renting area to the market. All this time we were becoming closer friends. My wife and I visited with the Du Ponts at one or another of their places on the Eastern Shore; also we went cruising on their yacht. Sometimes they came to visit us, and Coleman had learned that I catalogued wild ducks among my passions. One night he telephoned to ask if it would be convenient for him to call on us.

"Come ahead," I said. "I'd love to see you."

He held his hands behind him as he entered as if about to do a trick, but when he brought them into view each big hand gripped a package.

"This one," he said, "contains a pair of ducks which you will give to Mary [Mrs. Horowitz]. In this other package I have ten millions' worth of Du Pont securities. Whether I leave them with you depends on what you say."

"You probably won't leave them," I said, "but go ahead. What have you in mind?"

"I have made up my mind to go ahead with the building proposition only if you will become my partner. If you won't, why, then I'll wiggle."

"You had better get ready to wiggle."

"Why?"

"In the first place I have no money to invest in this 120 Broadway Building. In the second place, you must know from what I have said to you that if I had the money I would feel dubious about putting it into your venture. It might take years to rent that space. However, my first point is sufficient to clinch the matter; I have no money to invest."

"That does not matter," said Du Pont. "My proposition does not require any of your money. I want to give you $200,000 in cash or in Du Pont stock, as you prefer, for taking on your shoulders the burden of looking after my interest in this building. Of course, I remember you told me originally there was no market for the junior securities of such a building, but that does not prevent me from creating common stock to represent the equity. I want to give you twenty-five per cent of this common stock."

"General, that is a tempting offer. Two hundred thousand is a lot of money."

"And the stock, remember."

"I am not so rich that I can afford to turn my back on your kind offer; but neither am I so poor

that I have to accept it if there is the slightest doubt as to the propriety of my doing so. So, if you don't mind, now that you have successfully disposed of your package containing the ducks, suppose you just carry the other one home with you. Tomorrow, on my way home, I will step into your office and we will have another chat. I want this much time to think."

The next afternoon I said to him, "I have thought this matter over carefully and I believe I have the right answer. I can't accept your $200,000."

"And the stock," he added, because I kept forgetting about the stock, or rather I had dismissed it from mind as representing a vague and ephemeral thing not to be spoken of in the same breath with all that money.

"My reason," I said, "is that I cannot serve two masters. I am in the employ of the Thompson-Starrett Company. You have made a contract with my company providing that we are to put up your building, if you have a building. This requires the payment to them of about a million-dollar fee. When you undertake to pay that fee you become entitled to every bit of service I can render in connection with the successful development of your building enterprise. Therefore, I have no right to accept this money."

"And stock," he reminded me again.

"I would be taking something for nothing."

"Well!" he burst out at me impatiently, "you

took twenty-four hours to reach that brilliant decision?"

"I assure you I gave the matter careful thought."

"Perhaps you will stop in here again tomorrow afternoon," he said, and accordingly I returned the next day.

He began at once. "So far as your being called on to serve two masters—that is something you need give no thought to, because I won't be around. That is why I have to have you as a partner. I am going to the Mayos' Clinic out in Rochester to be carved. They tell me they are going to take out everything but the kitchen stove. I have some bad adhesions. Now, my proposition is that you will sit here and occupy the position of owner and builder. My plan is to form a corporation which will own the building; and to make you the chairman of the board of that corporation. You seem to have scruples about taking something for nothing. I respect your scruples. But I, too, have scruples about taking something for nothing. I am going to pay your company a fee of $1,000,000 for putting up this building. The services I am trying to get from you are no part of the builder's duty. I want to pay you to act as owner in my stead while I am off the job in Rochester. I'll be away for months—and maybe longer."

We discussed the grim hazard of his coming trip to the Mayos' Clinic, and he made it clear to me that he would not be free to put his money into the building unless he could feel that the campaign

to rent it was safely, permanently lodged in good hands. Naturally, the renting of the building did not fall within the scope of the builder's responsibility. So I asked for another twenty-four hours for further thinking; but I began to feel that I was on a spot.

Next day I said to him, "General, I can't find anything with which to resist your argument. The services you want are outside of and well beyond the thing that we, as builders, undertake to do for you. Nevertheless, you are welcome to my services in that direction without pay. I would give them gladly to get such a grand contract for my company. However, you say you insist on paying. Therefore, I'll take on the job of planning and executing the campaign to rent the building; I'll be the owner's representative. As the Thompson-Starrett Company pays me generously for what I do, my time belongs to it. So, when you pay me $200,000, I am going to turn it over to the company."

"And the stock," said the General, in the voice of a patient missionary instructing a savage.

As a Thompson-Starrett director, Clarence Kelsey had another point of view on that. He refused positively to permit the company to accept the cash or the stock. "You have scruples and General Du Pont has scruples," he said. "So we directors may indulge ourselves in the luxury of scruples; we won't take this money and stock, which clearly

belong to the president for something apart from his obligations to the company."

So, it was a deal.

I had no confidence in Du Pont's architect and, if anything, less in his New York lawyer. The architect's worst fault, perhaps, was a lack, according to our standards, of experience. Coleman had lost faith in the man, too, so when I presented our views rather forcefully he said, "Well then, that's settled: He's fired."

"But you will have to pay him his full fee just as if he were to complete the building."

"Nothing doing!" The General was outraged at the thought. "He's incompetent, and therefore I fire him. I won't give him a nickel."

"He is no more nor less incompetent now than when you hired him. After all, it was his idea that brought you 120 Broadway. You must pay him and then hire another architect. It will be cheaper in the long run."

Du Pont grumbled and tried to interest me in a card trick; but I persisted, saying, "In Poland when I was a little boy my grandfather used to say to me, 'If you go to bed with a dog you must expect to get up with fleas.' So you must pay the architect."

In the end, however, the Thompson-Starrett Company surrendered a part of its fee in order to bring about this arrangement. With respect to a lawyer, a change was more easily, more cheaply accomplished. As a matter of fact, it happened before

the change in architects. I had said to Du Pont, "You will simply have to fire your lawyer. If I am going to guide you, I must guide you my way. Your present lawyer is not, in my opinion, of the high type you need in downtown New York to conduct a difficult negotiation with such a person as Judge Day of the Equitable Life Insurance Company."

"Name a firm, then," he challenged me.

I stipulated that we bring in Simpson, Thatcher and Bartlett as our attorneys for the deal. I knew and liked Tom Thatcher and Mr. Bartlett.

"You seem to be running this," conceded the General, "so go ahead and hire Simpson, Thatcher and Bartlett." That is how I got to know Dwight Morrow. In later years Dwight loved to hear me tell my impression of that first meeting.

I called up the firm's offices and asked for Mr. Thatcher.

"Mr. Thatcher is not here."

"How soon can you get him?"

"He has gone to his summer home for his vacation."

"Let me speak to Mr. Simpson."

"Mr. Simpson is away also."

"Well, then [very impatiently], Mr. Bartlett."

But, he, too, it was reported to me, was away on a case.

Each partner was a man to command respect and instill confidence. They were fine looking, alert gentlemen with imagination. Then I asked for Mr.

Workum. But Workum, too, was away on that hot summer day.

"For God's sake," I roared, "who is in the office?"

"Mr. Morrow is here."

"Who is Mr. Morrow?"

"Mr. Morrow is a partner."

"All right," I said testily, "you tell Mr. Morrow that General Du Pont and Mr. Horowitz are in Judge Day's office, in the temporary offices of the Equitable at 165 Broadway. Tell him to come right away."

It was most trying. In a few days Judge Day was sailing for Europe, and the deal for the plot in 120 Broadway was yet to be closed; if it was not closed before the head of the insurance company sailed, probably it would be postponed for at least two months, and there was a prospect that it would not go through at all.

Presently there walked into the office an undersized man with a large head. His hair was tousled and his clothing disordered. I observed that the lowermost button of his coat was fastened to the topmost buttonhole. He had not bothered to put on his vest, and so a conspicuous item of his costume was his suspenders. I was so nearly in despair as I looked upon that seemingly hopeless specimen of a lawyer that I could not be polite. If I had been in any less of a hurry, I would, right then, have postponed the transaction until I could have brought back to New York either Bartlett or Thatcher or Simpson. The quizzical expression in

the eyes of Coleman du Pont did not make me feel any better; he seemed to be thinking, "And I fired my lawyer for this one!" I had no choice, though; I had to go ahead.

"Now, Mr. Morrow—your name is Morrow?—I am going to try to explain to you the details of this complicated deal. I have been thinking about this matter for a number of months, so that I have it clearly in my head. We are pressed for time, and I am likely to talk hurriedly; it's a bad habit of mine. However, if I go too fast for you, just interrupt me. Of course, you are unfamiliar with the matter and I wish to make allowances for that." I was speaking with the sort of gentleness with which people try to make things clear to a child whose development has been arrested. I was feeling sorry for the wistful little man. "You will interrupt if I go too fast?"

"Certainly," said the little lawyer with what seemed to me to be overconfidence.

"Now, the Equitable Life Insurance Company is selling 120 Broadway for $15,000,000. That is point number one. Got that?"

"Yes."

"But we are resolved to depart from the idea of $15,000,000, so that the company will be able to avoid a figure that would indicate a profit. We are going to call the selling price $13,500,000; but since this is going to be paid over a great many years, the semiannual payments are figured out on such a basis that the company actually will be

doing as well as if the transaction were to be concluded on an outright basis of $15,000,000 at four per cent interest." I paused. "Is that clear to you?"

The large cranium nodded, and gently the little man said, "I think so. Yes."

So I went on, "The Equitable Insurance Company is going to lease three floors in the projected building, paying X amount of money, getting the right to expand into additional space." I stated the terms and the notice to be required in the clause covering these points—the clause the little man would have to draft. He merely nodded, when I gave him a questioning glance. I thought, with a flush of rage, "This damned fool doesn't know what I am talking about, and worse, he lacks the courage to stop me with questions."

This was always the part of my story that made Dwight chuckle.

Step by step I proceeded, and he did not even make notes of the complicated structure I was drafting according to a pattern that had been developing during months of negotiations. The building would be a complex mechanism, but the financial devices by which it was being made possible formed a structure equally complex; a structure of credit, of confidence, of human belief in a variety of ifs and whens. All this poured out of me, and Morrow only listened. At last I finished.

"How about it? Do you understand?" I asked these questions as a challenge.

"Yes, I think so. There are a few questions I want to ask."

The queries he then propounded were as refreshing to me as if that stifling day had suddenly become breezy with cool air; each was significant, designed to clarify some point that I had not sufficiently dwelt upon. Transcending my feeling of relief was another of gladness; this had to do with that large cranium out of which two blue eyes were looking at me with a rare intelligence. I was aware of a tenderness within myself for the frailness on which that great head was set. A sudden flash of my own thinking let me see that what made me so grateful was a debt of chance—to Fate for sending out of town, all on a summer's day, the senior partners of Dwight Morrow's firm; otherwise I might not have met this marvel.

We two worked together through Friday, all night long, and then on Saturday. The papers we drafted were dispatched to the printer in short "takes," as if we had become journalists being swept closer to a deadline. Well, we had a deadline, because the papers in this $15,000,000 deal had to be ready for the signatures of Du Pont and Judge Day before the latter sailed, at noon that Saturday, for Europe. By the time Judge Day had written his name and hurried off to where we could guess his liner was hooting departure warnings beside its dock, we two, Dwight Morrow and Louis Horowitz, were limp but happy.

Morrow and I became close friends out of that experience. To each of us a business problem was meat and drink, and I learned that any that he tackled soon ceased to be a problem. He was a marvel, truly. In that potent brain of his a great pile of a building like the Equitable, while yet unborn, would begin to owe its shape and substance to an invisible dimension that he would fashion out of logic, promises, and human give and take.

Morrow never was a mercenary man. When he was invited to go with J. P. Morgan & Company, he paid me the compliment of asking me what I thought about the step. Probably he asked others, and I do not wish even to suggest that what I said had influence on his decision; he merely used my mind as a mirror for his own. Nevertheless, I told him, after thinking on it several days, that just because it was J. P. Morgan's, I thought he ought to go; it was a chance to lift all he loved to a broader platform in the world. As we all now know, he went. A few days after he had packed his things and moved from 62 Cedar Street I walked into the office of one of the most lovable men I have ever known, Tom Thatcher, the father of the present bearer of that name.

"How are you this morning?" I knew that down the corridor Dwight Morrow's office cell stood empty.

"How am I?" Judge Thatcher spoke almost bitterly. "I am as well as I could be expected to be

under the circumstances. When Dwight Morrow left this office all the romance of practicing law went out of it with him."

But Morrow suffered, too.

When he first went to J. P. Morgan & Company, Dwight told me, "I feel like a cat in a strange garret. I have been accustomed to come into my office knowing exactly what I was going to do and knowing that outside my door people would be clamoring for appointments. Now I come to town without having the slightest idea what the day has in store for me." The difficulty of those early days was increased because the new building of Morgan & Company was then being constructed and the banking firm was housed in temporary quarters in the Mills Building. His gloomy office opening on an interior court fixed on Dwight his mood of sadness. However, that only lasted a little while, because one could not be in Morgan's many days without becoming absorbed in a number of interesting problems. Before long he was working altogether too hard. He was extremely careless of his health: he would read when he should have been sleeping; he would forget to eat. I was myself a fanatic about keeping in condition in order to meet the exactions of my job; I rode every morning in Central Park, and so, to support my arguments, I bought Dwight a horse. The groom told me that he rode it two or three times, and after that the horse was not used.

The various loyalties that men develop are ex-

tremely interesting to me: not alone those self-sacrificing feelings of attachment to a country, but attachments to individuals, to schools, institutions, business enterprises. In this connection I never have observed anything to compare with the devotion to it of the partners of the house of Morgan. I would like to have known that gentleman who is called, with the greatest respect, old man Morgan. I have been told that he was far from being approachable but that he could turn on charm as one may turn on water at a faucet. Certainly what I was privileged to see and understand of J. P. Morgan & Company convinced me for all time that it was an institution with an extraordinary capacity to serve the business structure of the company, which is to say everybody in the country. It was my good fortune to be the friend of several of the partners, and it was through them that I came to see that their loyalty to the firm, to the partnership of high intelligence, was something that far transcended money-making.

When I first knew Thomas Cochran he was president of the Liberty Bank. I negotiated with him the leases which brought the Liberty Bank into the Equitable Building, and from the beginning I was devoted to him. He was very modest. When I congratulated him upon his partnership in J. P. Morgan & Company he said, "I quite understand my excitement, my exaltation, if you please; but I can't understand why they should want me." As to that everyone else understood

quite well. His value to the partnership was tremendous.

One time, later in our friendship, as I was getting ready to go to Europe I felt a desire to do something for Tommy. After racking my brain I had an inspiration. The world had been dealing kindly with me, and I wished, deeply, to begin making a return. Suddenly I knew that I could merge my desires. One of Tommy's constant concerns was Andover. So I entered upon a legal and binding obligation which provided for Andover to receive sometime in the future a gift of $200,000. Then a great shyness came upon me. I am not shy, but I felt that I would be overwhelmed by the inevitable expression of Tommy's gratitude. So I quickly went aboard my steamer; that was on a Saturday. On the next day it seemed to me that atmosphere above the Atlantic was charged with no other force than the wireless messages of my friend, thanking me. What a grand fellow! And how I shall miss him for the balance of time.

When the owners of the properties adjacent to 120 Broadway learned that we were planning to pile on that block of city surface the equivalent of forty other blocks in what would be the world's biggest office building, they were dreadfully disturbed. They began putting forth propaganda designed to create hostility toward the project. The general tenor of what was said was that it would be the reverse of patriotic to throw so much new space upon the market, that the law of supply and de-



Mr. and Mrs. Louis J. Horowitz in 1907.

mand would operate so as to bring ruin to many owners of property in lower Manhattan, among them Coleman du Pont. As a part of their program designed to stop the building, a committee of these gentlemen came to call on me.

All were men with big fortunes. The spokesman of this committee said they understood I was the prime mover behind the project, and in his voice there was a note that seemed to say it was too bad that I, just to get a building contract for my company, would ruin so many other men who, if I preserved them and their good will, might have other building contracts to give me. I told them I had not initiated the project but that, on the contrary, what I had said in nine out of ten cases would have caused a man other than Du Pont to turn his job over to some other builder. They were unconvinced, but what they asked me then, I think, outranks, for nerve, anything of which I ever heard.

"Look," said one of them, "you have influence with General Du Pont, and you can stop this job."

"Why, how could he stop it if he wanted to? You gentlemen know that the General has signed a contract to buy this lot and put a building on it."

"Well, you use your influence, and you can get him to complete the purchase of the land and dedicate this block for a park. Such a place would make a lovely breathing spot that would brighten the lives of those who work in this congested region."

"I believe I do have some influence with Gen-

eral Du Pont," I said, "but you may rest assured that I am not going to risk losing that influence by making such a preposterous suggestion."

"Oh," said one of my callers, "it's not preposterous; the city needs a park down here, and this block is just the thing."

"You really mean this, gentlemen?"

"We do, indeed," the spokesman said, and the others chorused, "Yes."

"Very well, then, I will urge General Du Pont to abandon the building enterprise on one condition. He comes from Delaware and owes little to the city of New York, but with you who always have worked and lived here the case is different. You are so rich you can afford to carry out your duty in this matter. Moreover, your adjacent property would be benefited. So I will put this before the General on condition that you will buy the plot at cost and commit yourselves by contract to dedicate it as a park."

That stopped all chatter; nothing more was said about a park.

One day, soon after it had been publicly announced that a corporation had been formed to create a monster office building on the site of 120 Broadway, the office boy brought to my desk a card on which appeared the name of James A. Farrell. There was nothing, however, to suggest that this was President Farrell of the United States Steel Corporation. So I said to the boy, "What does this fellow want?"

"Wants to see you, sir."

"Well, go back and find out what he wants to see me about."

When the boy returned he said, "He wants to see you about the pipe for the Equitable Building." In dollars the pipe order would amount to no more than $60,000 or $70,000. I jumped to the conclusion that some fresh salesman had used the big boss's card to get into my office. I had a notion of reducing this brash person to his proper size, so I told the boy to send him in. Then, when I looked up and saw that it really was President Farrell I became popeyed. The last time I had seen him was the occasion of Josh Hatfield's luncheon, which became the scene of the trade for the Woolworth Building steel. As I collected my wits on this occasion and seated Mr. Farrell, I became aware that he had arrived with an armful of books and papers that made a formidable pile when stacked upon my desk.

"Mr. Horowitz," he said, "I am extremely anxious to sell you the pipe for the Equitable Building. I know the General is going to give this business on merit and I don't believe in going over the contractor's head; so I have come direct to you."

Right then I thought, "This Farrell is a master of selling strategy. If the situation were reversed I know I would be trying to capture his favorable interest precisely as he now tries to catch my own."

I mentioned something then about wrought-

iron pipe, and Mr. Farrell said that wrought-iron pipe was nothing more than bunk. He said, "I have here some documentary proof, laboratory tests impartially made at Columbia University. These tests will prove to you that our steel pipe will last as long, at least, as any other." He went on with other arguments, and I was fascinated by the thought of that executive with his vast responsibilities going afield to sell some of the stuff his mills were making.

"Mr. Farrell," I said, "I lack the understanding to absorb this proof. I hope you will be good enough to let me turn it over to our engineers and the architect; but let me say to you at once that if they fail to agree that you are right I shall be terribly disappointed. When the President of the United States Steel Corporation comes into a poor contractor's office to sell a few lines of pipe, such enterprise should be rewarded." I was thrilled by that; I am still, because I realize that it was selling effort quite as much as technical skill and raw materials that gave this country its extraordinary steel industry. Always the competition among the big companies was extremely sharp. However, Mr. Farrell's industry was rewarded; we bought our pipe from him.

Before Du Pont went to the Mayos' clinic he tried to change our fee arrangement from the ten per cent he had agreed to pay us to one whereby we would be paid a larger fee on what we saved.

"Louis," he began, "I have the greatest confi-

dence in you, but it goes against my grain to have a contract whereby the more your boys spend the more they get. I would like to fix it on another basis. I'd rather pay you ten per cent of what you spend and hand you twenty-five per cent of what you save. That way your boys would have a stronger incentive to save my money."

"General, you are going to prove right now that you really have confidence in me by accepting my advice that the correct thing to do is to leave that fee alone. My boys, as you call them, do not know the terms of my contract with you. The people who have to manufacture the parts, the materials, of the building don't concern themselves with the deal between us. Thompson-Starrett set up costs that should give results under ideal conditions and proper supervision. The responsible individuals are rewarded if they do better, fired if they do not hold to the standard."

Du Pont seemed inclined to argue the point, and I said, "On a project as important as the Equitable Building you are in the hands of your builder to such an extent that you should not even begin to do business with one who has to be bribed to be faithful to his duty."

"I don't agree with you," said the General, "but I have got to go along with you or else fire you. I am not ready to fire you." He smiled broadly.

I went to Rochester several times to see him while he was convalescing from his operation, so I could report on the progress of our gigantic struc-

ture. He was gaunt, but gaining strength the first time I went out. He could hardly wait for me to close the door to tell me how he was "sticking" the Mayo brothers. He told me as a preliminary, however, about some correspondence he had seen. A poor girl in Chicago, desperately in need of an operation, had written Dr. Charley Mayo to ask him how much the operation would cost her. The reply had been, "It will cost you two cents; you will spend this for the stamp to be put on the letter notifying us when you are coming."

Du Pont, in whose frame those miracle-working surgeons had kept life, was loud in his praise of them and pleased with their charity. "But," he said, "the only way they can take care of such cases is to soak a rich patient and soak him good." Then his face took on an impish look.

"Know what they are soaking me? Sixty thousand dollars! They charge ten per cent of your income if they operate. The derned fools! They underestimated mine a lot. This year they could have charged me four times that; but I'm not going to put them wise, and, Louis, when you talk with them keep your trap shut. If they charge me any more I'll have a relapse."

It so happened that, due to a depression in the first part of the Wilson administration, the market for building materials broke sharply. Consequently we bought for the Equitable Building at prices far lower than had been contemplated. We saved about $3,000,000 on the job. Under Du Pont's

formula we would have been entitled to $750,000 of the savings; under our own we lost about $300,000 of our expectancy. We did not lose that money, though, because Du Pont transformed it into the most valuable advertising we ever got by telling all his friends how we had protected him even to the extent of spending a fat share of our fee to give him the services of an architect better than the one he had hired.

I had a complicated set of obligations on that job. In the mornings I went to the Equitable Building Company's offices and sat at a desk in the role of owner and chairman of the executive committee of the corporation. There I wrote my name on orders which, the afternoon before, had passed across my other desk in the offices of the Thompson-Starrett Company. It is a gratifying thing for me to remember that the Thompson-Starrett directors never had a qualm about my fairness and that Du Pont was my friend to the end of his life. It was not easy to open up a $10,000,000 sluice gate in that Du Pont fortune and keep such guard over it that what ran out was carefully impounded.

When the renting campaign began we were in competition with the Woolworth Building, the City Investment Building, and several others; and there was a depression, making tenants scarcer. For a while our 1,200,000 square feet of rentable area seemed almost like a new continent, so vast and vacant were its many floors. I adopted a one-price plan for selling space, and this was decidedly effec-

tive in comparison with the tedious, almost Oriental trading that hampered leasings in rival buildings. What really saved the day for us, though, and filled our building from the ground to the topmost floor, was the war in Europe.

Every new big building needs a bellwether to toll tenants into the fold; that we had our bellwether was proven by the sudden hurry of many to lease offices from us—hinterland manufacturers of everything that fighting soldiers needed; brokers, lawyers, and a host of others signed up for space. The answer to this market riddle was that J. P. Morgan & Company had hired an entire floor in connection with their activities as buyers of munitions for the Allies.

As a further reward for what I was doing while he was out at Rochester, Coleman du Pont sent me a tip on the market. His letter said: "Dear Louis, I owe you a lot for the way you have handled the Equitable Building during my absence, and I want to do something that will show my appreciation. I don't know how much money you have, but I do know you have the $200,000 you received from me. With it I want you to buy Du Pont Powder common stock. I have arranged with Louis Clark of the American Exchange Bank that if you come in with that $200,000 he will buy 10,000 shares for you. The stock is selling today for $130 a share."

The rest of his letter dealt with details of the transaction he proposed; dividends on the stock were somewhat greater than the rate of interest the

bank would charge me for $1,100,000 so that, in his opinion, I was assured a comfortable little profit of $20,000 or so—cigarette money, he called it —even if the stock did not rise according to his predictions. His predictions were what made it all so tempting. He said he was sure the stock would go to two hundred and that if I sold at that point I I would have a profit of $700,000. I think I was never more fascinated by arithmetic than during the next few days, but I kept away from the American Exchange Bank and Louis Clark. Instead, I went to the officers of J. P. Morgan and saw Dwight Morrow.

"Dwight, I don't want you to betray any secrets, and I know you would not, regardless of my wishes, but I am hoping you will feel free to advise me. Coleman du Pont wants me to buy 10,000 shares of Du Pont Powder common. What do you think I ought to do?"

Dwight for a while was lost in thought. If anywhere in the country there was such a thing as inside information it was certainly contained within the skull of Dwight Morrow, for a partnership in Morgan's then was on a parity with being clairvoyant; they all saw things on earth as from a vast height. At last Dwight said, "Well, Louis, you and I, of course, think that Coleman is pretty erratic, but sometimes he is likely to be right."

Such a statement from Morrow in the circumstances meant more to me than if anyone else had said, "Go and buy the stock." Yet I did not buy it.

Then Du Pont returned from a yacht trip. His first question was, "Did you buy the stock, Louis?"

"No."

"Why not?"

"I will tell you sometime, but not today."

From that moment on, for months, I got a note or a memorandum of some kind from him every few days. He would write: "I begged you to buy 10,000 shares of Du Pont when it was selling at 130. Let us assume that before your slow-witted mind got around to making the purchase it had advanced to 140, costing you $1,400,000. Today the stock is selling at 210. Your loss, therefore, not counting dividends, is now $700,000."

Those were rasping "I told you so's." Of course the stock kept jumping—$250 a share, $300, $400, $500, $600. Finally it got up to $1000 a share. Long before it reached that price, however, I stopped the memoranda; I stopped them when he was calculating that I had lost about $3,000,000.

Coleman had owned 70,000 shares of Du Pont common and had sold these to his cousin Pierre du Pont at a price of $200 a share. So I wrote a note to him saying: "You keep making very interesting calculations for me, showing how much money I have lost on stock that I never had, if I had only had it. Now I am going to make one calculation for you. You sold 70,000 shares at 200 and collected $14,000,000. Today, when the price is $600, your shares would be worth $42,000,000.

On this basis you appear to have lost $28,000,000."

There were no further reminders of my loss.

A year or so afterward, Du Pont, Jimmy Speyer, and I were having luncheon at the Recess Club, and once more the General spoke about my foolishness. He told about it in detail. Speyer smote his brow and asked, "When you have tips like that, why, oh, why do you give them to Louis? Give them to me!" Then Speyer turned to me for an explanation.

"Obviously," I said, "the underwriting against loss was unthinkable. I am not a charity patient, and General Du Pont must have known when he made the proposition that I would not accept it. Therefore I was confronted with a simple problem. I figured that I might buy that stock and make forty points. I could not imagine myself hanging on for sixty points, but if I had done so and made a profit of $600,000 it would not have added any comfort to my life, because I have enough. But where there is a chance of gain there is a chance of loss. Temperamentally I am so constituted that if the stock commenced to go back I probably would not have had the sense enough to drop it; I would have hung on and on. If I had lost $500,000 or $600,000 the effect on my way of living would have been sharp and bitter. So my decision was simple. A gain did not stand for happiness, but a loss meant serious inconvenience. Therefore I decided not to buy."

"By George, General," said Speyer, "I think he's right."

But General Du Pont slapped his hand downward in the gesture one uses to dismiss a dog—or nonsense.

When I had received my certificate representing twenty thousand of a total of eighty thousand shares of the common stock of the Equitable Office Building Corporation, I chucked it somewhere. I had no faith in it as a thing of value. After a few years when General Du Pont brought up the subject of dividends with the other owner of the building, me, I decided I had better look around and find that stock. I finally discovered it, covered with dust, in the rear of the roll-top desk that stood behind me as I sat at the table where I worked.

With gentle exhalations I blew the dust off of that handsome piece of engraving and then dignified it by carrying it down to the safe-deposit vault. The first dividend was a dollar a share; then in the next year it went to three dollars. In addition to these dividends the building company was piling up a substantial surplus, was paying off the mortgage, and buying up its bonds. Finally the building was such a successful property that other people with money began to covet it. My exit as part owner showed what an extraordinarily generous nature Du Pont had.

One day he telephoned me to say, "Some men are in my office talking to me about buying our cottage. I am sending them down to you." When I

talked with these people they mentioned figures that were tempting to me; millions for the stock. I finally said to them that if they were willing to pay us a certain number of million dollars and permit us to withdraw from the treasury of the corporation everything that represented property other than the building—all the securities we had bought and all our money surplus—I would favor the deal, subject, of course, to General Du Pont's consent. Based on the earnings of the building, it was a good buy for them; viewed from the angle of its cost, it was also, for us, a good sell. A short time later, these men returned and said they were prepared to close the deal. Then I went up to see the General in his rooms in the old Waldorf-Astoria.

"From my standpoint," I told him, "the thing to do is sell on these terms."

"The property is worth more," he said.

"I know, but I reached this conclusion on the basis of reasoning that does not apply to you. I asked myself if, for the amount of money offered for my share, I had an opportunity to buy a quarter interest in the Equitable Building, would I buy it? The answer was, clearly, No. I would not for several reasons, and the most important of these is that this amount of money represents altogether too large a percentage of what I am worth to keep it invested in a single enterprise.

"Of course, what is a controlling reason in my case probably does not apply to you. I can easily believe that it would be wise for you to keep this

proportion of your wealth in this building. My share is a windfall, a piece of extraordinarily good fortune. Because of it I have more than I ever dreamed of having; but you ran all the risk, put up the money, precisely because you wanted to create such a safe investment as this has proved to be. So I can't urge you to sell without being selfish."

"Louis," said Du Pont, "we will sell."

The proceeds of the sale were put into a portfolio in the name of a holding company in which Du Pont had a seventy-five per cent interest and I, twenty-five; and then the General wanted to speculate, something which appealed to me not one little bit. So we worked a trade whereby I took my share in the form of securities out of the portfolio. It so happened that General Du Pont made a great deal of money in the Wall Street boom; but in the crash he lost a great deal, too, while I, in some degree, avoided that disaster.

The Wall Street boom was less interesting to me, because I was having too much fun with the big-building boom which, in a measure, paralleled it.

6. Wartime

IN THE SUMMER OF 1914 I WAS PLEASANTLY ENgaged in finding a series of reasons for being pleased with German culture. I had gone to Berlin with several of our staff to make an inspection of some electrical machinery being fabricated there in the factories of Siemens-Schuckertwerke. We were buying between $2,000,000 and $3,000,000 worth of their machines destined for a great copper plant which we were building in South America for the Chile Exploration Company, at Chuquicamata. That was a $15,000,000 contract which came to us thanks to the good will of the Guggenheim brothers. At the time young Robert Guggenheim, son of Daniel who was chief of the clan, was working for the Thompson-Starrett Company. I would not be surprised to discover that was why we got the contract. However, in Germany I found myself greatly impressed by the standards of honor which governed the heads of the Siemens-Schuckertwerke Company.

The contracts for the machines they were building had been let on rather sketchy plans, so that there was room for plenty of differences of opinion as the work proceeded. Invariably when a question

arose it was resolved in favor of ourselves, the buyer. I am still trying in my idle moments to reconcile such standards with the quite different honor standard of the German government, as exemplified in dismissing its signed treaty respecting the neutrality of Belgium as a scrap of paper.

We were at a German mountain resort, and I had left my wife and her niece playing golf to go to the post office to send a telegram to one of our men in Berlin. With a growl the attendant refused to accept my message in English. I realized this was an encounter with something having a vast significance. We packed hastily and came on to Berlin. We had rooms at the Adlon hotel, and behavior was so strictly governed, we found, that if my wife attempted to converse in English with her niece, in a near-by room, by telephone she was instantly cut off. Only German words were tolerated.

Quickly life became exciting. Our windows gave us front seats in a most thrilling drama. One minute we would see a crowd running, hear shouts. Then the quarry of the crowd would be engulfed, disappear; and for explanation we would get one word—spy. Then we would hear trumpets, and German royalty would be rolling past our eyes in automobiles: sometimes the stern visage of the Kaiser, helmeted and cloaked in gray, and with his well-upholstered frau beside him; again it would be his stiff-necked eldest son, the Crown Prince, making quick gestures of acknowledgment to sidewalk cheers. The Germans went on a war basis as



Woolworth Building, seen from City Hall Park in New York.

swiftly as the men changed their clothes. It was at once admirable and horrible. It was from this kind of madness that my people had hoped to save me when they contrived my escape from Poland while I was a boy. Perhaps that was why the smell of nations rushing into battle was so nauseating to me; all of us were wild to get home to America, but it was not easy to arrange when accommodations were so limited and the desire was so widespread. We were totally unprepared; I did not even have a passport.

Other Americans were getting passports rather easily. At the embassy I would hear man after man recite the essential facts of his citizenship and then see a passport written out and handed to him. I began to realize that in my case it would be less simple, for I was in the embarrassing situation of having been born a subject of the Czar. My American citizenship was something that had come to me quite informally when I was seventeen and my father became naturalized. I could understand the embassy clerk's hesitation, could sympathize with him as he blushed at the necessity of telling me mine was a case on which the ambassador himself would have to rule. He explained that it was necessary to be strict if American passports were to continue to be effective documents.

It so happened that I had met James J. Gerard at a dinner given by Morgan J. O'Brien. As I took the chair beside Mr. Gerard's desk I said, "I've got a tale to tell, but first I want to recall myself to

your mind." Mr. Gerard listened with his fingertips meshed.

"I don't recall the meeting at Judge O'Brien's dinner, Mr. Horowitz, but when I was on the New York bench you testified in my court as the chief witness in a case in which the Thompson-Starrett Company was the plaintiff. I believed you then, and I gave you the verdict. I believe you now, and I will give you a passport." Years later Judge Gerard saw me when we were at near-by tables at a restaurant at Cap d'Antibes and he called out, "Hey, do you need any help to get out of the country?"

It had taken help and chicane and gold to get out of Germany in 1914.

Isaac Guggenheim was at the Adlon Hotel and with him Dr. Kunitzer, who traveled with him always. Isaac was on the verge of having serious need of a doctor then. He would come into my suite and pace up and down the floor, asking questions of God and some others who lacked means of giving him an answer. He was counting heavily on a promise made to us by Gerard whom he knew well. Gerard had said that he would see that we were aboard the first train carrying civilians that should leave Berlin for Holland.

One afternoon about four o'clock Ambassador Gerard telephoned.

"There is a train for Amsterdam leaving at six. I can get you people on it."

There were six of us; my wife, her niece, Isaac, Dr. Kunitzer, and Isaac's manservant. Of course we

had to leave our trunks and content ourselves with such things as could be crammed into straw suitcases. But at the last minute Isaac got cold feet.

"Go on to Amsterdam. If you find everything is all right, if Holland is not in the war, if you can cross the channel, then telegraph me."

Kunitzer dealt effectively with the train conductor, so that we were not pushed out of our crowded little compartment. He handed him a card, and something else, saying, "I am a doctor and I have in my care a violent lunatic." At every station there was a mass of humanity trying to board this train. But the conductor had posted a *Verboten* sign upon our door and had a lesser servant of the railroad standing guard out there.

There were numerous delays on that journey, but when, after two nights in the stuffy compartment, we crossed the border we found ourselves forbidden to telegraph the simple information: Holland not at war. So we tried to inform Isaac Guggenheim with a rather obvious hint. His brother Dan was visiting Marsh, of Marsh and McClellan, one of England's big insurance firms. Our message to Isaac read: "You can join Dan playing golf if you wish." Back came his answer: "I am not interested in Dan's golf stop I want to get out of here." For the rest of his life poor Isaac was teased incessantly by all his brothers about the lack of imagination he had shown on that occasion.

By the time we reached Rotterdam I was fairly frantic to be moving homeward. A thousand mat-

ters demanded attention; but there were tens of thousands of others in a similar fix, and there were no ship accommodations, so I was told. However, a Dutch ship was sailing for New York on the following day.

"We must go on that boat," I said.

"Impossible. We have arranged to put cots in every available space."

"There are officers of the ship who might be induced to double up, for a fee."

"Others have thought of that; the officers will take turns sleeping in a couple of bunks."

"But the captain?"

"No, there is a rule. The captain's rest must not be disturbed. His—"

"Five thousand dollars for the captain's quarters." I expressed this sum in guilders. It sounded fabulous, both to the clerk and me; yet I had to get home.

"Wait a minute. There is a board meeting."

In a few minutes he returned to say, "The captain's quarters belong to you for the voyage to New York."

There was a sequel. Naturally we were greatly concerned over the status of the $15,000,000 project for the Guggenheims at Chuquicamata. All German ships, other than a few raiding vessels and submarines, had been driven from the ocean highways. Therefore, it was wholly astonishing and pleasing to me that the gentlemen of the Siemens-Schuckertwerke, in spite of war, in spite of all

frontiers and difficulties, succeeded in delivering, and on time, the whole of that big shipment of electrical machinery. How they managed to get it out of Germany, run the blockade, and accomplish delivery on the coast of Chile I never have learned. I made some inquiries about the matter when it was possible to do so, but the answers to my questions always were evasive.

After the United States declared war in 1917 the government was in a position to use contractors on its own terms, and some of us it did. The Thompson-Starrett Company was selected to build a cantonment at Yaphank, Long Island, the one which became Camp Upton, a place where twenty-five thousand or thirty-five thousand young men drafted in New York could be transformed into soldiers, and the soldiers into a division. There was need there of a variety of buildings: of barracks, hospitals, stables, garages, administration houses, warehouses, schools, and other structures; we built them swiftly, in a few months' time, and without that wasteful confusion that almost invariably is caused by the failure of materials to arrive when workmen are ready.

By just a little trick of bookkeeping we kept chaos out of Yaphank. We kept track of materials in something like the way that one, in working out an algebraic problem, deals with unknown quantities. If we had created a vast warehouse in which to concentrate all materials that would be needed we could have had first rate control, but the cost of

that was heavy in the double handling it involved; besides, there was no time. By our method goods from scattered factories came directly on the railroad to the job. What we did was to pretend, on our books, that a central warehouse existed, but actually it was a space that included all outdoors wherever goods consigned to Yaphank were in transit.

As the plans came along—and we were building part of the camp before all the plans were drawn—we broke them down into a list of key items. I recall that there were one hundred and twenty-five such items on the Yaphank job, and these we catalogued upon a master sheet. There was a separate sheet for each unit, showing the kind and number of its parts, those same key items. Then as the materials arrived they were distributed according to intelligent direction, instead of what elsewhere happened—as each individual foreman helped or failed to help himself. Without that control it was impossible to exercise orderly supervision of a building job. Lacking such a system there would have been hopeless confusion; men would have lacked materials or else materials would have waited on unready men. In the Thompson-Starrett Company our God was system.

We began at Yaphank in June of 1917; and late in October, with that job out of my mind, I went to Washington to join Henry P. Davison in the American Red Cross organization. I became the director of foreign relief.

One who was given to me down there as my assistant was George Washington Hill, now the head of the American Tobacco Company. One day a letter came from the Queen of Roumania, asking for some adjustment of the Red Cross effort on behalf of the Roumanian soldiers. George Hill was not then the vigorous executive who has made so much money for his company; he was quite different.

George came to talk with me about the Roumanian matter, and a few questions of mine levered off the lid of insouciance that covered his ignorance of the situation. "Now, George," I began my lecture, "the first step in the solution of a problem is to understand it. Always analyze your problem first. Don't forget that!" Thereafter George and I got on much better. Years afterward as I emerged, with blinding belladonna in my eyes, from a doctor's office I heard George speaking, and this was his greeting, "Louis, Louis! The first step in the solution of a problem is to analyze it. Don't forget that!" Then he added, "I never have forgotten."

But I simply cannot believe the Queen of Roumania remembered our correspondence with her; what she had, I think, was presence of mind on the occasion when I talked with her. Soon after the armistice I was in Paris. One day I saw a great crush of people on the ballroom floor of the hotel where I was staying and learned that Queen Marie was holding a reception.

"That's nice. I will go in and meet the lady."

"Ah, but only those with cards of invitation may pass the door."

"I have a card," I said and took from my pocket a twenty-franc note. I was admitted, and eventually reached the place in the receiving line where the Queen stood. An aide-de-camp repeated in her ear what I had said to him, "Louis J. Horowitz of Washington, D. C." I supplemented this by saying, "Your Majesty, as director of foreign relief for the Red Cross, I—"

"Yes, indeed, Mr. Horowitz. I am so delighted to meet you personally and to have the opportunity to thank you for the generous cooperation we had during the war. That is why I invited you here!"

The astonishing part of it is that I was made to believe I really had crowned her happiness for the day, even when I was remembering that my card of admission had been a slyly proffered twenty-franc note. I say the lady deserves her royal blood just for having so much charm.

But I want to tell how contracting skill was used in wartime. One day when I was in my office at the Red Cross I received a telephone message from the office of the secretary of war; I was wanted there. As soon as I was shown in, Mr. Baker said, "The government is going to build two powder plants, and you must build them." By "you" of course he meant the Thompson-Starrett Company.

"Do you have the plans and specifications?" I asked.

"No. You must take charge of the designing and the building of them."

"That is something we are not equipped to do."

"Oh, well," he said, "you can find plenty of talent and ability; that is what I want to talk to you about."

"But I don't understand. Why don't you turn to someone who knows about powder-making; why not ask Pierre du Pont?"

Mr. Baker became solemn and fixed his eyes on me as he said, "I have just come from the White House. I may tell you that we have made up our minds that we are going to win this war without Du Pont."

"Mr. Secretary," I said, "the Du Ponts know their own game better than any others."

"Yes; but they want too much money."

"I do not know Pierre du Pont very well," I said, "but I venture to predict that if you send for him and put him in the chair where I now sit he will let you write your own ticket."

"Mr. Horowitz," said Secretary Baker, "there is no use in our discussing that. What I want to discuss are the terms on which your company will build these powder-making plants."

"You can write your own ticket," I said, and squirmed.

"Do you think $1,000,000 as a fee would be all right?" he asked.

"How much work is there?"

"Perhaps $100,000,000 worth."

"Mr. Secretary, you are enough of a business man to know that a firm cannot operate on a one per cent basis, taxes being what they are; you know that million won't be profit. Nevertheless, if you tell me that it is the duty of the Thompson-Starrett Company to do this job on these terms that is what we will do it for."

"I do tell you just that," said Mr. Baker and then went on to say he hoped other corporations would be influenced to take a similar position.

"There is one thing I want to make clear," I said. "You can commandeer my company's services only on a basis which will protect us from financial difficulties. The contract will have to be in agent form; we must not be asked to act as principal!"

"That," said Mr. Baker, "is something for you to talk over with the comptroller."

I have forgotten the name of the person in authority with whom I negotiated thereafter. I remember that he started off by saying that we were to have the same form of contract as at Yaphank, and I replied that it was precisely that kind of contract that we did not want. "As principal," I said, "we would have to obligate ourselves to pay out more money than our firm is worth, and we might not be able to get that money back from the government."

"Have you no confidence in your government?" asked this patriot with whom I dealt.

"Sir, I yield first place to none in patriotism nor

in confidence in my government. Nevertheless, I know that such a contract, for such a job would be about as much protection to us as a mortgage on a school of bluefish in the Atlantic Ocean." I simply refused to commit my company, and the contract finally took the form I wanted.

In the end, Du Pont built the plant at Old Hickory, and we built the one at Nitro, West Virginia. Mr. Baker put Daniel C. Jackling, the copper man, in charge for the government, and he brought together the engineering brains that were required for success.

We started with a wilderness out of which emerged a single railroad line that ran to Charleston. In that place we mobilized and set to work a force of forty thousand people who had been recruited for their special skills by our agents operating in all parts of the country. When things were underway we averaged, as I recall it, one completed building every thirty minutes.

In the space of four months from the day of our beginning we had completed an enormous powder plant, also a town with all its residences, stores, a hotel, and theaters. It had been done so neatly that, with the electric generating plants in operation, it was possible to take the water from the river, apply its power to raw cotton, and finish up with dynamite. The chief of staff, General Peyton C. March, said that this was the outstanding civilian performance of the war.

I remember when Mr. Baker came down into

these West Virginia foothills to inspect our work. What gained him my lasting admiration was his versatility. As we walked through the chemistry plant he was able to discuss the technical details of making acid; when we passed through the tinsmith shop, where we were making doors, he talked as if he were a veteran at the job of making doors. It was not glibness that he revealed but a most astonishing capacity for understanding.

His greatness, as it functioned in that time of stress, was his sharpness in taking from each developed field highly competent persons and setting them at tasks which, when completed, would add power to the spear that we were thrusting at our enemy.

I hesitate to speak about the little that I did, and yet I must or leave half said, unpointed, my belief that what we sorely need in 1937 is an administrative vision that can see what Baker in his wartime job could see. Today, if we had leadership possessing understanding of our country's greatness, we have capacity to build new houses for all families and, in the building, to create capacity to pay among those who would become the owners. Each new house would be as much better than the average house—indeed, as much better than the best—as a low-price automobile is superior to the flimsy coach of a last-century king. The simple trick of doing that involves the building of small houses as we have built big buildings; our mighty skyscrapers all have been assembled out of facto-

ries. "Assemble" is my cue for telling how we built the tanks.

After Nitro was well underway I was resting in a seaside cottage at Elberon, New Jersey; but my rest was hardly started when I had a telegram from Assistant Secretary of War, Benedict Crowell, which read: "Please be here Monday morning ready to remain."

I was there on Monday. By then, however, I had my belly full of Washington. I had learned aplenty about tangles of red tape. Vivid in my mind that day was a talk that I had had with Howard E. Coffin. He had tried to build the nation's airplanes and found himself tied down like Gulliver in Lilliput by threads, threads of red tape. He said to me that while soldiers were being asked to lay down their lives the sacrifice demanded of any businessman was, at the very least, his reputation. Howard Coffin had been the chairman of the United States Aircraft Board from May of 1917 to April of 1918.

In Washington I was told to take charge of tank production. Those who were asked to put aside their peach stones for use in gas masks were told their effort would win the war; that is what they told me, too.

"I make one stipulation," I said rudely. "If I find myself too hampered by the usual conditions down here I want to feel free to resign. If I find you won't let me build tanks I want you to say now that you will let me go home."

"You could resign, of course."

"But I want a promise I won't be called a quitter."

"Oh, you are just borrowing trouble. The job of making tanks is right up your street. With tanks as with building construction, manufactured parts from widely separated points are brought together at a central place and there assembled into machines."

"All right. I just want it clearly understood that if I can make tanks I'll stay; but if I find that I can only make excuses, you are to get yourself another boy."

"Tanks," said Benedict Crowell, "will win the war."

By my own decision I became assistant to General Williams, who was chief of ordnance. He told me to requisition what I wanted, and so I got a desk, a telephone, a pad and pencils, and the name of the colonel who had been in charge of tank production. I sent for him and asked what was being done.

"They are making drawings."

"How long have they been at that?"

"Three or four months."

"That is a long time to be spent on drawings. Why can't we get busy making tanks?"

"We are trying to make a tank like those produced in the Renault automobile factory in France. From day to day we get cables about improvements worked out by Renault. We then incorporate these changes in our drawings."

"That way we will never make a tank," I said. "Of course it is always possible to make some kind of a minor improvement in a piece of machinery."

When I argued from this point of view the colonel said that even if I was right they had been acting under orders from General Pershing. I called a meeting then of all who had a thing to do with tanks and flushed, among some other birds, one general.

"It seems to me," I told them, "that I could write specifications for a tank on half a sheet of paper. When we have those we can put a lot of automobile manufacturers to work building what we want." I sent for a stenographer then and began to dictate, "A tank to be encased in armor plate of X thickness, which will travel eight or nine miles an hour, carry guns—"

"Oh, that won't do at all, Mr. Horowitz," said one of the officers present. "In the first place it is not what General Pershing wants. In the second place there must be a beveled arrangement of the plates so that projectiles will glance off the surface. Third, the parts would not be interchangeable if you permit each manufacturer to go ahead without regard to the others."

"That last objection does not impress me," I said. "My idea is to send tanks abroad in such numbers that when one won't go, the thing to do will be to let it sink in the mud and take a fresh one. As for beveled plates; well, we're building tanks, not watches. I do not see why we can't assemble the

plates with square edges, not finely tooled, and if necessary rivet strips of metal along the cracks."

"That is not the way Renault makes them, and that is not the way General Pershing wants them."

"No," I said, "and over here we do not make automobiles as Renault makes them. Yet I'd rather have an American car."

Edward Stettinius, a Morgan partner, had become of great value because of his exceptional skill as a merchant. He was in charge of Allied purchasing. I knew him; the Stettinius home and mine confront each other across a road in Locust Valley, Long Island. At this particular time he was serving as Assistant Secretary of War. I told him my story and then I said, "I want you to tell me how you cable direct to Pershing; if you can't do that cable him yourself and let me have the answer."

"I'll cable for you," said Stettinius.

"Ask Pershing if he wants a special kind of tank sometime in the future or if he wants tanks by spring."

Back came the answer promptly, "Any kind of tanks by next spring."

That information was like a wand. With it I could defy the devils of red tape; I could hush the shocked outbursts of those who wanted everything in writing, triplicated; I could go ahead.

I called a meeting in Washington of all the automobile manufacturers. When we were gathered around one table I said, "Theoretically I am charged with responsibility for producing tanks;

practically, the responsibility is yours. If you men put the same intelligence and efficiency into this work as you do into the manufacture of automobiles we will have tanks; if you should not it means additional hell for American soldiers."

I started with the manufacturer who sat nearest at that table, telling him what part we would like to have him make in his plants; then, one by one, I told the others the parts that had been allocated to them. After that we had a frank discussion, and some changes were made as these manufacturers talked shop among themselves with a view to improving on our program. Before we left the room we had a tank-building program to which all were committed.

Ford was already making the little whippet tanks, but this program was to provide for the joint account of the United States and England the big Mark VIII tanks, monstrous things that looked, each one, as if it were the very soul of war. The Locomobile plant had been designated as the place for assembly. At all the other factories engaged in making parts for us we had our own inspectors. It was the duty of each inspector to see that the part with which he was concerned was being turned out and shipped according to a schedule. In one tremendous chamber in Washington we set up a control room for this fluid scheme of manufacture; it was a place where we had charts and diagrams showing the status of our program, and day by day the symbols on those blueprints were changed to

correspond with the facts of our enterprise. It was simply the Thompson-Starrett building method applied to Mark VIII tanks. We kept in touch by telephone and telegraph, applying pressure swiftly when and where it was needed.

One day I discovered that the War Industries Board had given us a lower rating on our materials than we required to keep our schedule. This had been done to us by a fellow named Baruch. Then I remembered something out of the welter of the previous year's adventures.

At Yaphank, one time, a tall and handsome stranger with eyes that seemed to see a thousand things at once stood looking at me in my office.

"My name is Bernard M. Baruch."

"Yes. How are you?" I was a busy person there at Yaphank.

"How long are you going to be occupied with this cantonment?"

"Not long."

"I have a job in mind for you when you get through."

I have forgotten what I said. But when my tank program was menaced I had a sudden hunch about that half-forgotten visit. I trotted over to see Baruch.

"Look here," I challenged him, "you're responsible for getting me into this job, aren't you?"

"Yes, but how did you know?"

"I didn't, until now when you confessed. I want

to ask you, how can I make tanks if I don't get materials?"

"What do you mean?"

"You are marking other things for preference," I said accusingly.

"Listen! I know tanks are important; but [firing off a clip full of forty-five caliber words] we have to have guns and ships and other things."

"I am not trying to persuade you that other things are less important. I am told that tanks will win the war. I have believed that I was brought down here because they were vitally important to the war effort. If this is not so there is no justification for my presence in Washington. Either give me the designation I want or I'm going home."

I was acting then. I was behaving as I imagine an opera star or a spoiled child behaves when it proceeds into a tantrum. Sometimes a tantrum is what a situation needs; at any rate I got the designation I wanted.

I used that threat of going home repeatedly. The first time, I remember, was when I had been on the job only a few days. Somebody telephoned and asked for "Horowitz, the assistant chief of ordnance."

I took the telephone, identified myself, and heard an order.

"This is General Goethals' office. You will attend the conference at four o'clock."

"What is it about?"

"We are going to discuss shipping facilities in relation to demand."

"I am a long way from requiring shipping facilities. It will be time enough for me to think about bottoms when I—"

"All heads of dpartments attend these meetings. You will be expected to tell us what progress you have made."

I had hardly begun!

"My compliments to General Goethals," I said, "and tell him I am here to build tanks; not to talk about them." How glad I was that I had decided to keep a civilian status. If I had been a brigadier, right then I suppose Goethals might have had me jugged, or shot, or torn shoulder strap from shoulder strap; as it was I did not go. Someone else with higher rank called up, but I simply said, "Unless you let me do my work I'm going home—and yours will be the pleasant duty of explaining why to Mr. Baker!"

Another day a Senator came to call.

"How much money are you spending here?"

I told him.

"That is greatly in excess of the appropriation."

"There is such a thing as an emergency appropriation."

He made some comment and then added, "You are going to be severely criticized."

"Look here, Senator, before I took this job I realized I was going to be criticized either for making

tanks, or for not making them. I am making tanks. You can say what you please."

That program, the way we had it arranged, would have given us a double line of tanks, solidly ranked, from the channel ports to Switzerland. I remember now how thrilled General Williams and I were when we inspected the first one, when we saw it crush its way through a house and push down trees as if they had been no more than bush growth. And then I had a strangely illuminating experience.

General Williams and I, on our way back from that tank demonstration at the Locomobile plant in Bridgeport, were eating somewhere in New York when the newsboys began to scream about an extra: an armistice!

"This can't be so, General!"

All my feeling then was disappointment! We had made these tools and now the whole effort would be wasted. I am certain it was ten minutes or more before I became ashamed of myself—and grateful. Ever since I have been aware that there is a dynamite of temptation in all fresh tools of war.

Without our mighty power to manufacture the German nation would have thumbed its nose at us much sooner than it did. Our industrial skill is something that will make any nation that may hate us hate us peacefully through many years. I mean by this that no well-led nation is likely, in the years to come, to assume that just because we lack a big army in uniform we are lacking in military power. What we possess in factory strength is something

that the goose-stepping nations have to emulate before they can start marching. We will be a smarter country when we are all made to understand precisely of what enormous value to a nation that faces war is a concern with resources like those of one of our steel companies. And wouldn't Mussolini like to have one of our big ones!

One day during the war I encountered Charles Schwab at the Bankers' Club. He seized me by the arms in his customary heartiness and asked if I had talked with George Blakely, one of his important executives, concerning a project at Sparrows Point. That was where the Bethlehem Company was preparing to build ships. I told Mr. Schwab that Blakely had talked with me, and that I was grateful for getting such a big job. The Bethlehem Company were preparing to spend $8,000,000 to house the workers who would be concentrated there.

"I want to tell you why you get the job," said Mr. Schwab.

"Look here," I said, "you owe me no explanation. You used first-rate judgment when you gave the contract to the Thompson-Starrett Company."

"Joking aside," said Mr. Schwab, "I want you to know why we picked you. We deal with all general contractors; they all buy from us and it has been our experience that no contractor buys from us to better advantage for his client than your company. So, we concluded that such skillful buyers were the

ones to buy for us on the building project at Sparrows Point."

Mr. Schwab asked me to give him all the speed I could, because to some extent ships would have to wait on houses. I remember we had spent some thousands of dollars on the job by the time that, some days later, I received a long-distance call from Blakely at Bethlehem. He wanted to see me on an urgent matter. The next morning he was in my office early.

"I am in an embarrassing situation," Blakely began. "That contract we gave you for housing was a step we took in anticipation of the conclusion of negotiations with the Navy Department. Now there has been a change of mind. These ships won't be built and consequently there won't be any need for housing at Sparrows Point. I am here to find out how much it is going to cost us to cancel that contract. I hope you won't be too hard on us."

I pressed a button and then in a lowered tone sent my secretary to the accounting department on an errand. In the interval before his return I enjoyed, just a little, keeping my friend Blakely on the anxious seat. Then when I had in my hands the contract between our two firms whereby we were to spend $8,000,000 and receive for ourselves eight per cent of that sum, I held the paper up so that Mr. Blakely could recognize it as I began to tear it at the bottom. What I handed him was the piece that had on it the signatures of several Bethlehem officials.

Mr. Blakely took the bit of paper in his hands and blinked at me; he was amazed and asked, "What is the significance of your action, Mr. Horowitz?"

"It is quite simple. The instant your company had no need of our services this contract became nothing but a piece of paper. Even if the circumstances were different, if you had changed your mind and wished to employ another contractor I would do the same. You owe us nothing, except to reimburse us for whatever money we have paid out on your account."

Among our other big jobs during the war was the building of a $2,100,000 machine shop for Symington and the Fox Hills Hospital for wounded soldiers on Staten Island; that was a $2,300,000 job which likewise came to us marked "Rush." The point is that we knew how to rush.

We found ourselves in a depression after the war. The effect of terrific unemployment growing out of canceled government contracts, business uncertainty, plus big tax bills was being made worse by every ship that came from Europe with a cargo of soldiers. Consequently we were excited by a chance to throw our forces into a big job for the General Motors Corporation in Detroit.

Out there I found that W. C. Durant was president, but men with greater authority were on the scene. My impression of Durant was that he was primarily interested in the price of securities as reflected

in sales on the New York Stock Exchange; and yet he clearly had performed a service in bringing into a single ownership a number of automotive companies. The man had the vision of genius, but the one who seemed to be most concerned with getting better organization into the widely sprawling forces of that gigantic organism was John J. Raskob. He had gone to Detroit to stand guard over all the treasure the Du Ponts were putting into General Motors. He was the one who was insistent that the scattered enterprises should have a central office. A new office building had been designed to shelter the integrated companies. As far as the Thompson-Starrett Company was concerned the postwar depression was ended June 3, 1919, when we signed a contract to erect for General Motors a $14,000,000 building.

We established an office in Detroit then and for a while I became a New York-Detroit commuter. That was when I met Walter Chrysler, who was president of the Buick Automobile Company. I remember Raskob told me several years later after Chrysler had resigned that he could not conceive of anything that might have happened to General Motors worse than the loss of Chrysler. Afterward I became well acquainted with Chrysler. It does not entirely explain him to say that he talks to workmen in their own language, that he has native shrewdness, lots of force, and that he inspires those who work with him. Somehow the man embodies the genius of industrial America.

One time when we were leaving the Commercial National Bank after a meeting of the Board I offered to ride Chrysler uptown and drop him at his office. I steered him toward my old Rolls-Royce, while he talked briskly of some matter. When he saw my car he stopped, transfixed.

"Where did you get this be-something-er-other ark?"

I defended my car, and we got in. All the way uptown Chrysler kept on slandering my old automobile. He said he figured that he would be lucky to arrive at his office without a broken back. Several times he bounced himself up and down, just like a small boy, on the seat springs.

"Tell you what," he said when he got out, "if you will take this thing and run it off a ferryboat into a deep place in the bay I'll give you a decent car."

I'm stubborn; I kept the old one.

In those postwar years when everybody with money seemed to be part of a vast conspiracy against spending any, I saw a chance for us to get to work in Canada.

The same group of men who own the Hotel Roosevelt in New York City wanted to have a new hotel in Montreal. But Frank Dudley, president of the company, had been unable to get a first-mortgage loan. He told me that he had been refused at all the usual sources of such funds.

"The Metropolitan Life?"

"I didn't get to first base."

There would not be any large buildings in New York if builders surrendered in the face of such obstacles. So I went to see Walter Stabler.

"What's the matter with this loan? First-class security. Seven per cent interest. It meets all your standard requirements, and in addition it offers the Metropolitan a considerable profit on exchange. These people need Canadian dollars which you can buy at a ten per cent discount. They offer to repay you in American gold dollars."

Mr. Stabler shrugged. "I don't know any more than this: the boss won't touch it." The boss was Fred Ecker, who was at that time second in command to Haley Fiske. So I went to see Fred Ecker.

"I'm going to sit in this room until you make this loan or give me a good reason why you won't."

"Louis, the trouble with you is that you are so accustomed to bossing people in your own shop you think you can come up here and boss me. Your decisions are usually respected, aren't they?"

"Yes, Fred, but I always give a reason for a negative decision, and I thought I might ask you to give me that courtesy."

Then he explained about certain Canadian government policies which had influenced him.

"That is ground for an objection," I said, "but on the other hand you would be getting seven per cent, the profit on exchange—"

"Oh, I suppose I'll have to make the loan if I'm to get rid of you. Yes!"

And that was how we came to build the Mount Royal Hotel in Montreal.

It was during the postwar depression that we began to do a lot of work for the S. W. Straus Company. This concern by selling so-called mortgage bonds to small investors had tapped directly an enormous reservoir of wealth for the building industry. Such funds came to the industry before only through a by-pass—the conservative savings banks and insurance companies.

Simon Straus had been operating in Chicago for some years before he came to New York; but when he came I was glad to see him because I felt, definitely, that there was a need for more capital in the building industry. Back in 1919 the Straus plan looked to be a godsend. All told, the Thompson-Starrett Company put up for Straus about $21,500,000 worth of buildings; the Straus building in Chicago, $8,000,000; Straus building in New York, $2,500,000; the Ritz-Carlton and Ambassador Hotels in Atlantic City, $7,000,000; and the Ambassador Hotel in New York, $4,000,000. I know that every one of these buildings is a splendid structure. But what about the scheme of financing that brought them into existence? What about Straus?

Straus was an engaging fellow, with great ambition; and he was ingenious. The Straus plan was his invention. Necessarily he was less conservative than the traditional sources of real-estate-mortgage money. When an insurance company or a savings

bank agreed to make a loan on a building project there was nothing to be done except pass out some funds from an accumulation and then to put into a portfolio, as proof of the new debt, a mortgage paper. But Straus had a staff of salesmen and a big advertising force. Bond houses were tempted, by generous commissions, to sell his paper to their customers. All this created a considerable overhead. Naturally, then, only those borrowers who wanted more money than the insurance companies or savings banks would lend on their projects ever went to Straus in a frame of mind that disposed them to pay his fees and interest charges for mortgage money. At first Straus was reasonably conservative, but as time went on the pressure for more business to keep his big organization going was a hard influence to withstand. I used to argue with him.

I told him over and over that it was basically wrong for him to issue mortgages against leaseholds. No matter how long a period is involved the fact is that a "first" mortgage on a leasehold is actually only a second mortgage. If there is a ground rent of $60,000 which has to be paid in order to continue the right of possession of the property, that is equivalent to a $1,000,000 first mortgage at 6 per cent interest. The average purchaser of a Straus bond did not understand what was being sold to him, did not appreciate the significance of the phrase "first-mortgage leasehold bond."

"You don't understand so well yourself," Straus

said to me. "Why, in England they have been trading in leaseholds for centuries; likewise leasehold mortgages."

"I'll bet not one person in a thousand," I replied, "understands that you are selling junior liens."

By way of answering me Simon Straus became more and more successful. I imagine he turned down more loans than he made, but even so he grew bolder and his idea of Straus-conservatism underwent a change. Within his own standards he watched his business closely, but he did not, he could not, have as many safeguards as an insurance company. By the very nature of his business he was obliged to skate on thinner ice than the old-time sources of mortgage money.

By and by the Straus plan was taken up by a host of less experienced financiers. They gave Straus competition in the sale of bonds, and the buildings erected by their schemes gave Straus buildings competition that weakened his whole enterprise.

It seems to me we never will quite understand what has happened to America in recent years until there has been made a full and fair appraisal of the effect of the current of fresh capital that was poured into the building industry by the Straus plan. For one thing the spending that resulted made a vase amount of employment; it helped to make a boom. Booms always make trouble.

7. Labor Troubles

THOSE ROBBER BARONS WHO COLLECTED HEAVY tolls from all merchants freighting goods upon the River Rhine have modern counterparts, and many of these afflict the building industry.

During 1920 when building costs in New York had become intolerably high the New York legislature, through the Lockwood Committee, conducted an inquiry into certain matters which were becoming a public scandal. I wrote a letter then to call attention to the fact that I had a considerable amount of data in connection with those things which the Committee was empowered to explore. I sent this to its shrewd and pertinacious counsel, Samuel Untermyer, but there was no answer for months.

One Friday I was asked over the telephone if I would meet Mr. Untermyer at his home in Yonkers. Assuming that this was in reply to my letter offering help, I agreed to an appointment for nine o'clock in the morning. I had to make an early start with my chauffeur so as to cross five counties and be on time. I am a fanatic with regard to promptness in appointments. However, with time to spare, my car rolled through the imposing gate-

way of Greystone, Mr. Untermyer's Westchester County castle, but when I walked into his home he was not there. It was reported to me that he was in his gardens selecting an orchid for his coat lapel.

I began to froth with anger. Half an hour later, when Mr. Untermyer came strolling in, I became more mad because Mr. Untermyer began to scold me. He said he was engaged in an important undertaking on behalf of the people of New York and that every decent, self-respecting executive in the building industry should be alert to help the work that he was doing. He said he was surprised at my failure to come forward with whatever facts I had.

"Mr. Untermyer, I wrote you a letter months ago offering to do what you now chide me for neglecting. Of course I want to help this inquiry. My business suffers day in, day out—"

Mr. Untermyer waved an elegant hand to silence me and said, "On Monday morning you will be on the witness stand and we'll proceed with our discussion then."

"Very well, sir. I'll be on the stand. My company is not vulnerable. I am not vulnerable. I think we can get along. Good morning, sir."

Mr. Untermyer had expected to find me a refractory witness. I fancy he had pictured us as being more or less disposed to connive with those responsible for the evils he was digging into. At that time there was an agreement—what government attorneys would call a combination—among the

marble and stone dealers of New York. On any building job these merchants would send bids to their headquarters; there the work was allocated according to some scheme worked out under what was called a code of practice. What it amounted to, actually, was a mechanism for eliminating competition. It worked, too, and marble and stone prices advanced to crazy heights. They charged so much that it was possible for them to pay a sort of disappointment fee to any one of their dealers who in the division failed to get an order.

Our company had refused to pay the prices of the stone and marble ring. Yet we got stone and marble, although we took no bids.

"Mr. Horowitz," Untermyer began when I took the stand, "did you buy the granite and limestone for this building?" He referred to one which we were then completing.

"Yes, sir."

"Have you a tabulation of the bids you received?"

"No, sir."

"What! Why not?"

"There were no bids."

"No bids! Why?"

"Because we know that a combination exists which makes all bidding futile as a means of getting competition."

"Well, what do you do about it? You must have stone to build."

"We select two or three concerns, as a rule the

ones engaged in this business who are revealed to have little or no work in their shops. We always make a survey to discover which shops are idle or slack. Our own employees include some men who are specialists in this field. They know the costs of quarry cutting and of stone setting. Consequently we are able to arrive at true values. Armed with that information, we are able to buy advantageously without going through the farce of asking for bids."

Mr. Untermyer all of a sudden was beaming. "Oh, ho!" he exclaimed gaily. "At last we have found a builder who not alone knew all about this racket but who knew how to circumvent it. I congratulate you, sir."

Significant things were revealed in that investigation conducted by Mr. Untermyer. All through the building industry one may perceive how costs are swollen by stupid rules imposed by some of labor's short-sighted leaders, not infrequently aided and abetted by the employers in their trades. I believe earnestly, passionately, that it would be well for this country if the leaders of laboring men could be brought to see that the interests of the people, and therefore of labor, require that management be left free to eliminate all wasteful schemes of manufacture as soon as they are revealed to be wasteful. How was it with stone and marble? The ring contractors were bringing huge blocks of stone and marble from far-off quarries

into New York City, there to be cut and shaped by local artisans.

Fabricating in New York stone which had been brought in from quarries out in Indiana, meant paying freight on waste stone; this could have been avoided by having the cutting done at the quarries. Furthermore, the rates of wages to cutters at the quarries were lower than in the city because of the lower cost of living. However, what I have described is but one item in the toll of waste. Believe me, the nation is paying a frightful cost for tolerating this sort of stupidity. It is so obvious to me, and yet I am constantly being made aware that few men see that uneconomic practices and antiquated building methods are to a considerable degree directly responsible for the high costs that create what we call our housing problem. It has seemed to me that a great deal of the backwardness of the union-labor movement in the United States has been a result of the habit of labor of inflicting stupid rules on any industry in which it has become well organized. Therefore I could understand what fears were prompting the strange behavior of the steel-fabricating companies at a time when they were refusing to sell steel F.O.B. to the Thompson-Starrett Company. Yet I was unwilling to tolerate that refusal, tamely.

In New York City, after the war, we found ourselves the only important building construction company with a steel-erecting department running on a "closed-shop" basis; all other companies, as

to steel, were "open shop." My contention was that to put up a building with one nonunion trade among thirty-three others that were strictly unionized was inconsistent and dangerous. A part of the danger lay in the affront to the izzat, the dignity, of the union men. However, those contractors who disagreed with me and operated under open-shop rules with regard to steel had a good excuse in the evil memories of one Sam Parks. He was a triple-starred scoundrel who grafted ruthlessly. Sam Parks came into New York after being tempered in Chicago. Oh, he was hard! But Sam Parks was dead at the time to which I now refer and Pat Morin, a conscientious man, was head of the union.

We were preparing to erect a new building at 300 Park Avenue to house the Sherry restaurant and to have in its upper floors the apartments of many rich men, Tommy Cochran, Percy Rockefeller, and a long list of others. One of those apartments was to be my own and I was especially keen to have the job done right.

One day I went in a great hurry to see Josh Hatfield, the president of the American Bridge Company.

"Josh, you don't seem to be as enterprising as usual."

"What's the matter, Louis?"

"You haven't sent us figures for the steel at 300 Park Avenue."

"I've been rushed with work; I'm behind schedule."

"That's a lame excuse, Josh."

I did not have to remind Mr. Hatfield that the Thompson-Starrett business in the past had done a good deal to keep busy the big mills of his company. He knew quite well how much steel we bought, but on this occasion he just stalled and squirmed. But he said he would send his figures soon. So I went back to my office, puzzled. Then the figures came, and they were ridiculously high. Clearly, the American Bridge Company, for some reason, did not want our business.

I called James Farrell, President of the United States Steel Corporation, on the telephone. Previously he had asked me to come to him anytime I was displeased with his organization. I told him I would like to come to see him.

"Mr. Horowitz, I know what you wish to talk about, and I can tell you that I am not in a position to help you."

Well, there it was. The United States Steel Corporation was, for some reason, unwilling to sell us steel.

I went to see Eugene Grace, the head of the Bethlehem Steel Corporation, and asked for an explanation. He was entirely frank.

"Mr. Horowitz, we steel manufacturers have agreed among ourselves that we won't sell steel to you or anybody else who is operating on a closed-shop basis. That is a decision of the Steel Institute."

The reason, of course, was that the steel manu-

facturers feared that in time, if the steel erectors' union became stronger, it would be in a position to prevent the use of any steel not fabricated in a union shop. I shopped everywhere, but I was unable to buy steel F.O.B.

Finally I had to give in, and for the first and only time we let a contract for steel erection in New York City to Post & McCord. The steel makers would sell to them F.O.B.; then we could buy from this firm an erected steel structure. It was a farcical situation, really, because Post & McCord used practically the same men who would have worked for us, only Post & McCord, I suspect, got less work out of them for a day's pay.

Pat Morin, the head of the International Union of Steel Erectors, was enraged. He was disposed to strike the Sherry job and ask his friends of the other building-trades unions to strike, too.

"No, Pat," I said to him. "You must not punish us, your friends. You don't want to make the Thompson-Starrett Company suffer because they have been siding with you."

"I don't want to strike a job of yours, but by—"

"Now, Pat, take it easy. You'll be selecting a Thompson-Starrett job as a battleground."

"We won't do that," growled Pat, "but you know I could tie that job up—" Pat clenched his fist.

"If you tie up that job you tie up a Thompson-Starrett Company project, and you won't even annoy the fabricating companies."

I must say here that we always got wonderful

cooperation from steel workers because they knew we were sincere believers in unions.

All this had been going on while Mr. Untermyer and the Lockwood Committee were preparing to make their inquiry into building conditions in New York.

One day I received another subpoena from the Lockwood Committee. It had begun to inquire into the situations controlling the erection of the steel skeletons of New York's big buildings. When I appeared Mr. Untermyer began to question me concerning the Thompson-Starrett Company's investment in steel-erecting equipment. It was large, and it was wastefully idle. Mr. Untermyer's curiosity is powered by some of the fighting quality of a mongoose, and the writhing of any witness he confronts is of no avail.

Was it important, he wished to know, for the Thompson-Starrett Company to have control over the erection of steel in any building it constructed? For reply I described the strategy of our business operations, showed how we sent inspectors to scattered factories and quarries so as to keep ourselves aware of the progress of our subcontractors and, when necessary, to take such steps as would enable us to avoid frustration. I explained that we had developed what we regarded as a swift and dependable steel-erection organization.

"And now it's idle, eh?" Mr. Untermyer preened his mustache and then asked me a front-page question, "Is it true, Mr. Horowitz, that the steel com-

panies refused to sell you steel for 300 Park Avenue because your policy is to erect steel with strictly union labor?"

"I'd rather not answer that question now, if you please."

"It is an important question, Mr. Horowitz."

By pleading for indulgence I gained permission to be excused for the day. Then I went straight away to see Eugene Grace. I told him I was in an embarrassing position because of my desire to avoid betraying his confidence.

"Don't hesitate, Mr. Horowitz. Untermyer is going to call me when you finish; and I'm going to tell him just what I told you."

The next day I was back on the stand and told the whole story, including an account of a vain appeal to Charles M. Schwab, chairman of the Board of the Bethlehem Steel Corporation.

Two or three nights later I was attending a theatrical performance with my wife. Between acts I strolled into the lobby and there ran into Charley Schwab. He ceased to be his urbane self the moment he saw me.

"A hell of a pickle you've got me into, Horowitz."

"How?"

"Your testimony! The police commissioner has just notified me that as a personal favor to him he would like to have me get out of town. He thinks it's unsafe for me to remain in New York and says unless I wish to be murdered—"

"But Mr. Schwab, if I had refused to testify Eugene Grace would have made similar revelations. So I don't see how you can blame me."

Anger rarely bites deeply into the soul of Charley Schwab and so I knew that as he took me to task, there in the theater, he was frightened. That is what labor trouble means in the United States. But we shall all of us have cause for fears, it seems to me, until somehow we devise a satisfactory mechanism for buying and selling American work.

I could appreciate Mr. Schwab's fears because of some of my own experiences. There was drama in my work constantly, if I am correct in my supposition that the essence of drama is crisis. Sometimes there was adventure and once the adventurous experience took the form of a conflict with a Chicago man who possessed sinister power. They called him Skinny Madden and he was slowly dying of tuberculosis when we had a talk in which he tried to subject me to extortion.

We were preparing to put up a $4,000,000 building in Chicago for owners with whom I had had previous dealings. I was anxious that nothing should interfere with our performance. But one morning I got an extremely disagreeable piece of information. The man in charge of our Chicago office talked to me.

"Mr. Horowitz, I thought you ought to know right away about a situation out here. A certain person is demanding $20,000. If we don't pay there

will be plenty of strikes. That's his price for giving the job clearance."

"Who is this fellow?"

"Over the telephone, Mr. Horowitz?" The rising inflection was designed to rebuke my lack of discretion.

"Certainly. Whoever he is, I'm not going to pay him $20,000 nor even a nickel. So, who is he?"

"Skinny Madden."

I was aware of a slight feeling of chill in my stomach. I did not have to ask for details. Madden was spoken of by persons careless in their speech as a labor leader. The truth was that by means of corrupt politics, gang guns, and a talent for chicanery, this man Madden had worked himself into such a situation that he was able to dominate many unions. He had a reputation for ruthlessness which I believe he deserved. Such men have done more harm to the labor movement than all the capitalists that ever lived. On second thought, that seems to be an exaggerated statement. I will content myself with saying that the Skinny Maddens of the country are the worst kind of labor exploiters. They are the worst because they really hold labor in subjection by terroristic methods. I went to Chicago immediately.

"I want to talk with this Skinny Madden. Get him here."

"But, Mr. Horowitz, this is a tough fellow. He never visits anybody. He has a suite at the Grand Pacific Hotel, and he spends most of his time in

bed with a whisky bottle at his hand. He's dying of tuberculosis."

"That's too bad. Once I was dying of tuberculosis myself, and I know how it feels. Doesn't he ever get up?"

"Sure! He's around town, city hall, certain saloons—"

"Tell him I'll see him here in our office."

My associate shook his head, but acknowledged that I was the boss and that he would do as I directed. In a little while he was back, shrugging. Madden had intrusted him with a message that had an impudent flavor. I am sorry I've forgotten his words even though I remember his meaning: He would receive me at nine o'clock in the morning in his hotel suite.

Well, I wouldn't go to see Skinny Madden, and Skinny wouldn't come to see me. So finally we compromised by agreeing to meet on neutral ground, in the barroom of some hotel; I think it was the Briggs House.

As I walked into that place to keep the appointment I was escorted by the manager of our Chicago office who led me toward a pale, thin man whose frailness was shocking to see. He was well dressed, and wore a soft, white silk shirt and collar. His shoes were polished and so were his fingernails. But the eyes looking at me out of that thin face were brilliant, and the forehead above them was high and impressive. There was a Napoleonic quality to that fellow Madden.

"We'll get along better if you and I discuss this matter by ourselves," said Madden. His voice had a filelike quality.

"All right," I said, and dismissed my companion. Then we two sat down at a table and I continued to marvel at the sensitive quality of his high brow. There was sharp intelligence showing in every birdlike glance from Skinny's eyes. He poured himself a drink, a big drink, and then quickly tossed his head backward to gulp it neat. I was talking, asserting things about America, American citizens, and the rights of men, about the Thompson-Starrett Company and what our contract meant to the members of his unions in the form of pay envelopes. But Skinny slashed across my conversation as with a knife.

"Now, Mr. Horowitz, you can cut out all that bull. The boys can't get along on chatter. What we got to have is a little change. This is a $4,000,000 job, isn't it?"

"Yes."

"Then what we're talking about is half of one per cent. Isn't that right?"

"Twenty thousand dollars is one-half of one per cent of $4,000,000, yes; but there is a principle involved that represents a good deal more than one-half of one per cent to the Thompson-Starrett Company."

"Aw, you know I didn't get out of bed this morning to come here and discuss principle, Mr.

Horowitz." Skinny's tone was plaintive, almost, but he was confident, too.

"Mr. Madden, we can't—"

"We need change, Mr. Horowitz. It takes money to keep things going. The boys need change. Twenty thousand dollars is—"

"We are not going to pay you $20,000, Mr. Madden."

"Then," said Madden, and lightly slapped the table, "there won't be any —— building."

"You're mistaken. We are going to build that structure with union men—if we can get them. But we are going to build it."

"You won't get any steel erectors, Mr. Horowitz."

"Union steel erectors, if we can get them; if not, then steel erectors."

"You're green to Chicago ways, Mr. Horowitz. You're talking ignorantly. You just won't get any men for that job, and if you should try to bring any in from outside, why we'll just throw them off the building. And if you get more men and give us too much trouble then we'll blow your building up." He did not raise his voice. Nor did I raise mine when I spoke. "Mr. Madden, you may be able to do as you threaten, but I am not going to give you $20,000 and I am going ahead with the building."

That same day I reported to our clients.

They listened, asked a few questions, looked at each other glumly, and thanked me. I had left

them no excuse for thinking that I was going to pay tribute to Skinny Madden. We proceeded with the job, and there was not the slightest bit of labor trouble. The entire job went through on schedule. But I am not deluding myself about that. I was fairly certain in my mind at the time that the reason there was no trouble was because our clients, on their own account, paid Skinny Madden's fee. They never confessed to me that they had paid, but they were at pains to let me know how they justified the payment. What they said was, "Everybody pays, who puts up a building in Chicago."

Other contractors in Chicago assured me afterward that Skinny Madden always collected the payments he asked for or else made rather more trouble than he promised.

In that time Chicago's labor problems were something to moan about, whatever they may be now. Although bad enough, conditions in New York were better than in Chicago. A large majority of the labor leaders I have known and dealt with have been decent, upright, two-fisted men. There are no better men than William Hutchinson of the Carpenters' Union, William Bowen of the International Union of Bricklayers & Plasterers, or Pat Morin of the Steel Erectors' Union. Nevertheless, I sacrificed a lot of sleep in the settlement of labor problems. A fight between a couple of unions over work that was in dispute might cause a strike that would be just as troublesome to us as if our organization were the cause of it.

Otto Eidlitz and I used to spend some nights in every month serving as arbitrators in these rows. The union men trusted us; and, for our part, we were glad to assist, because we found that our enhanced prestige with labor leaders was advantageous to our clients. Finally they took this service so much as a matter of course that they did not hesitate to call us out of bed to settle any big or little row.

Once, I remember, I was called on the telephone late in the evening at my home in Locust Valley. Robert Brindell, who afterward became involved with the state authorities and another labor leader named Edward J. McGivern were quarreling at such a pitch as to make it seem likely that a lot of jobs would be "struck." It was another of those nasty and difficult-to-compromise jurisdictional fights between crafts.

"We want you to be the arbitrator."

"But it's ten o'clock."

"We can be there in two hours."

"All right. Come ahead."

But it was three o'clock in the morning before they drove through my gates; they had lost their way.

Brindell and McGivern each had a henchman. Before I let them resume their argument I insisted everybody had to have a few drinks, eat some sandwiches, and light cigars.

"Now, look, I'd rather not render a decision because I don't wish either of you fellows to feel dis-

gruntled with me. I want you to try to compromise your row, me helping. But if you can't settle it yourselves I'll make the decision."

"All right, Mr. Horowitz." Then they turned on each other and began to use harsher words than ever before had been uttered in my dining room. They used all the fighting words I had ever heard and used them in combinations with which I was totally unfamiliar. Finally, I interrupted them.

"Quit talking now," I said, and cursed a bit myself. "We are all going out and walk around the grounds, getting some fresh air into our lungs."

I think it must have been four o'clock in the morning as we strolled through my apple orchard. There was a bit of a moon showing.

When we were no longer under tension, I led the way back to the dining room, made everybody take another drink, and then started in again, to listen and admonish as they called each other "crook" and spoke with careless disrespect of each other's parentage. Just hearing how they spoke to each other would have caused you to suppose that they proposed to kill each other with their fists and teeth. Yet that was just the way of men accustomed to the job of ruling unruly men. Sometime after the sun came up they reached a compromise agreement, after which we had breakfast and then went into New York to play, each one of us, our part in building New York City closer to the sky.

Otto Eidlitz was, to all those labor-union leaders, an enormously valuable man. They knew him to



Paramount Building,
Times Square, New York City.

be utterly truthful and honest; and they had faith in his judgment. Sometimes when their own passions had been aroused to such a heat that they could not back down without the risk of being called yellow, they would reverse themselves completely after Otto Eidlitz talked with them a while. He had unfailing charm of manner, and I was always proud to be accepted by the labor men I knew as one who rated some degree of that respect which they gave to my friend Eidlitz.

Bill Bowen paid me the compliment of saying that I was fair to labor, and when any question came up that touched the rights of bricklayers, no matter on what jobs they occurred, they were likely to be referred to me. With Bill the first thing to be done was to calm him down; invariably he came into a conference all steamed up, but when his steam pressure had subsided he had a lawyer's skill at arguing for his clients.

Once we got a contract to put up a building in a place (outside New York) where we knew we must expect trouble with labor grafters. Other contractors cautioned me, "You'll pay plenty now!"

I had my own opinion as to that, and sent for Bill Bowen.

"I understand some of your boys in this town [I named the place] are a bad lot."

"Mr. Horowitz, I have always been frank with you—"

"That is why I am talking to you now, Bill. We have the contract to put up this building. We are

going to use hollow-tile arches and hollow-tile partitions. But we won't pay graft. I wish you would go to this place and tell those fellows that if they try to make us pay graft we will change the arches from hollow tile to concrete and the partitions from hollow tile to wire lathe. They will simply be cheating their men out of work. What can you do about this?"

Bill was perplexed, I could see.

"Mr. Horowitz, I don't know that I have sufficient influence to make those boys be good, just on my personal plea. But I am going to try."

Later that same day he called me on the telephone to say, "You'll have no trouble on that job." Nor did we have any; but seven or eight months later, when I was in that other state, arbitrating a scrap between two unions, I was introduced to the grafting labor leader with whom Bill Bowen had interceded.

This rascal, far from being embarrassed, took me to task for means by which I had avoided his grafting. He looked at me quizzically and then he said, "Mr. Horowitz, the men of the Thompson-Starrett Company are fine fellows except for one thing: They are a lot of damned tightwads."

The most disturbing experience I ever had in connection with union forces had to do with electricians. However, the real villains in that situation seemed to me to be the contractors, although in any conspiracy all who participate are colored with guilt. I do not pretend to know what the situation

is today, but while I was active as a builder there was a period of time when there was a secret agreement in force among the contractors for electrical work. As a means of strengthening their monopoly these subcontractors had connived with the union of electricians, consenting to any and all sorts of demands affecting wages and working conditions. In return for this, so it appeared, the electrical workers were allowed to work only for the contractors of this group.

What building contractors discovered was that electrical installations were costing thirty to forty per cent more in New York than was justified on sound economic grounds. The bids submitted by contractors of the ring were always loaded. Moreover, because of outrageous concessions to the unions with respect to working conditions, electrical costs tended to mount steadily higher and higher. The monopoly was so strong and sure of itself that it became increasingly greedy.

Years before this the Thompson-Starrett Company had determined to protect its clients against abuses of this nature, and our way of doing this was to create our own electrical department. For years we had been doing our own steel erection and masonry work. And these unwholesome conditions, repeated in other trades, were forcing us to take similar action with respect to steam fitting, plumbing and other kinds of work. But the electrical contractors held some strong trumps in that game in which we played.

There came to see me a leader of the union of electricians. He was a forceful, fluent-speaking man who was a natural leader of men.

"I hate to bring you this news. I won't be able to supply you with men much longer."

"Let us see, now," I began, "we belong to the branch of the Building Trades Employers' Association which governs electrical work. We meet all our obligations to the union men we employ, and we employ no others. Yet you say you won't be able to supply me with men much longer. Is that right?"

"That's the way it is."

"Must Thompson-Starrett go out of business? Is that your idea?"

"No. Certainly not. All you got to do is to go along like the other building contractors. The union—"

"You behave more like a representative of the electrical employers than the electrical workers."

"Now, Mr. Horowitz, this is off the record, but I got to tell you—"

Thereupon he proceeded with a quaint similitude of friendliness to try to curdle my blood. I shan't repeat, in fact I have forgotten many details of the schemes he described to me, of arrangements with politicians, with subcontractors, with city inspectors and with out-and-out criminals, these arrangements having been designed for the specific purpose of keeping such fellows as Horowitz in line.

"But I won't stay in line," I said to him finally. "And I want you to stop telling me this off the record. I'll be glad to listen if you do not try to impose the information on me confidentially. What you tell me, if proved in court, would send you and other men to jail. But don't tell me any more, off the record."

The next step against us was by the electrical contractors; they withdrew, as an employing group, from the Building Trades Association, and that left us outside their fold. By short-circuiting their schemes we had made them white hot for revenge. One of the things that we had done by way of retaliation was to inform all other building contractors in New York that we would supply them with honest figures on electrical costs on any job they had. We further said that if they were unable to get a bid at somewhere near the level of our estimates we would do the work for them at the figure we supplied. Were we at war with the union? Not at all, yet the electrical contractors found ways to strike at us, through the union. They harassed us a lot.

The union reserved the right to select the men supplied to any job, and the ones supplied to us began to rebel against our foreman. He had been employed by us for ten or twelve years, but they finally made it impossible for him to continue on the job. That was the monstrous sort of thing that sometimes kept me lying wide awake at night. However, in spite of all manner of frustrating ex-

periences, we did get our buildings up and got them up sharply in accord with our scheduled promise.

Faith in labor unions is a fundamental part of my creed as a citizen of the United States. At this stage of our national development I do not see how a practical and compassionate man could suggest, honestly, any other scheme for balancing the forces by means of which our 130,000,000 people find the means to live. It is because I believe wholeheartedly in the organization of labor for bargaining purposes, for self-defense, that I dare to be critical of certain aspects of its leadership that I have encountered in my career as a builder.

To me it is obvious that uneconomic rules arbitrarily imposed on the operations of employers work steadily, and sometimes swiftly, toward the undoing of all kinds of labor. Yet the greater part of many union leaders' time, judging from my own experience, is devoted to efforts designed to prevent employers from completing their projects with the utmost efficiency.

After a long career as a builder of structures of fantastic size, I know that primitive methods of labor are solely to blame for the fact that the average American workman cannot afford to buy his own home. I say this believing that the housing problem, with its ramifications, is the basic social evil in the United States. We built skyscrapers with a speed that was extraordinary in comparison with other building construction, yet because of lack of

intelligent attention on the part of employers and unwise union rules we were compelled to build by antiquated methods. A man with a trowel who helps to throw up a curtain wall on one of New York's gigantic buildings, except that he probably goes slower, is working brick for brick in the manner of Egyptian slaves forty centuries ago. The plasterer of today might in perfectly good conscience admit to his union any plasterer who lived in England during the reign of Henry VIII. Is this progress?

Labor's attitude toward productive machinery is often unwise, in my opinion. We are in a thrilling, a terrible, race in this country. The race is to complete a social structure suitable for the requirements of 25,000,000 families before they become 50,000,000 families with so much inadequacy among them as may overwhelm those others, infinitely more precious in my sight, I must confess, who are adequate. The best way to make a family adequate in a social sense, according to my experience, is to let it have a stake in the sum of the nation's wealth which is sufficient to enable it to live through all the seasons of the year in healthful comfort and in dignity. The best way to provide such stakes—the best that I can imagine, I should say—is through ownership of long-lasting homes, possessing beauty and so made as to put an owning family forever beyond the fear of a want of shelter. If we can solve this problem we can face any other. Beside it the mere problem of providing food is

extremely simple. With luxurious homes for all we would be less desperate in our approach to any other social problem. I said luxurious homes, and that is what I meant. The industrial arts are capable of providing such homes for all Americans now alive. What is lacking is a merchandising force of like capacity and skill, plus a better understanding on the part of all that what labor builds it should be building for itself. This is what I mean when I say that the bad rules imposed by many union-labor leaders inflict a dreadful penalty on the ones who are led.

The penalty of inflicting extravagant costs on big buildings is most sharply felt by workmen in the inevitable extension of those costs into the structures which shelter the families of workmen. Profits enter into this matter, too, but it is not the profits that make buildings scarce and therefore hard to buy; it is the lack of any hope of profit which seems to me to accomplish this result. I am inclined to believe that union-labor leaders are mistaken in that part of their effort which is designed to make labor a scarce commodity. They think they are doing their best when they force wages to higher and higher levels. If this forcing could be applied simultaneously to all wages even then it would not accomplish their real purpose, which presumably is to enrich the people they represent. What we should strive to do in America is to produce all desirable things with such economies of manufacture and distribution as would enable

all of the people to buy all of the products. Furthermore, I know from my own direct contacts with workmen that they would much prefer to work 250 days a year at $10 a day than to work 100 days at $12 or $14 a day. Nevertheless, the average purchaser of a building—that is, the one for whom the employing contractor performs his function—commonly prefers to pay an uneconomic price for labor rather than suffer some other kind of dislocation in his business that might be caused by delay in getting a building. At the Thompson-Starrett Company we had a great deal of difficulty in keeping successive clients from surrendering to whatever demands the unions might make. It was the clients who usually told us to pay and proceed. After all, they only wanted one building and when they had that one, they felt, they would no longer be concerned with the building industry.

8. Real Estate and the Future

OUR REFUSAL TO BID FOR CONTRACTS SOMETIMES cost us jobs we coveted. I remember that when plans had been made for the Times Annex Building in which the newspaper plant of the *New York Times* is housed today, Albert Kahn, the architect, came to urge me to bid on the job.

"Come on!" he coaxed. "Put in a figure. Mr. Ochs is in Europe now, but he will be disappointed when he gets back if he finds you are not going to erect his building. He thinks a lot of you."

"I'm sorry," I said, "I like Mr. Ochs as much as he likes me, but I cannot violate a fixed policy of my company; we do not bid."

"Mr. Ochs will want you, I know," said Mr. Kahn, "but it has been decided by those he left in charge to have competition. What can I do to keep the Thompson-Starrett Company in the picture until he gets back?"

"Well, we'll put in a proposal in our usual form, notwithstanding the fact that you are taking bids. However, I can tell you now that our proposal which will set the outside limit of cost will read higher than some of the lump-sum bids that you will get. We always add a comfortable margin to

any estimate for safety. You can be sure that any client who wants to sting a contractor comes to the wrong shop when he visits our address. We make no lump-sum bids."

When Mr. Ochs returned, I was invited to take dinner with him, his business executives, and Kahn. By then the bids had been opened and we, of course, were not low. Mr. Ochs listened without interrupting while the others there told him what had been done.

"Boys, you have made a mistake from which there is no retreat," said Mr. Ochs when they were finished. "You never should have taken bids. I would have been glad to have this job go to Mr. Horowitz, but when you called for bids you were announcing to the world, in my name and in the name of the *New York Times,* that the lowest bidder would get the job. Therefore the lowest bidder must get the contract."

I told Mr. Ochs that I fully agreed with him, although I was disappointed because it was a big job. Nevertheless I had fought many bitter quarrels over that matter of keeping faith with bidders, and I was entirely sincere when I told him he was doing right.

When we were putting up the $14,000,000 Equitable Trust Company Building at 15 Broad Street, the ethics of bidding had to be defined a time or two. The head of the Equitable Trust Company of New York—since then absorbed by the Chase National Bank—was Arthur Loasby. In the beginning

of that job I went to him to propose a way to avoid incidents that otherwise, I was sure, would give us trouble. I said to him, "Undoubtedly there are many vendors of building materials who are depositors of your bank; it is possible, too, that some of your stockholders have an interest in some line of building materials. You will wish to favor them if you can. If there is any line of work you wish to give to a depositor or a stockholder tell me so before we offer the line in competition. I will make the best trade I can with the man you want. You may have to pay more than if there was competition, but probably in some cases you will feel that you can better afford to pay more."

Mr. Loasby was appreciative and perhaps a little tempted, but he said, "I think we had better stick to competitions. We have several depositors who are in the same line. If you handle all the buying on merit alone none of them can be offended with us."

Well, the Bethlehem Steel Company had a very large account with the Equitable Trust, and my recollection is that the Trust Company was either its registrar or its transfer agent. Furthermore, there was a close link in Paul D. Cravath; he was attorney for the Equitable Trust and was either a director or attorney, or both, of the Bethlehem Company. Seemingly this was expected, at Bethlehem, to give them an inside position in the trading. They wanted to supply the rolled shapes themselves, and have the McClintic-Marshall Company,

their subsidiary, do the fabricating for us. The United States Steel Company was working to get the contract through its subsidiary, The American Bridge Company. Finally the competition boiled down to these two concerns. I sent first for Joshua Hatfield, of the American Bridge Company.

"Josh, we are going to buy the steel for the Equitable Trust Company job tomorrow. It is a monumental building, and I want you to give me your best price. You had better fix a figure so low that if you lose you won't be disappointed."

Josh gave me his figure right then, and I sent for George Blakely, Eugene Grace's man. I said the same to him, but because Loasby had told me of the close relations between the Trust Company and Bethlehem, I was even more emphatic with Blakely. However, he named a figure that was out of line. I could not tell him that the price he quoted would lose him the job, that would have been unethical; but I did repeat and rephrase my first argument.

"Are you sure, Blakely, that you have given a figure so low that if the steel is bought at a lower figure you would not be disappointed?"

"Yes, I'm sure; there isn't a thing in the job at less than the figure I have quoted."

That figure was two or three dollars per ton higher than Josh Hatfield's, and so we promptly awarded the steel contract to the American Bridge Company.

Then there was hell to pay.

Eugene Grace and Paul Cravath were outraged when they discovered the steel order had gone to a company which did not have a dollar deposited in the Equitable Trust Company, where Bethlehem Steel has vast deposits. Poor Loasby! His ear nearly withered under the blasts that were spoken into it; in a repeating succession Cravath, Grace, and Blakely visited him. Arthur Sargeant, representing McClintic-Marshall, also had things to say. When the blasts became whispers I lost patience.

I said to Loasby, "I am not going to waste hours every day answering this gossip. Bring these fellows together in your office. I will come there and tell the facts of this steel purchase to their faces."

At the meeting Blakely, or maybe it was Grace, began by saying, "We can't lose this job. We will take it for X dollars a ton." I have forgotten the figure, but I remember it was under Hatfield's bid. They were all looking at me.

"You are too late," I said. "I asked George Blakely when he was in my office a week or so ago if the figure he had given me was the irreducible minimum. He said it was and now contradicts himself with a lower price. I would like to see the Equitable Trust buy steel cheaper, but now it is too late. You made a mistake in depending on wire-pulling to get this job. The Thompson-Starrett Company will not sell out the American Bridge Company."

Then I turned to Loasby, saying, "If you award this job to the Bethlehem Steel Company now,

when all the world will know that its bid was not low, you will get no competition in any other line. We won't feel free to ask for competition." This was a showdown.

Arthur Loasby took command of the meeting then. He said, "It is obvious that Mr. Horowitz is right. The Bethlehem Steel Company instead of figuring closely relied upon friendly relations, which are, indeed, friendly, to get them the contract. Gentlemen, we shall have to stand by the arrangement with the American Bridge Company."

Eugene Grace was not pleased. He had forgotten how many fights I had made for his company when the situation was reversed. However, I am well aware that if he had been born an easy loser he would have been less successful in the steel business. The truth was that we really preferred to do business with the Bethlehem Company, because we could always count upon cooperation when we wanted something special rolled; on the other hand United States Steel was so big it was unwieldy. I remember, though, how that was changed for us. Mr. Farrell asked me why so much of our business got away from them. I said it was because we got better cooperation from the smaller companies.

"Hereafter," he said, "if you will bring any problem direct to me I will straighten it out."

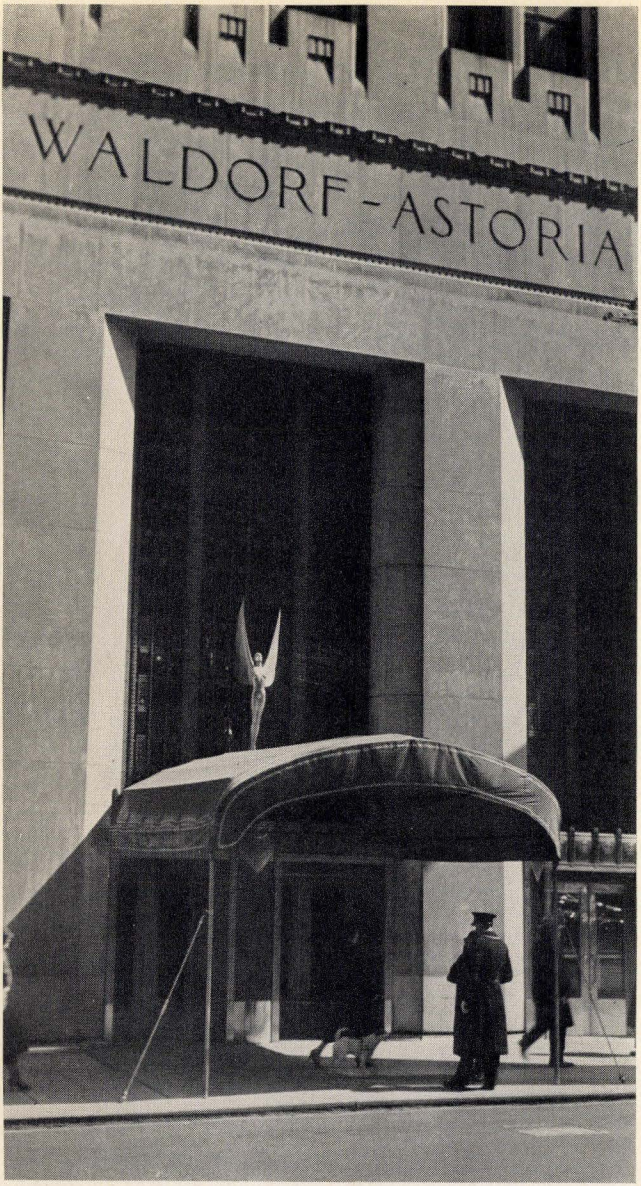
And, by Jove, he did! Even if it were only a matter of delay on a tier of beams or a section of columns, Mr. Farrell would make that monster of which he was the boss step lively for us.

We had another row on that Equitable Trust Company job in connection with the elevators. I knew they wanted Otis to get the elevator contract, so I said, "You have this preference and you should be willing to pay for it; but if you make them bid and they are not low, please remember the job must go to the lowest bidder."

Well, they insisted on competition, and Otis lost. Then we had a terrible time. The deal was finally maneuvered so that Otis was given the contract anyway. I felt completely outraged at this violation of the ethics of my craft. The officials of the Otis Elevator Company were all persuaded then that my fight against them was based on personal animosity, which was not so as I had a chance, later on, to prove to them. This grew out of a transaction with Sidney Z. Mitchell.

The business ferment out of which fantastic profits were established in every line of trade during the years after Calvin Coolidge became President was the yeast-treated dough out of which arose so many of our high buildings. If a business titan, concerned with stewardship, began to focus his mind upon the problem of how to fix wealth in some enduring shape, the thought of owning a monster of a building was almost certain to occur.

It makes me gape to realize that half a dozen buildings have made a dwarf of my old pet, the Woolworth Building, and that on New York's sky-



Entrance to Waldorf-Astoria Hotel, New York City.

line there are about one hundred buildings that rear themselves thirty stories and more—up to the eighty-six stories of the Empire State Building. Actually, there are some of the tallest on the downtown skyline that we helped to create which nowadays have me puzzled when I see them from afar.

"Let's see now; there's a tall one! What's it called?" I am most annoyed when I cannot produce the answer quickly. It seems ridiculous that I cannot recite the names of all those towers as an Alpine guide can name the peaks within his horizon. Yet there is a difference, surely. Some of these man-made city peaks nowadays are only numbers and completely lack the dignity of names.

I knew that sort of thing could not go on forever. Where would the building owners find their tenants? However, there was little time for me to think along those lines, because whenever I felt pessimistic a new job would turn up.

My acquaintance with Sidney Z. Mitchell grew out of the circumstance that he wished to buy an office building in New York. It happened that a corporation in which I held a controlling stock interest owned a quarter interest in the tall building at No. 2 Rector Street. Thompson-Starrett had erected that building for the United States Express Company, getting the job through Albert Boardman, who was close to the sons of old Senator Platt. When the express company went out of business, the building was offered for sale. I joined with three other men and we bought it for $3,000,000.

One of these men telephoned one day and asked me to call a meeting of our corporation. He said a broker, acting on behalf of some mysterious client, wished to know the price at which we would be willing to sell. When we met, my associates, touched by what was going on in Wall Street, were talking dreamily of getting six or seven millions for what had cost us $3,000,000.

"We are just talking," I chided them. "Let's try to arrive somewhere by another approach. Would we sell for $100,000 profit?"

I watched their faces, and without waiting for a vote I tallied all of them as voting No. I tested them with $250,000 and none weakened. At half a million I could see that one was tempted to cash in; at three-quarters of a million it was obvious the resistance was growing less. Then I said: "Remember we paid $3,000,000 and now I want you to consider whether we should sell for $4,000,000?"

They voted Yes on that, and I said, "All right; that is the price."

Somebody asked, "If that is the price how much shall we ask?"

"If I were handling this deal," I said, "that would be the asking and selling price." They decided I should handle the trading, but none of us knew the identity of the prospective customer. Real-estate agents usually seem afraid to reveal the names of clients for fear of losing their commissions.

"Send that man in," I said; and when he came I asked, "Who is your customer?"

He hemmed and hawed. He was about as trusting as a sparrow invited to eat out of one's hand.

"If you have no customer, you are wasting my time. But if you have one, there can be no reason for you to withhold the name. If he buys you will get your commission. But I may even help you to make the sale. Possibly your customer is somebody I know."

He continued to be coy, but it was revealed that his customer was the Electric Bond & Share Company. To me that meant Sidney Z. Mitchell.

I did not know Mitchell, but I knew Charles A. Coffin. When I next met him, my neighbor in Locust Valley, I told him about the situation, and said I would like to find out if Mr. Mitchell was really interested in the building. Coffin said he would talk to Mitchell and let me know. In a day or so he telephoned me, saying, "Mitchell says he is interested and that at the right price he will buy the building."

Then I called up the broker and said to him, "Your customer is Sidney Z. Mitchell. Right?"

"Yes," he said.

"Now, do you want me to help you sell the building?"

"Yes, sir."

So then I went to Mitchell and said, "Mr. Coffin tells me you are interested in No. 2 Rector Street."

Mr. Mitchell did little more than acknowledge that he knew there was a building at No. 2 Rector Street.

"All right," I said. "Thompson-Starrett built the building, so I know about it." I explained how I became interested in its ownership. "It is all right except that new electric elevators should be installed. To operate the building costs so much; the rent produced is so much. We got a bargain when we bought it for $3,000,000, as you can see. We will sell it for $4,000,000. The only reason we will sell it at that price is because we will make $1,000,000 profit. If you take it at $4,000,000 you will be getting it for less than it is worth. If it suits you, you may have it. But the price is $4,000,000; no more, no less, no trading, no bargaining, no arguing. You want it at that price, or else—you don't want it."

"Give me a thirty-day option," countered Mitchell.

"An option is an excellent thing for the fellow who gets it; it is not so good for the one who gives it. However, no one else is interested in the purchase of this building right now, so it would be meaningless to refuse to do what you ask. Anytime within thirty days that you say you are willing to pay $4,000,000, Mr. Mitchell, you can own the property."

"Within thirty days I will give you an answer," he said, and we parted company. Promptly thereafter engineers in his employ began a survey of the building to determine how it might be adapted

to Mitchell's purpose. Just before the month expired, at his request, we got together.

"I have looked over the building. It suits me. I have had the leases checked over. Everything is in order." He paused a moment; then he said, "Now I am going to do something that you expressly asked me not to do."

I took hold of my emotions then, as I have sometimes held my horse outside of Central Park while waiting for a swarm of automobiles and streetcars to rush by. What I waited for right then were Mr. Mitchell's rush of words.

"It is going to cost $200,000 to put in new elevators," he said, "and so, I want you to pay half the cost. In other words, I will pay you $3,900,000 for the building."

I made a quick decision then. I said, "Mr. Mitchell, you are prepared to pay $4,000,000 for this building; at least I'm reasonably certain you are, but I'm not prepared to back my opinion to the extent of risking this sale. I suspect that, like myself, you have been spoiled by having your own way too often. It is quite possible that just to prove me wrong, you'd not buy the building if I held to my point. My associates agreed to take $1,000,000 profit but I think that, right now, they should choose $900,000 profit in preference to none. I'll take your offer." The deal was closed on those terms, $3,900,000.

Afterward Mitchell said he would have paid $4,000,000 gladly, if I had held out, but one who

knows him well just laughed at that. He told me this, "I have seen Sidney Mitchell in action many times in a variety of negotiations. If you had stuck to your price he would have told you in so many words to go to hell." And that is what I think, too.

A peculiar thing that I have noticed in business is that a great many men spend a large part of their time scheming out intricate plans of strategy, whereas if they would stick to the simple truth in their trading, they would save themselves annoyance, worry, and grief. I concede that it is important to avoid offending the other fellow, but, aside from that precaution, my fundamental policy always has been: cards on the table. When my approach is one of frankness, I find that I am generally received with frankness.

Out of the transaction I got for my company the contract to alter the building, and the major item was the new elevators.

In the early days of my association with the Thompson-Starrett Company the Otis Elevator Company had almost no competition. Notwithstanding the high quality of their product and most satisfactory experience in my dealings with them, I felt that a monopoly in any commodity was unwholesome to all concerned, including the manufacturers, and it was partly through my efforts that the General Electric Company began to manufacture a motor for elevators. Gurney used this motor, and the elevator bore his name. I knew of Mitchell's tie-up with General Electric, so when

Mitchell and I were discussing the alterations on No. 2 Rector Street I said, "As you will want to give the elevators to Gurney I will send for him and make a trade with him."

"Not by a damn sight," said Mitchell. "Let them compete."

"Now, Mr. Mitchell, when all the figures are in you will want to give the job to Gurney no matter who bids low."

"No," he said, "make them compete."

"Don't be too hasty, Mr. Mitchell. Think it over."

He thought it over and then instructed me, "The job goes to the lowest bidder." Thereafter we sent out invitations for bids to Westinghouse, Gurney, Alonso B. See, and Otis.

Glover Beardsley of the Otis Elevator Company promptly came to see me. In his hand he had our letter. "Are you asking us to enter a competition or a farce?" he asked. "What real chance have we against Gurney here? Of course, Mitchell will want to throw this job to General Electric."

"I want you to figure on this job," I said to him, "and if your figure is low I will make as much of a fight for you as I did against you on the Equitable Trust Company's building, where you were not low."

When the bids were opened Otis was low, and soon thereafter Sidney Mitchell had me on the telephone. He said, "I think I can get Gurney to meet Otis's figure."

"It's too late."

"It would be too humiliating for them to lose this contract."

"You and I had this out before."

"You certainly don't want me to put Otis elevators in a building owned by Electric Bond & Share Company."

"I would like to hold you to our bargain. Otis won the job fair and square and you are too good a sport to deprive them of the fruit of their victory," I said.

Otis got the job.

Ours was a flexible organization. With it we could erect the biggest of buildings and finish on time, or we could shingle a home and do it to the owner's satisfaction. As to that I have a treasured proof in the form of a gratefully inscribed photograph of a lady.

After the war Oscar Strauss came to see me and said, "Mrs. Theodore Roosevelt is obliged to reshingle the roof of her home at Sagamore Hill. The estimates she has received sound high. Can't you look after this so that she won't be overcharged? Now that the Colonel is dead—"

"This will give me pleasure," I said. "You can forget it."

Sagamore Hill is not so far from Locust Valley, so I motored over there one afternoon, had a look at the roof, and then sent some of our men to measure its surfaces. Whereupon my associates pre-

tended to be scornful. I heard one say, "The chief, knowing that we would like to build a forty-story hotel, is now surpassing himself. He has discovered a roof we can shingle."

"Listen," I broke in, "if Mrs. Theodore Roosevelt should ask me I'll get up on that roof myself and nail shingles." She did not ask me; indeed, she was reluctant and embarrassed when I told her we were prepared to proceed provided she would permit us to do the work without charge. She insisted she should pay quite like anybody else. "For no one else in the world," I said, "would the Thompson-Starrett Company consent to shingle a roof. Reshingling this one, however, is an honor and we are prepared to fight any other contractor for the sake of it."

One Saturday after the job was done Mrs. Roosevelt telephoned for my wife and me to come and have tea with her, and it was served in the one place in the world where I was eager to be, in the Colonel's trophy room close to the fireplace, with just above us hanging the gilt fringed blue flag of the President of the United States. At that time Mrs. Roosevelt was mourning a husband and a son, but she talked of them bravely, happily, and she told us stories of the trophies. While she talked I was printing on my mind a memory of her lovely smile and of the blue of her eyes and their reflection in her silver.

"You know, Mr. Horowitz," she said, "those workmen you sent here, when they had finished,

all were kind enough to come to the door and say good-by."

I did not tell Mrs. Roosevelt, but everyone of those fellows had worked on her roof at just about twice the speed that they would have worked on another. In the beginning I had heard the foreman give his order, "Now boys, don't forget, you're doing this for the widow of Teddy Roosevelt."

Adolph Zukor on a day in 1925 was squinting at me through the cigarette smoke rising upward past his face. I was slapping my hand on the plans for the Paramount Building. We had the contract.

"All this is terrible," I said. "You are preparing to spend hundreds of thousands of dollars for things that will make your building a monstrosity. Needless marble, tons of gingerbread bronze."

"Well?"

"It offends my taste as a builder. Aside from the question as to whether you have an ethical right to impose such a monster on the most prominent plot in New York City, there is this matter of extravagance. Why waste all this money for unnecessary bronze and marble? Let us put up for you a really fine building and give you your money's worth!"

"All right," conceded the urbane Mr. Zukor. "You go ahead and prepare a memorandum, itemizing everything that you would like to have left out."

So I had our staff get to work. We stripped from the plans and specifications items representing at

least $250,000 and with the impressive statement in hand I returned to Mr. Zukor.

"Oh, that's fine!" he said. "See what a lot of money a good builder can save his client." I left him rubbing his hands and went off to Europe. When I returned to New York I found, to my disgust, that everything we had eliminated had been restored and that for good measure other glittering things had been added.

On the opening night of the building, when there was a gala performance in its motion-picture theater, I was there as Zukor's guest, blinking and complaining in my distaste for the gold and glass mosaic work, for the lush velvet hangings.

"Let's get out quick," I said.

"Listen," he said pinning me to my seat with a forefinger on my knee, "there is something here you do not see, something you do not understand. We have prepared here a theater that is pleasing to the people whose patronage we seek. You ask Sam Katz or Barney Balaban. This is what the people want."

"I don't agree with you," I said. "I don't believe they want it. I think this sort of thing is merely what you fellows think your customers want. But even if you are right it is your duty to educate their taste. I hope you won't be angry if I tell you this is one job I am ashamed to acknowledge."

"Look," said the unheeding Mr. Zukor, "here comes Will Hays!"

At that time—in 1926, and in 1927—Mr. Zukor

was at the top of the heap. But he was there, in my opinion, because of his talents as a showman. The operation of such a gigantic enterprise as he had reared was beyond his comprehension. We put up many theaters for his company. Then in 1933 I was persuaded to become a trustee in bankruptcy of the Paramount-Publix Corporation along with Charles D. Hilles and Eugene W. Leake; and shortly thereafter I began to have an increased amount of sympathy for Adolph Zukor. That enterprise was so complicated, so spread out with all its more than one thousand theaters and its tangle of ownership ramified through about four hundred corporations, that I decided to resign. I felt that I did not have the capacity to do a good job.

I like picture shows. I like Shirley Temple; but I must confess I do not like those boom-time theaters we built for Publix. But I suspect that Mr. Zukor liked them in 1926 and likes them now.

One day in 1928 I had an energetic visitor, Elmer Schlesinger was more than a lawyer; he was a smart salesman, a fellow who was well matched when he was the husband of glamorous, restless Cissie Patterson. I had known him first in Chicago, when he was a partner of Levy Mayer and they were the Thompson-Starrett lawyers. In New York he had become a member of the law firm of Chadbourne, Stanchfield & Levy. Elmer was a hustler; so when he came to see me in my office in 250

Park Avenue, I suspected he was engaged in something more than play.

"Louis," he said, "I think I can sell the Thompson-Starrett Company."

At first I was annoyed. I must have scowled as I asked him, "Whatever gave you the feeble-minded notion that the Thompson-Starrett Company is for sale?"

"It would be easy," said Elmer, and began to tempt me.

"I'm not going to have the Thompson-Starrett Company used as a Wall Street football," I said to stop him, and then went on to boast, "this concern is owned by men who get more out of it than money. Every stockholder is proud of his connection with us. We are tied together by sentimental considerations. We like to—"

"Listen," Elmer pleaded, "just think of the business you might get in; and then think of some of the stockholders, Albert Boardman for example. You would get stockholders who could influence plenty of business your way."

After Elmer left in a breeze of his own making I thought of what he had said, in spite of my first feeling of shock.

He had pointed out that on our record of earnings the stock ought to fetch a price that would produce $8,000,000 or $9,000,000. As this would be for something that had cost our original stockholders less than nothing, the idea would be alluring

for some of them. Everything that they had put into the company they had received back in the form of dividends and extra dividends. I turned this over in my mind along with other facts, and I finally concluded that the proposition Elmer made was worth consideration for three fundamental reasons.

I could see that some of our stockholders would want to take advantage of an opportunity to liquidate their profits. I could see, incidentally, that this meant a large amount of money would come to me. In fact I was troubled by the thought that I had no right to keep that much in the building industry. I was not the only businessman so to reason.

The second point was, if anything, more tempting than the first. It is a great responsibility to keep a machine like the Thompson-Starrett Company supplied with work. As I think about the strain of it, even now, I feel a surge of emotion, of something like resentment at the load I had to carry. To be responsible for such a company is like having an elephant in the barn. The beast is perfectly gentle, peaceful as long as he is fed, but if he is not fed he turns into a monster of destruction that will wreck your barn, your house, you and all you love. I thought a great deal about that side of my responsibility.

Jobs always start on the drafting boards, and in 1928 I was aware that the number of jobs in architect's offices had shrunk materially. If influential

stockholders could help me to produce more work for our organization, for all our people with all their families to support, why, then I wanted more stockholders.

The third consideration was a matter of sharp concern to Louis and Mary Horowitz. If I may be allowed to change an elephant into a tiger I will say that for twenty-five years I had been going round and round a tree, holding to a tiger's tail, not daring to let go. I know men who can run an important job and play as well. My feeling was that if I gave everything I had to my job I just could manage to do justice to it. Year after year my wife had asked me when I would stop, so we could devote ourselves to the sort of things that always appear to be such fun—when you are not engaged in doing them.

These were the reasons why I began to feel disposed to let Elmer Schlesinger make good his boast that he could sell the Thompson-Starrett Company. I talked it over with Clarence Kelsey, and he agreed. I sometimes wonder now what blinded me so that I did not see that by this arrangement I was escaping responsibility to one set of stockholders only to assume, automatically, an equal responsibility to a fresh group. I suppose, though, that these new stockholders then were just a symbol written down on paper, while the old ones were flesh and blood people; indeed, among them were my dearest friends. But the old stockholders, after the plan had been approved and an agreement

made with the bankers, kept calling on me in person or by telephone, to say, "We aren't going to take our money out. We are using the proceeds to buy the new stock."

That was just too silly to be tolerated! If all our stockholders did that the one significant result of the change would be that we would have handed half a million in commissions to the bankers for doing nothing. So, I provided in the agreement with the bankers that our old stockholders would not have the right to subscribe for more than twenty-five per cent of their holdings. Then, as I let it be known that I proposed to retire from the building business the bankers protested; they said they could not market the stock unless I authorized them to say I was remaining with the company for ten years.

"Then the stock won't be marketed," I said, "because I am not going to put myself in bondage for ten years. Besides, I know quite well the Thompson-Starrett organization has been designed to go along with, or without, me."

"That's all very pretty, your modesty," said Richard Hoyt, "but we won't undertake to sell the stock unless you stay."

We finally compromised; I agreed to remain as chairman of the board, for five years from January 1, 1929.

My friends began to call up to ask, "Are you buying any of this Thompson-Starrett stock?"

"I have not quite made up my mind," I would

reply. My inclination was to buy no stock, but, if I said so, that would have been unfair to the bankers; if I said I was buying stock, that would have tended to overstimulate purchases on the part of my friends. I told all who asked that I would not announce my decision until thirty minutes before the books closed; although later I had about resolved to buy $100,000 worth of stock to justify my new position as chairman. However, on the night before the books closed, the boys in the organization, from Leo J. Fischer who stood next to me and who today is president, right down to the office boys, were all figuring how to go deeply into hock to buy this new stock. Their faith and enthusiasm took hold of me just as Christmas Eve will trap a skeptic at the last minute.

On the night the stock books closed, I sat in my office with my thumbs twiddling. I was feeling scornful of this Louis Horowitz who was investing what to him was a reasonably moderate sum, while all the other boys were borrowing and buying more than they had any right to. The voices I could hear through my closed door were charged with enthusiasm; what I heard was working on me like an acid. Suddenly I bounded through the door and said, "I'll take half a million of Thompson-Starrett stock!" That made them cheer. As bankers say, the stock went out the window; it was heavily oversubscribed.

Our new directorate included, so I felt, many potential building jobs. Besides Walter Chrysler,

Morgan J. O'Brien and William Wrigley, Jr., there were various banking firms represented by Thomas Cochran, Clarence Kelsey, Charles Hayden, Maurice Newton, William Greve, G. Hermann Kinnicutt, Samuel L. Fuller, and Robert Lehman. These men and others, to my way of thinking, were to be like the great big hitch of horses that pull a heavy circus wagon across a muddy lot. The end of the old Waldorf-Astoria gave me a chance to test this out.

It occurred to me that the old Waldorf-Astoria, soon to be demolished, stood for something that deserved to live. Perhaps I got the notion just from thinking about the plight of one of its owners, my old friend Coleman du Pont. A malignant growth in his throat had caused the removal of his larynx in 1927. Later on whenever I went to see him at a place he had at Irvington-on-Hudson—once it had belonged to Alexander Hamilton—he talked soundlessly to me. A young woman stood by and recorded in stenography her reading of his lips; when she translated what he had said I would reply. At any rate, I thought considerably about the hotel and late in December, 1928, I sent a telegram to Lucius M. Boomer, down in Florida; he had been associated with Du Pont in his hotel properties from the time we turned the Hotel Rector into the Hotel Claridge. In the message I told him that some of the banking firms represented on the Thompson-Starrett board would, I believed, undertake to sell to the public the necessary securities to pro-

vide all the funds required for land, building, equipment, and working capital for a new Waldorf-Astoria.

Thereafter, Boomer and I discussed sites in further telegrams and over the telephone. The one fixed on as most desirable was owned by the New York Central Railroad; it was the block bounded by Park and Lexington Avenues, and Forty-ninth and Fiftieth Streets, where the new hotel now stands. Then it was occupied by a power house in which electricity was generated to run the railroad's trains underneath the city. That seemed to me to be a wasteful thing and I undertook to persuade the official of the railroad who was in charge of the matter that the power house ought to be removed to a site less valuable. Furthermore, I argued, a well-known hotel so close to Grand Central Terminal would be a distinct asset to the railroad, would bring it business along with a fat ground rent. At length the railroad management was impressed by these suggestions, so that we began to discuss terms.

We fixed upon $12,000,000 as the value of the land on which ground rental was to be paid, and the railroad agreed to lend $10,000,000 more toward the cost of the building. Another $11,000,000 was to be provided by the sale of bonds and $7,000,000 more through the sale of preferred stock.

All through the winter and the spring of 1929 we proceeded with our negotiations. On April 1 the New York Central started preparations at

Forty-third Street, far underground, for the transfer of its power station. Schulze & Weaver, the hotel architects, had completed their plans, and we had estimated the cost. So, in June, all minds had met. As was my custom, I sailed for Europe in July. I went, feeling pretty happy because of the mammoth size of the job I had created for my company.

On October 28, 1929, an extraordinary enterprise was started deep in the earth below the old powerhouse; a strong subterranean structure for the New York Central railroad tracks must be built before a skyscraper safely could be made to straddle what went on down there. The first big break in Wall Street followed so swiftly after the beginning of this work as to make some of my associates feel that our initial dynamite blasting had caused what happened down in Wall Street!

In Europe I began to get frantic cables from William H. Wheelock, who was the real-estate broker most intimately concerned with the New York Central negotiations. I learned that although the railroad had been carrying out the most costly part of its program, the bankers were taking a stand which Wheelock interpreted as meaning the hotel deal was in danger.

When I returned I called a meeting of the bankers. They had, as bankers often have, a bomb-proof shelter. It was a clause which might have been interpreted as giving them the right to withdraw from the deal if they deemed the time was some-

what less than ripe to sell securities to the public. However, if the bankers had done this the New York Central would have been left holding a most expensive bag. It is to the credit of the bankers that they stuck to their bargain and pocketed a loss they could see before they started. They sold the bonds but never the stock.

When we started to put up the building every dealer in materials was wildly eager to have his product represented in what was certainly going to be a famous enterprise. Within limits of reason it became my duty to capitalize that desire for the benefit of our clients. It seemed to me we had a right to buy goods at cost if we could induce manufacturers to accept their profit in advertising values. I personally handled the contract for the plumbing fixtures and gave the job to Clarence Mott Woolley, chairman of the board of the American Radiator Company. It was a close trade, shaved right down to the last nickel.

Clarence had developed a new bathtub with a paneled effect on the sides. It was architecturally pleasing, but we discussed a possibility that the enamel might crack. The company had been experimenting for a long time, though, and Clarence said he would not deliver the tubs until he was sure of them. A lot of bathtubs were going to be required in that hotel with its forty-seven stories and its twin towers rising more than six hundred and twenty-five feet. Finally Clarence told me that his tubs were right. A huge quantity were deliv-

ered, built in, bathrooms were plastered and tile put on. Then, by Jove, the enamel commenced to crack!

I telephoned to Clarence. "You are up against a serious situation. These tubs are cracking and, of course, we can't have cracked bathtubs in the Waldorf. They must come out."

"We'll give you new tubs, of course," he said. But I told him new tubs would not correct that situation. Legally, however, the responsibility of the American Radiator Company was limited but when I went to see Clarence Woolley I got a thrill.

"Louis, I'll do whatever you say."

"Clarence, we are talking about a lot of money. This involves the cost of tearing out the defective tubs, tearing out and restoring partitions, plaster, tiles, to say nothing of new tubs."

"It is in your hands," said the boss of the American Radiator Company.

"We can't tell how far this thing will go," I said. "Every day our superintendent is discovering more cracked tubs."

"You repair the damage and send me the bill," said Clarence.

Happily the cracking stopped. Then we found that all the defective tubs had come from one plant; those from the company's other plants were eminently satisfactory. Clarence had been so nice about the matter that I used every means in my power to keep down the cost of ripping out the defective tubs and putting in the new ones. When at

last I called up Clarence and told him the precise amount of the bad news, a large sum, he said, "I'll mail you the check today." He did!

Shortly before the Waldorf-Astoria was opened, the King of Siam arrived in New York to undergo an operation on his eyes. At a meeting of the board of the hotel Lucius Boomer confided that he was most anxious to bring the Siamese king into the Waldorf. I said that I would try to help him get his wish.

Sometime before Mrs. Helen Rodgers Reid, vice president of the *New York Herald Tribune* and its advertising director, had sought a tiny bit of help from me in connection with some business matter. The Siamese royal family was living at the Reid family's country home in Westchester, a ducal place called Ophir Hall; more than this, Mrs. Reid seemed to be the guardian of the visitors. I telephoned her.

"I would like to have you do me a favor in connection with the King of Siam."

"Yes," said Mrs. Reid. "You are Number 10,009."

"We want the king to take the first meal to be served at the Waldorf-Astoria and inspect the new hotel. We want this purely for publicity purposes."

"You surprise me almost to death."

"Such a visit would not be without reward for his majesty. I am sure he will be interested in seeing our latest exhibit in hotel structures. Even you, who have wonderful taste, will be interested in see-

ing some of the suites which have been treated by the best decorators. The king will have an interesting visit, will get a first-class lunch, and Boomer will get first-class publicity."

"You have been so frank," said Mrs. Reid, "that you get your wish. The King of Siam will eat the first meal served at the Waldorf-Astoria. But I make one condition. You must be there."

"That is the one thing I cannot do. I sail for Europe tomorrow."

Some years ago amid the dark and polished surfaces of his office in William Street, the Kuhn-Loeb Building, Mr. Otto Kahn had become aware that he and his banking family, in which he was rising from in-law to leader, was poised above possible disaster. I came calling on an ordinary business day, but Mr. Kahn was attired as if for a noon wedding. I think that he was practiced in every form of costly elegance. There was a faint flavoring of German in his speech, but the near-Orient seemed woven into all his fibers just as much as in the rug beneath his feet.

What troubled him so much that he had sent for me was a Thompson-Starrett activity in an adjacent plot; below the sidewalks of No. 80 Maiden Lane our workmen were plucking at old walls with dynamite fingers. The site was being cleared for a skyscraper which, like other big modern buildings in lower New York, would extend caisson legs through muck and water in order to plant foundation feet on solid Manhattan Island rock. Some

parts of Wall Street, as the country has perhaps suspected, have been built on quicksands. Down there the rivers have indefinite shores that men have fixed by odd devices into real estate; unstable and stable buildings stand wall to wall, and this was what Otto Kahn asked me to talk about. Our company, in 1901, before I joined it, had put up the Kuhn-Loeb Building but had not anchored it to rock; instead, it was supported on a mat of concrete and rods of steel.

Would not our dynamiting, Mr. Kahn inquired of me, release the Kuhn-Loeb ooze of quicksands into the deeper pit that we were digging just behind them; and would such a change produce for them a private earthquake? It was a rational, a pertinent question that Otto Kahn was asking, not alone with his hybrid English-German voice, but with his hands and his white and coiled mustache. Honeycombed in smaller cells around him were many human beings, the lesser banking intelligences of his great firm; somewhere below his feet was a great vault in which my fancy told me there was, likely, gold in piles of kegs and ingots stacked like wood in farm yards. If I say he was frightened, I do not exaggerate; but it was the kind of fright a captain feels when all his company is threatened.

I confessed that there was a danger that the building might settle, even tilt a little, but I was able to assure the banker that it would not list as does a ship caught close to shore by a receding tide. I explained that our engineers had worked out

every strain and pressure in precise mathematical facts which they would guarantee. We were, beyond a doubt, undermining Kuhn, Loeb & Company, but we were responsible for what we did and I assured him we would maintain his building upright, just as we had built it; a wall might crack, a bit of ceiling plaster fall, but, if so, we would pay the cost without a quibble. Impatiently he waved that sort of cost aside. Of course, it is the law in New York City that twelve feet deeper than the sidewalk level a new frontier begins. Down there, below that twelve-foot mark, a man may dig and blast as deeply as his need is, but he is responsible in his sapping for maintaining the status of all adjacent property. I told Mr. Kahn we'd manage, with our engineers, to keep the juices underneath that concrete rug that was so much more vital to him than the woolen rug his feet were touching.

Every day or so from that time on, to keep him reassured, I would visit Mr. Kahn to show photographs of what we were doing with $2,450,000 in No. 80 Maiden Lane. What seemed to impress him was that we were conscientious in our regard for interests other than our own.

Some years later Charles Pierrepont H. Gilbert had made some sketches of a wondrous house to shelter the Kahn family at 1100 Fifth Avenue. It was such a palace as in Europe would last fifteen generations of a line of princes. I had been shown these sketches by Mr. Kahn and was pleased when

he telephoned me one day and said, "Go ahead with my house."

"There will be some facts about the job you'll want to know," I said.

"Mrs. Kahn wants to move in," he said. "That's why I want to have it started quickly. You go ahead."

"We better wait a bit until, by study of the plans now being made, we can tell you what we think your house is going to cost you."

"I don't care a damn what it costs," Mr. Kahn spoke testily.

I went over to his office to buttress my argument that we should explore the scheme before proceeding.

"This is to be my home," said Mr. Kahn. "It is not a business enterprise, so when I tell you I don't care about the cost of it, I'm talking from my heart."

"That's it exactly," I said. "But it is a business matter for Thompson-Starrett. We don't want to have you hating us. I know human nature."

"Go ahead and build the house."

"Wait," I said with almost Chinese patience. "You have some sort of notion as to the cost you'll tolerate. Probably your preconception of the cost of what you, your family, and an architect have dreamed is out of balance with the cost of things. Your feeling when you meet the fact in a big bill is going to transmute itself from disappointment into rage at Thompson-Starrett."

Mr. Kahn was still disposed to hurry; he wanted action, wished to see me rush away to give a lot of orders. I told him not to get excited, that his house could progress no faster than his plans and when his architect made these we could estimate the cost, that we were determined to tell him what the outside cost would be before we started. When we did figure it was revealed that the plans were for a house that would cost twice as much as the early guesses before the plans were made. These plans were altered just a little then, because the great cost made even Otto Kahn swallow a few times before he said to go ahead. The stone was brought from France! That sort of architectural affectation, to me, is silly. In France a house made of native stone is grand and logical, but on Fifth Avenue to see a store, like Altman's, walled up behind imported French stone, annoys me. Of course, the average man, no matter how great his wealth, usually has but a single experience with a big building enterprise, and consequently most of my big customers have been, to put it mildly, green.

Mr. Kahn was a thoroughly cultivated man. The contract date on his massive, handsome home was signed in June of 1914, just before the world started marching to war. When it was built it was furnished, chiefly out of Europe, without regard to cost. Even so, when Mr. Kahn had written the last check he must have winced; land, building, and decorations had cost him between $3,000,000 and $4,000,000.

Such a building in the land whence came its stones would last, as I have said, for generations: yet Otto Kahn in 1933, for a purpose quite inconsistent with such long-enduring use, invited me to have luncheon with him at his office. I found him in a room of antique English paneled walls, fashioned by cunning joinery. Brought from some old English house, or castle, it had been modernized in one particular: it was air-conditioned in the Kuhn-Loeb Building.

"I would like to have your views about the future of that house you built for me."

As he listened for my reply, Mr. Kahn plunged a spoon into the flesh of a fat crescent of Persian melon on his plate.

"It is a noble house," I said, and then asked, "What is the matter with it?"

"Mrs. Kahn and I rattle around, it is so big." Mr. Kahn stopped eating then to justify his feelings. He told me that the house had served them handsomely while they were entertaining, but they no longer found a pleasant savor in big entertainments. Besides, out on Long Island he had another magnificent country home, a castle with a stone courtyard into which might ride, mounted on one's fancy, a host of knights in armor. There was a private golf course there, a big company of servants and every other imaginable instrument of easy living. He finished in a tone almost plaintive.

"What Mrs. Kahn and I would like," he said, and took up his spoon again, "is a little apartment

overlooking the East River. We want one with a window placed so that we can sit together and watch the ships go by and see the lights come on at evening."

He closed the curtains on the poet in himself right then and turned into a businessman. Speaking quite precisely he said, "Query: Shall I get rid of that house in Fifth Avenue, even though it entails a considerable money sacrifice?"

"This is Oracle Horowitz speaking," I told him with a grin, "and your question is simply answered. That house has no value to you whatever. There is no purpose for its further existence in your life, and you say it would mean nothing to your children. The moment it stopped giving you and Mrs. Kahn the happiness and pleasure it was intended to produce it became a burden. Why should Otto Kahn keep himself in thralldom to a Fifth Avenue house? Get rid of it! Any way you can."

"I brought this up," he said giving his head rapid nods, "because I have had an offer. The Catholic Church can turn my big house to a useful purpose; they wish it for a school for girls and offer in exchange a lot on Madison Avenue at Fifty-third Street. The lot they offer is said to be worth a million dollars."

"It is not worth a million dollars," I contradicted him, "but anyway just tell yourself you are trading them lot for lot and give them your house. Tell

yourself you are paying to be relieved of a burden. Make the trade."

Mr. Kahn then told me that a man had offered to lease for ten years the property he was offered in exchange for his house, and to pay a rent that would rise or fall in exact proportion to his tax bill.

"That I would not do," I said, "because it would be just like saying that for a decade to come a valuable lot in New York City will only be able to earn its taxes. I am not so pessimistic nor, I think, are you. Put a one- or two-story taxpayer on the lot, and when you rent the stores in it you will discover that you will have for yourself something more than taxes."

Most men of wealth, it seems to me, make the mistake of permitting themselves to become slaves to their own business and to money. I could see, all through those final talks I had with Otto Kahn, that he was finding his enormous responsibilities heavy. Kahn, shortly after we had our last talk together, died. Months later his widow came in to see me for further advice about putting up that taxpayer building; afterward I saw that my advice was being followed.

Otto Kahn, of course, had great ambitions and tried, with rare success, to grow in all directions. By an act of his, though not by his design, Radio City was built. It happened this way. In his mind existed a new opera house to supersede the Metro-

politan. He considered the old structure totally inadequate for giving performances of grand opera as magnificently, as ingeniously, as is possible. Mr. Kahn, in his first attempts, was frustrated by his associates of the Metropolitan. He had proceeded with his own money to buy a plot of land on West Fifty-seventh Street. That, he told himself and others, was to be the new site of the grand-opera capital of the New World. At the proper time he intended to turn the property over to the Metropolitan Opera Company. After buying the land he commissioned Benjamin Wistar Morris, the architect, to draw plans for a new opera house; also he asked Mr. Morris to consult us, the Thompson-Starrett Company, as to cost. So we were in the conferences dealing with this project almost from its inception. Of course, everybody now knows of the opposition that developed to Mr. Kahn's program among the old New Yorkers of the opera company. The site was rejected to the intense chagrin of Otto Kahn; the splendid plans of Morris were put away, unexecuted.

The site for the new opera house, that dream of Otto Kahn, continued to be a tempting prize that kept a host of brokers scheming; indeed, this sort of scheming, this planning, that goes on in countless brains of those who are ambitious for rewards, is the essence of the vital force that keeps business on the move. This is the very thing that Mr. Roosevelt's advisers overlook. The great significance of what happened thereafter is that it happened, that

it bore fruit, in the midst of the depression. Radio City was the greatest building enterprise this nation has ever seen. It was a useful, daring venture, conceived and executed with private funds in a time when various units of Federal, State, and local government were hiring men to spear cigarette butts and bits of paper in the parks.

The firm of William A. White & Sons went to John D. Rockefeller, Jr., to ask him if he would be willing to lease about three blocks of property owned by Columbia University and improve it with low buildings so as to get proper background for the Opera House. Mr. Rockefeller then undertook to find out if such an enterprise was sound. I was asked, along with many others. My reply was that I was not qualified to express an opinion as to the soundness; all I could advise about was the probable cost of the buildings. It should be remembered that Mr. Rockefeller went into the enterprise for the purpose of providing a proper background for the opera. His representative told me, "Our purpose is not to make money; we are satisfied with a yield of four per cent on our investment." It was quite apparent that Mr. Rockefeller was content to put out whatever money was necessary so long as he could see that the venture would be self-supporting. There is a Messaba range of irony in all this when one considers that in the end, floundering and uncertainties among the Metropolitan Opera group prevented the building of the new

opera house. The site is there today, unused except for a sign: "Reserved for the Opera House."

Into the banking house of J. P. Morgan on a November day in 1931 strode Alfred E. Smith, ex-sheriff of New York County, ex-governor of the state, and 1928 candidate of the Democratic party for President of the United States. His red face, that lacks a prophet's beard beneath the prophet's nose he wears, was swiftly turning from side to side to see who had come to our meeting. I think it was his first visit to Mr. Morgan's private office in that famous place at Broad and Wall Streets.

"Say, Mr. Morgan," was Al Smith's greeting, "I heard about the extra special cigars you smoke down here. Cigars that cost one dollar apiece! How about passing a box of those around?"

Mr. Morgan chuckled; then he knocked the fire out of his pipe and produced cigars that may not have cost as much but which were surely worth a dollar each. You can't help liking Al Smith and in those meetings during the winter of 1931–32 J. P. Morgan showed in little ways that he was becoming subject to his charm.

Mayor Walker had appointed eight of us to serve as an emergency-work commission; Mr. Morgan, Governor Smith, Mr. Cornelius Bliss, Joseph M. Hartfield, myself, and several others were to administer $15,000,000 in a program designed to provide work for men without either work or funds. Mayor Walker had appointed us after accusations had been made that this relief employment was

being given to men on the basis of their attachment to various precinct politicians rather than on the basis of their need. Of course, we were making gestures with that $15,000,000; I know this as well as I know that, chiefly, gestures have been made with all the billions that have been spent in fighting the depression. The cure lies in restoring employment through improvement in business.

I am going to say, in conclusion, what I said to Donald Richberg while he was an important figure of the Roosevelt administration: I think the only way to create helpful business activity is in connection with something for which there is demand. We cannot, it seems to me, cure the sort of ills we suffer from by building post offices and other structures where they are not needed or wanted; that is economic waste.

What kind of building, then, is needed? I think I know the answer. I retired from the building business in 1934 but, after all, I am entitled to have it remembered that I have directed the spending of $600,000,000 on building contracts during my years with the Thompson-Starrett Company. What I say is that the near future of the building business is in housing; it is not in skyscrapers and not in the multiplication of the structures of government. The vast and unending corridors of new administrative buildings in Washington may yet become the mausoleums of all that we have enjoyed, just as those tombs of the Pharaohs, the Pyramids, became the tomb of Egypt.

Housing is the one field in the building-construction industry where there is a shortage; in this field it is acute. You cannot make a survey of the building situation without discovering this obvious market for many hundreds of millions of dollars worth of low-priced housing. If we will only use it, here is the magic that is needed to start up our mills, our factories and mines, and feed our railroads. Well done, the job would change our country, make it a better place to live in. The many millions we could well spend for this through the regular avenues of trade would produce a wealth greater than can be measured in dollars; they would bring improved national health, better family life, and increased dignity for many Americans.

Slum dwellers want such homes with a yearning that goes as deeply into the past as the human race. Farmers and farmers' wives want better houses probably more keenly than they ever wanted automobiles when they had horses. They got automobiles; and by adaptations of the same processes of our national genius that gave them automobiles they can be given houses.

I was immensely impressed by a statement made on this subject by Mr. Hoover while President. I had the honor of lunching with him at the White House, and since no one else was present the matter was discussed without interruption. He said that to him it seemed unpardonable that a civilization which found the way to provide the masses with satisfactory automobiles at prices and on terms

within their means has miserably failed to meet in similar fashion the desperate need of adequate and respectable housing. While it was not the president's purpose to humiliate his guest I was nevertheless chagrined and felt I was being indicted for my lack of contribution to the solution of this problem. Aside from economics and purely from a social viewpoint, I think most people are agreed that the best thing for this country is to hasten the day when its citizens live in decent homes. But to date, the machinery to get these underway along sound, sensible, and logical lines has not been put in motion.

In order to provide low-priced homes on a basis that will permit the masses of American who will occupy the houses to afford them, the building industry must accept some changes. Costs would be lowered sharply if arrangement were made to assemble many units in a factory, so that what came to the job could be quickly put in place. Central buying and conservative financing are other factors. There remains a lot to be said on this subject, more than can be included here. This brings me to the point I made in a discussion of this subject with Donald Richberg and Professor Raymond Moley. We discussed ways and means to get new housing built on a scale of prices within reach of prospective occupants. Apropos of this I proposed to Mr. Richberg that he recommend to the President the idea of making an appeal to union labor to accept, as a concession to their fellow workers, a wage rate

on houses for the $2000-a-year income group. Mr. Richberg shook his head. He said he thought such a step might be politically unpopular and economically unsound. Personally I cannot see how a workman is helped by a rate of twelve dollars or sixteen a day when he does not get the money. At a rate of a dollar an hour I believe the building mechanics could go back to work for two hundred and fifty days a year—on housing.

I have forgotten the name of the philosopher who was the first to complain against a scheme of things in which youth is wasted on the young; but, oh, if I were young again! I think I'd build no more fantastic structures. Homes are what I'd build.

The building industry today is decades behind the best of our other industries. Almost anything a family might wish to buy is available for it in the United States at a price within its means; everything, that is, except a house. Houses cost far too much and are poorly made in the bargain. I do not think they will be better or more cheaply made until, in some manner, the building industry breaks loose from all its hampering shackles and begins, tradition free, to make such houses as people never yet have seen.

There is a portent of this thing. I saw it at the last automobile show in the space devoted to trailers. The significant thing about trailers is not that they roll upon the highways. What is notable is that the trailer, a child of the automobile industry, is

the first sensible approach to the business of making a house by mass-production methods, and the building industry, per se, has nothing to do with it. Watch those trailers! Watch them become beautiful, bigger, better—and cheaper. Watch them become the houses of the future, while architects stand proudly at the head of the assembly lines and give them lovely shapes. Aye, but a good deal of the wisdom that will be built into them will have had its genesis in the experiences that came from building, by factory methods, the towers of New York.

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A NOTE ABOUT THE AUTHOR

LOUIS J. HOROWITZ was born in Poland of middle-class parents and sneaked across the German frontier as a boy. He emigrated to the United States and went to work in New York for the clothing firm of Brill Brothers at a salary of $3 a week. Later he moved to Stern Brothers as a shoe salesman, but he lost this job because he was an inveterate cigarette-smoker and by the time he was twenty he had entered the real estate business as the partner of a much older man. Here he learned the art of financing new construction, but he worked so hard that within eight years his doctor told him that he had only six months to live. A long vacation in Switzerland put him on his feet again and he returned to America to join the Thompson-Starrett Company, the largest firm of construction engineers in the country. It was here that his real career began. He rose to become chief salesman and finally president of the concern and during his life made close friendships with such men as General Coleman du Pont, Cass Gilbert, the Gimbel Brothers, Dwight Morrow and other important figures. It was Mr. Horowitz who made possible the construction of such famous New York landmarks as the Woolworth and Equitable Buildings and the new Waldorf-Astoria. Mr. Boyden Sparkes, who collaborated with Mr. Horowitz, is the author of three books and contributes frequently to the popular magazines, chiefly the *Saturday Evening Post.*


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