

Chapter VII

HAVING YOUR OWN BUSINESS

MY FATHER had little to say to me as to my school studies or summer work. He was a man who spoke seldom, but when he did speak it was the result of careful thought. Then he demanded obedience. In 1890, upon my entering high school, he insisted that I take bookkeeping, which I did, even though it cost me a regular diploma. During the remaining four years he seldom commented on my work, and appeared not much interested in my report cards. After I had finished high school, he again, in 1894, asserted himself, insisting that if I went away to school anywhere it must be to the Massachusetts Institute of Technology. Yet during the four years spent there he seemed little interested, and he did not discuss my studies or ask me many questions. He especially let me work out my own salvation during the summers. Mother, however, was always very much interested in my progress. She attended all graduation and commencement exercises, and seemed to enjoy them greatly. My father did not even bother to go to a graduation or any of the accompanying functions.

FATHER URGED A "REPEAT" BUSINESS

Father had no office after he sold out his dry-goods business in 1890. He saw people at his home, where he had a roll-top desk and attended to his investments. These investments were his only source of income, and he certainly attended to them. When he wished to see anybody alone, he would take him for a ride in his buggy. (I am not using this phrase in the sense that it is used today, as everyone safely returned from those famous rides, although often in a humble mood.) During my first visit at the old home after graduation in June, 1898, I was invited on one of these famous buggy rides. We headed for East Gloucester, and we had no sooner got over to Bass Rocks than my father opened up. He told me that he had let me fumble along both in my studies and in my summer work. He stated that civil engineering was my own choosing, but that whatever course I might have taken, he would now talk to me along the same lines.

His opinion was that none of the professors at the Massachusetts Institute of Technology taught what appealed to him. Construction work, equipment jobs, and other engineering and mechanical projects lead only to a "one job" business.

He emphasized the importance of my getting into a "repeat" business, as he called it. He suggested merchandising, banking, insurance, and public utility operation, but not public utility construction. He explained to me that the world's greatest invention was six per-cent compound interest, which goes on twenty-four hours a day, seven days a week, and fifty-two weeks a year. He also pointed out that a corporation, family, or individual who once gets into debt seldom, if ever, gets out. Thus, if we get the proper security we have an income good for eternity.

Father's first idea was chain store business; but he thought well of the insurance business. "There is only a small commission in the original policy," said he, "but the renewals go on indefinitely and form the foundation of a very clean, profitable, and pleasant business." He mentioned an insurance agency in Gloucester which he was willing to purchase for me and become my silent partner. His third suggestion was that we buy the electric light company of Gloucester, which then was practically defunct, although it was finally sold at a handsome profit. He visualized clearly the repeat feature in connection with the sale of gas, electric power, and transportation. He told me that I had better take a vacation for thirty days and think it over, but that at the end of the thirty days he expected a definite answer from me as to which of these three lines I would follow. Knowing that he was careful and wise, I naturally was much pleased at his offer to back me. My father never backed lame horses!

HOW TO GET A JOB

During this vacation I did some hard thinking. On the thirtieth day I returned the compliment by inviting him to go for a ride with me. Furthermore, I would not go in his horse and buggy, but insisted on furnishing the horse and buggy myself. Frankly, I told him that I preferred not to stay in Gloucester. When he put me on the spot, I could not give him any satisfactory definite reasons; but in my heart I knew that Grace Knight, to whom I was then engaged, preferred to live in a suburb of Boston. This decision eliminated the insurance and public utility propositions, as my father would not have been interested in backing me except in Gloucester, where he could keep his hand on the throttle. We finally decided that I should go into the investment banking business, "provided I could get a job."

Once again my father threw me on my own, and I began to canvass banking-houses of Boston for a position. This was in the summer of 1898, at the tail end of the great depression of the 'nineties. Of course, conditions were then very bad in the line upon which my father and I had agreed. I visited every banking-house and investment firm in Boston, but without avail. Finally, I saw a small advertisement in the newspaper to the effect that a young man was wanted in a certain investment house. The advertisement was signed by a box number.

I wrote immediately, but received no answer. This first letter I followed up with three or four others, but no reply came. Finally, a brilliant idea occurred to me. I went to the post office and inquired as to who owned this specific post-office box. To my great regret, I was told that it is against the post-office rules to give out such information. Not being satisfied with this reply, I saw the post-master himself, but with no better results. I then wrote another letter, but no reply came.

Finally, one morning about five o'clock, as I was lying in bed, another brilliant idea came to me. It has always been my habit to go to bed early and get up early. I surely lost no time that morning, but quickly dressed, got my own breakfast, and left on the 6.15 A.M. train from Gloucester for Boston. Then I immediately walked over to the post-office, hunted up that post-office box, and stood by it like a military sentinel until some one came. Finally, a boy appeared with a big leather bag, which was lettered "E. H. Gay & Co." He opened the post-office box, dumped the mail into the bag, and started toward Devonshire Street. I followed him into his office and boldly inquired for Mr. Gay. I was told that Mr. Gay would not be there for an hour. I waited, and finally Mr. Gay came. He was formerly of the firm Barnard and Standwood, which sold some of the earliest Massachusetts street railway bond issues—namely the "Black Rocks and Salisbury Beach" issue.

I told Mr. Gay that I had come for that position. He asked how I knew that it was his firm which had inserted the advertisement. I then told him the story which I have just related. I can see him now, sitting and twisting his miniature mustache and looking at a big pile of letters on his desk. These he fumbled through and pulled out my four or five, and said: "Young man, here are your letters. They really are the worst-looking letters that came to me, but I am going to give you the job because you have some *initiative*." I went to work that morning. My first job was assorting and indexing a big pile of bond circulars which had been accumulating for many months. That very day in July, 1898, a seed was planted in my subconscious mind which later developed into the compilation of *Babson's Reports*.

I WAS SOON "FIRED"

The head men of E. H. Gay & Company were Mr. Eben H. Gay, Mr. Walter H. Trumball, of whose son I have since become fond, Mr. Charles S. Cummings, and Mr. Archie Burnett. There were two bookkeepers in the cage named Kimball and Williams, who later formed a firm of their own and became quite successful. The business was entirely new to me, but I quickly found that the profit was in the sale of the bonds and not in the engineering or statistical work. I therefore tried to sell a few bonds on my own account outside of office hours, especially while in Gloucester on the weekend. This I succeeded in doing. My

first bond was sold to Mr. Albert W. Bacheler, who had been my high-school principal. I made sales to several of the leading families in Gloucester. I know that I could not have done this unless my father had quietly spoken a good word for me.

Everything went well until I discovered that I could buy many of these bonds just as cheaply as the firm could. This even applied to bonds of the Hudson River Water Power Company which I was beginning to sell. Furthermore, I found that there was a tremendous spread in certain bonds. For instance, a bond would be offered on the printed circular at 100 and interest which could be bought in the unlisted market at 70 and interest. Finally, I went to Mr. Gay regarding this discrepancy, especially as he allowed me a commission of only one per cent. I saw that the matter irritated him, and he referred me to Mr. Trumball. Mr. Trumball was a dignified man, and he certainly talked to me like a father to a sick child. I tried to forget the matter, but questions continually arose in my mind which I would take to Mr. Trumball. Apparently I was losing my popularity in the office. The boys did not invite me to lunch with them, and there was a coolness which was visible. Yet I was perfectly innocent and did not realize what it was all about. The only one who seemed to have any sunshine for me was Mr. Cummings.

Mr. Gay also had an office at No. 1 Nassau Street, New York, in the charge of Mr. George D. Baker. One day I took to Mr. Trumball a copy of the *Commercial and Financial Chronicle* and showed him that a bond which he was asking me to sell in Gloucester at 98¼ and interest was being quoted on the unlisted market in New York at 80. I asked, "Why the quarter?" He replied: "None of your damn business." Within a couple of days I was asked to go to New York and see Mr. Gay, whose headquarters were then at the New York office. I well remember that day in New York. Fortunately, Mr. Baker and John Curtis were the only witnesses to the execution. There is no use of relating the harrowing details, but I was "clean plumb fired."¹

HOW INVESTORS LOSE MONEY

I thanked Mr. Gay for the start he had given me and went out on Wall Street. I went over to the steps of the Treasury Building and sat down to think. I

¹ The following quotation from a letter written by Mr. Baker, March 20, 1935, may be interesting to some readers:

"You had an experience while with E. H. Gay & Co. to do a little investigating, and you used that experience to make a beginning of your career. You went out to Ohio to see what was behind the Akron, Bedford & Cleveland St. Ry. Co. bonds before you placed some of those bonds with your customers. I suppose you then found that it was more important to give information than to sell bonds. I wish I had that little card box which contained cards and which you brought to our office. This was one of several boxes which comprised the entire facilities of the Babson Statistical Organization. I believe the first of these boxes was placed with E. H. Rollins & Sons; but ours was one of the original forerunners of the system. The box was about six inches long and could hold 200 to 300 cards. You soon found it necessary to employ some help in making daily calls at the various offices to enter on those cards the up-to-date information gleaned from various sources regarding properties which were listed on those cards. That was the infancy of *Babson's Reports*."

must have sat there several hours until a policeman finally came to see whether I was asleep or drunk. I determined to stay in New York, where bonds were sold at the market instead of at such fictitious prices as Boston firms were getting for the same issues. I spent the rest of the day in hunting up an office, and hired desk room in an old building at 10 Wall Street, between Broadway and Nassau Street. My landlord was a man named Hackett and I paid rent at the rate of fifteen dollars a month. I next started to hunt up a boarding-house, and found a small hall bedroom on Third Avenue near Fourteenth Street in an apartment rented by three old-maid school teachers. I have seen many hard-boiled people, but I never saw the equal of those old maids. The next morning I had some letterheads printed and rented a typewriter. I immediately began to write my New England friends, offering them the same bonds which I had been offering them while with E. H. Gay & Company, but my prices ranged from five per cent to twenty-five per cent lower. Naturally, you would think that I should have done a land-office business at these lower prices, but I did not.

Even then I was more of a statistician than a psychologist. I did not realize that most investors had rather pay considerably more for the same bond if purchased from a fine office with expensive mahogany furniture, than to buy it from a little fellow like me who paid only fifteen dollars a month for desk room and slept in a hall bedroom. Such is the frailty of human nature! This, to a large extent, explains why investors have always got stuck and probably always will! Congressional legislation may provide investors with better information, but it will never provide them with self-control or eliminate their pride. From the days of ancient history the people have been buncoed with show and tinsel. The people of Persia, Egypt, and Rome in the older days, and the people of Germany, France, and England in these modern days, have been blinded by the show, the luxury, and the whole vain paraphernalia of royalty. In these modern times, bankers, captains of industry, and even labor leaders, are moved more by an invitation to lunch at the White House or at Morgan's offices than by anything else.

But to get back to my story. Despite the fact that my New York venture was a disappointment, I made many friends and much more money while in New York than I did when in Boston. I constantly realized, however, that I was up against a terribly stiff game. My subconscious mind kept urging me back to New England. The climax came one evening about seven o'clock, as I shall relate.

WHY I FEAR NEW YORK

It was my custom to stay late at my little Wall Street office. My business was almost wholly by mail and I typed my own letters. One night about 6.30 P.M.,

after I had closed the office to go out to get my supper, I had an experience which made a deep impression on me. I walked to the corner of Wall Street and Broadway to take a street car back to my little hall bedroom. Standing on this corner was a man selling apples from a basket. A woman was boarding a street car which preceded the one for which I was waiting, and while doing so she dropped her umbrella. The street pedlar, out of the kindness of his heart, went out into the street, picked up the umbrella, and handed it to the lady on the open car. While he was gone, a bunch of newsboys swooped upon his basket and stole some of his apples. I witnessed this performance with an elderly gentleman who apparently was a man of affairs. At least he was exceptionally well dressed, with a silk hat and a gold-headed cane, although I have since learned that these things do not mean much. I have often wondered who he was. He looked like a banker or a railroad president, but he may have been only a bucket-shop manager. I turned to him and said: "That was an awful mean thing for those boys to do." He replied: "Young man, you'll have the same thing done to you some day if you continue to stay in Wall Street."

This hint was enough for me, and I decided then and there to close my office and go back to New England. Yet I did not quite dare to go to Boston, and so hit upon the crazy idea of opening an office in the Knowles Building, in Worcester, Massachusetts. I knew no one in Worcester, but I just wanted to get out of New York City and at the same time I was not yet ready to go back to Boston. I had made connections in New York to purchase my bonds at wholesale and continued the old method of selling by mail to my friends in Essex County. I also made a connection with the Cleveland Trust Company and with a Detroit bank, because I found that I could buy certain street-railway bonds from these two institutions at prices under what they were being sold for even in New York City.

Later, I made a valuable connection with a good friend named Benjamin Fisher, who had a small bond business. Let me here add that the confidence of good people is a valuable asset. It is also interesting to note that George D. Baker, who saw me fired in New York, later left Mr. Gay and started a firm of his own, known as Moore, Baker & Co., with an office in Boston and in Cleveland. The tide was beginning to turn toward buying and selling "at market" even in Boston, rather than at the blue-blood circular prices. I was working with the tide. Yet I found that my wholesale market in New York was not the *real source* of supply. These New York brokers from whom I was buying were buying from the manufacturers of the securities in Cleveland, Detroit, and other Western cities. Therefore, I was learning fast and at the same time making a little money.

INVESTMENT BANKING TRICKS

I had not been in E. H. Gay & Company's office since I had left it in disgrace two years previous, but one day an opportunity came where I saw that I could do Mr. Gay a favor. It was in connection with two bond issues which he was selling—namely, the Lynn & Boston Street Railway Company First Mortgage 5s and the Boston & Worcester Street Railway First Mortgage 4½s. It happened that I personally knew Mr. Edward P. Shaw, of Newburyport, who was the leading builder of Massachusetts street railways. My greatuncle, Charles Babson, married a Shaw, and, furthermore, the Shaws in Newburyport were neighbors of my greataunt Elizabeth Tilton, who had a home there. Her husband, Dudley Tilton, was superintendent of the Newburyport gas plant. Mr. Shaw had built the original horse-car line in Gloucester and later electrified this line and extended it. He seemed to take a fancy to me, and I was able to get some important information which I carried to Mr. Gay. Mr. Gay thanked me in a dignified way, but apparently was not influenced by it.

Mr. Charles S. Cummings, however, saw me in the office and invited me to lunch with him. To my great surprise, he said that he and his partner Mr. Gay, were to separate and he was going to start a firm of his own, known as C. S. Cummings & Company, and specialize in street-railway and public-utility bonds. He offered me a position. As the Worcester venture had not got well under way, I accepted. In fact, it was the only position that had ever come to me out of the clear sky. All my former jobs I had been obliged to dig up by hard work. Mr. Cummings' offer gave me a chance to continue with him in the same general line of business but under much better auspices, as he had engaged attractive quarters at 43 Milk Street and had capital. This was in 1900. We started temporarily at 7 Water Street with a bookkeeper named Edward Mead and a stenographer named Susan Wentworth; and I want to say right here that Susan Wentworth was a wonderful girl. Mr. Cummings also had one or two salesmen, although he really depended upon me for the selling end of the business. Whether Mr. Archie Burdette had then left E. H. Gay & Company, I do not know, but he came in to see us often. Mr. Rines continued at the old offices at 40 Water Street.

Mr. Cummings had three or four good friends connected with banks and insurance companies, especially Mr. Veillie, who was then president of the First National Bank of Boston. Whether conditions are the same now or not I do not know, but most investment houses then depended largely on two or three big customers. The "chicken feed" business was useful as scenery, but the big profits came from some insurance company, trust company, or large estate. Every one of those investment houses had a pipe-line running to one or more large customers. Whether some official of these insurance companies

or banks received any direct rake-off, I do not know. My impression is that the arrangement was wholly a matter of friendship or family relationship. Many investment houses prospered on one large sale a month, and sometimes on one large sale a year. Sales were few but profits were often large.

Little care was given to investigations when the securities were purchased. The houses were primarily interested in buying an entire issue at 90, for instance, which they could sell at par by controlling the price of the entire issue. Therefore, both large and small "entire issues" were in great demand. If a firm could buy an entire issue and thus control its price, they would much rather do it than buy a portion of a large issue and be forced to sell the bonds at market. By buying the entire issue and controlling the price, they could arrange to secure a ten-point spread on all sales, while if they bought and sold bonds at market, they would be limited to a spread of only one per cent or less. It was the purpose of C. S. Cummings & Company to give investors a new deal, and select the best securities irrespective of price and sell them at a small commission of, say, one-half per cent or one per cent. This new deal was all right in theory, but, unfortunately, it would not pay the rent. I was learning both that "there are tricks in all trades" and that there are reasons for using the tricks!

Chapter VIII

PUBLIC UTILITY EXPERIENCES

ONE evening I was invited by my boss, Mr. Charles S. Cummings, to dinner at his hotel near Copley Square. After our orders had been given to the waiter, he turned to me with his whimsical smile and said: "Babby, your theories about hunting up good securities and selling them at market prices may be all right if you are willing to sleep in a hall bedroom for the rest of your life and live on crackers and milk; but, my boy, an investment business with a corps of salesmen cannot be supported along any such altruistic lines. We must buy entire issues, so as to be able to mark up the price and have a good spread upon which we can depend. But, Babby, it's very difficult for a small firm like ours to get these entire issues. Big houses are smarter than we are. Now I have a plan, and that is that we manufacture these securities ourselves."

MANUFACTURING BONDS

Mr. Cummings then explained how our friends in Cleveland, Detroit, and Cincinnati were doing—namely, getting franchises and building street railways themselves *in order to sell the securities*. Often, since, I have thought of that last clause, "in order to sell the securities." Probably four-fifths of the companies that are organized, whether in the transportation, electric power, or industrial field, are organized primarily not to transport passengers or generate power or manufacture goods, but to get securities to sell. I believe this is just as true today as it was in 1902.

When an old established company now desires to put out a new issue, it must fill out elaborate and complicated blanks, giving the history, earnings, and all other details of the company. When, however, a new company is organized to put out securities merely as a speculative venture, there is nothing for it to tell, and hence nothing for the blanks to record. The result is that this restrictive legislation is a handicap to good established corporations which are doing an honest business, and a whitewashing process to new, speculative, and perhaps dishonest promotions. These latter however cannot use the fact that their securities have been "passed" by the Securities and Exchange Commission as an incentive to innocent investors to purchase them.

C. S. Cummings & Company, therefore, started at the ground floor and became *manufacturers* of securities. Our first venture was to build the Bristol County Street Railway, which was to operate between Taunton and Attleboro and vicinity, all within the state of Massachusetts. Street railways in Massachusetts were all the vogue at the time. Insurance companies, banks, and investors were anxious to buy Massachusetts street-railway bonds. Hence the investment banker's job was to organize companies to build street railways so that the demand for these bonds could be filled. No one thought of the needs of the dear public to be transported. Furthermore, I suppose that the same system still prevails in other fields and will continue to prevail.

The first job was to get the franchises. This Mr. Cummings attended to personally, with the aid of a couple of friends who handled the "details." We next went into the market to purchase rails, wire, cars, generators, etc. We knew no more about these things than we did about the Chinese language; yet we were no different from the other investment houses. All were doing the same thing. Furthermore, as human nature has not changed, I surmise that the banking-houses to which we are looking up today are almost as ignorant about their respective fields.

EVADING THE LAWS

It was necessary to "pay in" the stock of a Massachusetts corporation at par, and the law required that bonds could be issued for only fifty per cent of the cost of the road. One reason investors scrambled for bonds of Massachusetts street railways was "because they were issued for only one-half the cost." Upon my inquiring of our celebrated attorneys how we were going to raise the money to build the Bristol County Street Railway, they replied: "Sell the bonds, of course." I replied that under the law we would also have to sell an equal amount of stock. I wondered how we could sell that stock, as I knew investors would not buy street-railway stock. The attorneys, however, assured me that this was their job.

To make a long story short, the company was capitalized for \$150,000 "fully-paid" stock and \$150,000 in first-mortgage bonds, or a total of \$300,000. Then two friends of ours—under the attorneys' directions—formed a construction company, which made a contract to build the street railway for \$300,000, payable one-half in bonds and one-half in stock. We had previously ascertained, however, that the street railway could be built for less than \$200,000 *cash*. The plan was that the \$150,000 bond issue would be sold at 90, and the company would borrow from banks on notes the remainder necessary up to about \$200,000. In short, never a penny was "paid in" on that stock, which our two friends finally gave back to us. Of course, the Massachusetts Railroad Commission held dignified hearings, and a well-known engineer named Gilbert Hodges pre-

sented detailed plans, specifications, and estimates. The Commission thereupon gave the property an appraisal, *before it was built*, exceeding \$300,000.

Readers may say that these were the "good old days" and that such conditions no longer exist. I, however, fully believe that they do continue to exist. With human nature as it is, America's industries can be financed only by some such camouflage. Promoters are not going to risk their time and their money without a gambler's chance of a handsome profit; while investors are not willing to buy the securities without some sort of official whitewashing. The processes will be given new labels and the protective devices will operate under new legislation; but, in my humble opinion, the same basic methods will continue to be used. Surely I could devise no other plan which would both make the promoters willing to take the risk and the investors willing to buy the securities. Furthermore, it is impossible to pick out in advance what projects will be successful and what projects will fail. Safety comes not through wise choosing, but through systematic diversification.

FICTITIOUS BOND OFFERINGS

I personally had the honor of selling this issue of Bristol County Street Railway bonds to N. W. Harris & Company, the most conservative and best-known distributing investment house in the country. I made the sale through Mr. Isaac Sprague at 90 and interest. Later I bought the issue back at 95, as I remember it; then we increased its size and resold it at a profit. Instead of being reckless promoters, we had been too conservative in the size of our first bond issue. Therefore we corrected our "mistake" by retiring this original issue and putting out a larger issue. This experience taught us a new trick. We found that "calling bonds" made a great hit with investors, as they received a quick profit on their purchases. Next time they bought two bonds in the place of the one bond which was called, although the second issue was not so good as the old bonds which were being retired. Finally, the bonds of the Bristol County Street Railway Company were distributed fully among the public, although these poor purchasers ultimately suffered losses. Everyone probably now has one or more of such bonds as a souvenir of those "good old days." As for the Bristol County Street Railway, it never paid and has since been ripped up. We next financed the Lowell & Boston Street Railway Company, which was formed to operate between Woburn, Massachusetts, and Billerica, Massachusetts; and built the Concord & Boston Street Railway, which operated through Belmont and Lincoln; and finally, the Middleborough, Wareham and Buzzard Bay Street Railway Company. In the same way the public scrambled for the bonds of all these companies.

We sold a few municipal bonds for window-dressing. In issuing a bond circular, we would start in offering \$100,000 U. S. Government 4s, which we had

never seen. Then, for good measure, we would offer \$50,000 City of Boston's, \$50,000 City of Springfield's, and so on. At the end of the list we would have a choice offering of \$10,000 Lowell & Boston First Mortgage, Gold, 5% bonds. The bonds last offered on the list were the only ones which we had on hand. This was our own issue which we were manufacturing and selling at a large profit. The bond salesmen were told that they should devote their entire energy to selling these Lowell & Boston bonds. As a matter of fact, we really did not need to tell them this. They had a commission of five per cent on every Lowell & Boston they sold, but a commission of only one-eighth of 1 per cent when they sold any of the good issues on the list. Of course we were able to deliver these governments and municipals, but we were obliged to go out and buy them to fill definite orders. Innocent readers may think this was bad business for a good church member like me; but it then was a universal custom and probably will be so again.

BEWARE OF MUNICIPAL BONDS

Once we did try to be real bankers. We purchased a block of Austin, Texas, municipal bonds. They were issued to build a large dam outside of Austin, to supply the city with water and light. I was "sure" that these were good bonds because one of my relatives, Gorham P. Low, of Gloucester, was the engineer in charge of this famous Austin dam. I therefore sold many of these City of Austin bonds to my friends of Gloucester and vicinity. I even took trips down to Maine, where I sold them like hot cakes to the banks, which were beginning to get a little shy of street-railway securities and wanted "sound municipal bonds." I had just completed a successful sales trip, during which I had loaded up banks with these Austin, Texas, municipal bonds, and was sitting at the breakfast table in a Portland hotel when I looked at the morning paper. It was the *Boston Herald*, and across the top, in big type, were these words: GREAT AUSTIN DAM COLLAPSES.

I took the first train to Boston, and the next day went to Austin, Texas. This was my first trip to the Southwest. Of all the God-forsaken and wretched-appearing politicians that I have ever seen, those were the limit. The City of Austin defaulted on the next interest payment of these bonds. I was not surprised, after getting acquainted with those Texas legislators. If I had ever taken the trouble of going to Texas before purchasing those bonds, we, of course, would never have purchased them. In those days, however, all municipal bonds were supposed to be good bonds, whether issued in Maine, Texas, California, or Minnesota. I was especially disturbed by this episode because I had urged my firm to buy "some good municipals." I was becoming a little chary of the bonds which we were manufacturing, although they were doubtless as good as many being manufactured by the larger and older firms. Therefore, to have the first issue of "good municipals" go sour frankly discouraged me.

HOW BANKERS UNLOAD

This was about the time all the street railways in eastern Massachusetts were brought together under the name of Massachusetts Electric Companies. In an attempt to protect the investing public, the Massachusetts Legislature had already passed laws against the incorporation of holding companies for railroads, street railways, and public utilities. This prevented the issuing and sale of the securities of such holding companies so far as they applied to Massachusetts utilities. The most conservative and aristocratic law firms, however, quickly got around this legislation by forming "trusts." The special trust in question was named "Massachusetts Electric Companies." Instead of a *company* being incorporated, a *trust* was organized, and the swellest blue-bloods of Boston became the trustees of the Massachusetts Electric Companies. Common stock and four-per-cent preferred stock were issued. This latter sold at par and was bought by the most conservative investors because of a non-taxable feature and the names which appeared as trustees.

What shall I say of those days and the things that were put over by the best legal firms, banks, and corporations? The newspapers all joined in the ballyhoo, and we all bought Massachusetts Electric securities. I was too green to realize it at the time, but I now believe that consolidation was made purely to enable the insiders to unload. They saw that these street railways were not earning the money which the bankers hoped they would earn. The bonds had already been loaded on to the public, but the bankers and insiders still held the stocks. They saw the tide turning against them, and they wanted to unload this stock. Hence the Massachusetts Electric Companies was organized, and it went over with a bang, although these securities ultimately became almost valueless. Ever since then I have been fearful of consolidations, even though they are widely ballyhooed and recommended by big bankers, famous attorneys and engineers. When a man has a good proposition, he likes to keep it. He is not consolidating it with somebody else's. Bad eggs, when mixed together, do not make a good omelet. They never have and they never will.

It is easy enough now to say that we should have known better than to have then built street railways and foisted their securities on the good public. But wait a minute! If it had not been for the automobile and motor-bus, these street railway stocks would have become profitable and conservative investments. The street railways of the country would now be doing a wonderful business. If you would just visualize any city today dependent on either electric street cars or horse-drawn vehicles for transportation, you must admit that these cars would be loaded, with people bulging out the windows and sitting on the roofs. Therefore, the whole fault was not with the promoter and banker, but mainly with the chap who perfected the internal combustion engine. He caused all the trouble. Just one more word: The automobile stocks which investors are

scrambling to buy today represent no more actual value than was represented by those street-railway stocks in 1902. Some day there will be a new development to eclipse automobiles. Then automobile stocks will fade away just as have street-railway stocks. Let me also add that as soon as I realized the situation I did my best to check it.¹

BIRTH OF POWER SECURITIES

During all this time electric light and power companies were gradually coming forward. E. H. Gay & Company and other bankers were offering Hudson River Water Power bonds, Hudson River Transmission Company bonds, and bonds of other electric companies. Water-power companies seemed to be most popular with investors. Gradually the better investment houses, such as N. W. Harris & Company, shifted from street-railway to electric light and power bonds. If I had not suddenly been taken ill, I probably would have been able to shift C. S. Cummings & Company from the street-railway to the newly-developing light and power utility field. Mr. Archie C. Burnett, however, came into the firm in the fall of 1901 and I dropped out and the firm name was changed. A copy of my letter of dismissal is now very interesting reading. I never returned to the selling of bonds or stocks of any kind; while the firm of Burnett, Cummings & Company some years later went into bankruptcy. Later, the three largest and most respected firms in the city—Kidder, Peabody & Company, Lee, Higginson & Company, and Harris, Forbes & Company—were also forced into liquidation. I did, however, become interested in the E. H. Gay & Company Hudson River properties, but purely as an investor, not as a dealer.

After street-railway securities had their troubles, the light and power companies had their misfortunes also. Developments cost more than was anticipated. The companies were left with debts so large that they could not exist. This was true of these Hudson River properties. Finally a reorganization was formulated by the New England Trust Company of Boston, under the direction of the law firm of Tyler & Young. The active member with whom I functioned was Charles S. Tyler, an interesting and unique man. How much law he ever knew I have often since questioned, although he was the head of one of the leading law firms of Boston. He, however, was a great salesman. I have come to believe that most great lawyers, physicians, surgeons, preachers, and even scientists and statisticians, are "great" because of their salesmanship qualities rather than their real knowledge.

¹ Readers may be interested in the following quotation from a letter written to me by Mr. C. S. Cummings:

"Your first great battle and eminent success was in the fight concerning the capital structure at the time the Boston & Northern St. Ry. Co. was consolidating the different street railroads north of Boston. As near as I can get at the records of the Department of Public Utilities, as a result of your fight a capital structure reduction was made of about \$1,500,000. You must well remember this battle and the employment of the Hon. Nathan Matthews as Counsel in this case."

Seeing that the people who had been sold those Hudson River Water Power securities by E. H. Gay & Company, some years previous, were going to be gypped in the reorganization, I got into the fight to protect them. With the aid of Mr. Frank Day, of R. L. Day & Company, and Mr. William C. Hotchkiss, the Edmund Brothers, and a few others, I was able to head off the stealing of these assets. Finally I won my fight and the company was reorganized properly in the interest of the bondholders. The new company was called the Adirondack Light & Power Company. I became one of its directors and, later, vice-president. The president of the company was Elmer J. West, an able and straightforward man. The company was operated honestly and efficiently. Purchasers of Adirondack securities, whether stocks or bonds, made a lot of money. It was a hard struggle, but it was well worth making. I wish now to acknowledge my indebtedness to the many bondholders who backed me therein. It was while I was engaged in this fight that the firm of Burnett, Cummings & Company collapsed. Whatever questions were involved therein, I always counted Mr. Cummings among my friends and held him in high regard.

At that time about all my money was invested in light and power companies, and in the years which followed my profits grew rapidly. Mr. Tyler's partner was Owen D. Young, who went to New York as president of the General Electric Company. Both Mr. Young and his associate, Mr. Anson W. Burchard, were kind to me. We all prospered together. Later, we consolidated our Adirondack properties with the Mohawk properties, which were owned by the General Electric Company. I continued as an active director of that new company. The board of directors were an able group, and we had real directors' meetings. I was an important factor in all negotiations and was largely responsible for the building of the great Sagandoga Dam, at the dedication of which I was asked to make the leading address.

Then came along Floyd S. Carlisle, who controlled the St. Regis Paper Company. He was a hard-working and able promoter, but I believe he had failed to grasp the changing public attitude. We, however, put through another and larger consolidation. This took in the Syracuse Lighting Company, the Utica Gas & Electric Company, the Carlisle companies and certain other smaller properties. We then had a great system, with Albany as a center, extending southward to Poughkeepsie and northward to the Adirondacks through Glens Falls, and westward through Schenectady, Amsterdam, and Utica to Syracuse. Finally, the Niagara Hudson Power Corporation was formed, which swallowed up us as well as the Buffalo, Niagara & Eastern and other companies. From that time on my influence ceased, although I continued as a director of my original company, which became a subsidiary called the New York Power & Light Corporation. After that, the same people secured control of the Consolidated Gas Company of New York. Today this group is manufacturing power

at Niagara Falls and "way stations" and delivering it to most of the cities of the State of New York, including New York City itself.

During this growth, my own statistical business had been increasing rapidly. Therefore I retired from active interest in the utility business. I confined myself largely to the work of selling protection, which I will explain in later chapters. It was after my retirement that the large public utility holding companies—such as United Corporation and the American Super-Power Corporation—were formed. I never liked these large holding companies, knowing that they ultimately would arouse public resentment.

The light-and-power business still is fundamentally a sound business when kept within reasonable limits. I, of course, believe in the interconnection of all plants—as the telephone companies are interconnected. But I prefer independent ownership for large operating companies, with each company confining its operations to one state and, so far as practicable keeping its ownership within that state. Although statistics demonstrate that private control could always operate more efficiently than political control, I saw the public ownership handwriting on the wall. My utility friends, however, had become so rich that they would not listen to advice from me. Some day I may go back again into the utility picture, but only when there is an opportunity to render needed service. Today, the same old crowd which were trained to manufacture marketable stocks rather than to serve human needs are partly in control.

Chapter IX

GETTING MARRIED—WHY?

AT THIS point I much prefer to swap information with others than to give it myself alone. The whole problem of sex relations among young people bears tremendously on the health, success, and happiness of every individual. Some questionnaires have been sent out by college professors, but few dependable statistics on the subject are available. I am told, however, that conditions vary greatly in different communities. In some communities the boys behave, but there is an epidemic of indecency among the girls. In another community both the boys and girls will behave with their own sex, but there is more or less promiscuity between the sexes. In other communities the indecency will be among the boys. This was the case in Gloucester during my boyhood days.

ROTTEN CONDITIONS AMONG BOYS

I know that during my school days in Gloucester there were few, if any, improper sex relations between boys and girls, and I assume that the girls behaved themselves. With the boys, however, conditions were wretched. Vulgarity in actions, words, and thoughts was common. I cannot believe that such conditions exist at the present time among boys. As I look back on those days, I am disgusted and ashamed. However, I will not dwell longer on this phase of life at that time.

My parents never mentioned the subject of sex to me from the time I was born until they died. So far as any knowledge which they gave me is concerned, I would assume that there is no such thing as sex—that men and women are physically identical and without sex organs. Once when discussing this with another parent, the reply was that such information comes to one normally and naturally, as it does to the birds, squirrels, and cattle. "These animals need no sex instruction," said this innocent father, "and they get on all right without venereal diseases. They mate properly and raise their young successfully." This may all be true, but these animals are not encouraged in vice by smutty books, magazines, and other sex propaganda. Vice has not been commercialized among the animals. Furthermore, the law of survival of the fittest also helps to take care of the situation in the animal world.

If it were not for the commercializing of immorality, liquor, gambling, etc.,

it might be well to let nature take its course and for each to learn for himself. With conditions as they are, however, parents and teachers certainly should put children on their guard. I sincerely trust that parents today are giving proper instruction on the subject of sex, so that no such rotten conditions exist now as existed during my boyhood and college days. Of course, if young men go to cheap dance-halls, they are likely to be solicited. There was considerable solicitation at Boston restaurants which we college boys frequented. But here again, if colleges and parents would take the pains to check up on these places and direct young people to properly supervised restaurants and rooming-houses, much of this temptation could be avoided.

RECREATION IN THE 'NINETIES

As a boy I never cared for parties or games, and I had nothing to do with the girls until I reached high school. Then I made some splendid friends among a few girls. For some reason or other I had few boy friends. I was working strenuously both at school and at my outside duties; hence I had no time to play ball and indulge in other daytime sports. My recreation drifted, therefore, to going out evenings with some girl. Of course we had petting parties then as now, but our relations were absolutely aboveboard. I usually went around with only one girl at a time, but shifted (or was shifted, to speak more correctly) about once a year. All these girls subsequently married fine men. When I look back on it, they had good sense in chucking me.

It is a real satisfaction to see that I picked out the brightest ones of my age. After graduation they all became leaders in their respective fields and communities. One of them—Miss Statira McDonald, of Manchester—became the head of one of the largest orthopedic hospitals in this country, and lost her life working for others. Another is still doing splendidly as leader in her community. They were a great bunch of girls. Skating, sliding, and sleigh-riding provided good times in winter; while hayrack rides, swimming, and picnics were the rule in summer. Most of these diversions occurred in the late afternoon or evening. Best of all, they cost nothing! Love in those days was statistically free.

My first real love affair was with the aristocratic daughter of the leading family in the city. She was a beautiful girl and of fine character. I was very fond of her and I think she liked me. She was my partner on the greatest evening of my young life—namely, the Officers' Party at the Gloucester City Hall, when I had been the victorious captain of Company B. This victory enabled us to lead the grand march. It was the first time that I had ever bought flowers for a girl or "hired a hack," as they said in those days. We officers were dressed in uniform; a band played martial music and the decorations were Gloucester's best. The thought of this famous event, moreover, brings to mind an anecdote which I must tell.

The Officers' Party came on the same night as the Christian Endeavor meeting which I had pledged myself regularly to attend. Well, I kept my pledge. The Christian Endeavor meeting I attended in my uniform. After the hack had picked up at her home this young lady, beautifully gowned for the party, it called at the church door and picked me up at the close of the Christian Endeavor meeting. This probably seems foolish to young people today, but in those days we were taught to keep our word. Finally, I proposed to this young lady, and I remember as well as can be where I was when her letter of refusal was delivered to me. I was sitting on a pile of crushed stone, just outside of Norwood, Massachusetts, where I was superintending the building of the state road. She frankly said: "I am sorry, but my family feel that we should separate and have nothing more to do with each other." I never knew what was in the girl's mind. I took her at her word and tried to forget it. Some years later she married a far abler man than I. He is a famous artist, and his mural paintings may be seen on the walls of the State House in Boston.

MY ENGAGEMENT

I began to know Grace Margaret Knight first while I was in grammar school, where for four years we were together; but we did not become well acquainted until I was at the Massachusetts Institute of Technology. She was the daughter of the Reverend Richard Knight, a fearless English preacher, who came to this country as a real pioneer and held pastorates in northern New York State and in Massachusetts. He took a party of emigrants to Kansas during the pre-war period when there was much controversy as to whether Kansas should be a slave or a free state, and lived through all those strenuous days. He was a great man. He finally settled at South Hadley Falls, Massachusetts, where his daughter Grace, who later became my wife was born. She was the youngest of a family of five and was born when her mother was about forty-six years of age. This mother came from northern Vermont, of fine stock. Surely my grandchildren owe much to my wife's ancestors. They were no soft sob sisters.

When Grace was a girl, her father retired and went to South Carolina winters; the summers he spent in Gloucester with Mr. and Mrs. Freeman Putney. Mrs. Putney was Grace's sister, and Grace, on account of the poor condition of the schools in South Carolina, lived with this sister and went to school in Gloucester. After her first year in the Gloucester high school she was in St. Paul, Minnesota, for five years. Mr. and Mrs. Knight went there in 1890 to spend the summer with a married daughter, Mrs. William P. Reid. Here Grace and Camilla Jane—an older sister—went for the summer. Then Camilla obtained a good teaching position in St. Paul. Ill health prevented Mr. Knight from returning to South Carolina that fall, and he died in St. Paul on November 4, 1890. Mrs. Knight and the two daughters remained in St. Paul, taking an apartment by themselves.

Grace graduated from high school in St. Paul and then entered the University of Minnesota. After one year there, she transferred to Mt. Holyoke College, but in order to help her mother decided she would find employment. She thereupon trained for hospital work. It was while she was at the Massachusetts General Hospital and the Lynn Hospital that I became engaged to her.

Her sister Alice, who married Mr. Freeman Putney, superintendent of schools in Gloucester, had a summer home at Dunbarton, New Hampshire. This was a little hill town just outside of Concord. During her college years Grace was invited by her sister, Mrs. Putney, to spend her summers at Dunbarton. It was here that I followed her up and put in some good licks.

I have always had a one-tracked mind, and can work, or pray, or fight, or love; but I cannot mix them up. It seems necessary for me to concentrate on one thing at a time, but when I do concentrate, things move fast. These little weekend trips to New Hampshire enabled me to put in some good work, greatly to the amusement of Grace and her family. As I look back on those days, I find it hard to analyze the actions and reactions of love-making. My friends were getting married, and it seemed the natural thing for me to have a girl and get married. It was a mixture of human nature, sex urge, and true love, without any of these forces predominating. I never had experiences such as I have read about in love stories, but I guess that we were as much in love as most people ever are. At any rate, she has been a good partner for me, has cooperated in all my plans, and has stood for *most* of my nonsense. This is saying a good deal. In short, Grace Knight was the type for me, and I thank the good Lord every day that I bumped into her instead of into some one else. Surely selecting a mate (or being selected) may be rated as life's second greatest gamble; the greatest is the selection of ancestors.

HOW TO HOOK A MAN

Why does a man like a girl? Unfortunately, few statistics are available on this subject. I always liked bright, jolly girls, full of the dickens. The ones whom I went around with in high school were the leaders of their class and of their sports. But somehow or other we never made it. Either they were too brilliant for me or I was too dumb for them. Perhaps it was a case where neither of us wanted competition. Grace Knight was of an entirely different type. She listened while I did the talking. Instead of telling me how wonderful she was, she let me tell her how wonderful I was. She cheered for me instead of expecting me to cheer for her, as did my former girls. I believe she did this unconsciously and not predeterminedly. At any rate, it worked, and I pass the suggestion along to any female readers of this book.

Statistics also show that most old maids are great talkers. It is the quiet, clinging-vine type that attracts the men. Personally, I am glad that this is so. If

my wife had been of the same type and temperament as I am, we would have wound up in the divorce court within a few years. No theatrical cast can succeed with more than one star; no ship can safely have more than one captain. It is all right to theorize about partnerships, but I never knew a successful partnership of any kind, in marriage or business, where one was not the leader, *although the other one often performed a most important part*. This was true in my case. My wife has let me do the talking and get the honors, but she has always been the real "works."

We had a rather long engagement, as Grace was very patient. Finally, on March 29, 1900, we were married. We had a quiet wedding at her sister's home at 34 School Street, Gloucester, Massachusetts. My father, as well as my sister and some other relatives, attended the wedding. My mother was ill in bed with a cold. I remember, when going to her room and kissing her good-by, her last words were these: "Roger, all I hope is that you are not jumping from the frying-pan into the fire." My father had a very even temperament, but my poor mother was either away up or away down. When she was feeling well, she was cock of the roost, and of the town also. When, however, she was ill, she thought the world was coming to an end. On my wedding day she was sure it was coming to an end, and she would have felt the same way whomever I had married. Both my father and my mother became very fond of Grace Knight.

OUR HONEYMOON

Being economical, I had asked my father to lend me his stable boy and horse and buggy, to drive Grace and me from the house to the railway station after the wedding. Feeling, however, that some of my young cousins were going to play a joke on us, I had the boy drive us to the West Gloucester station instead of to the Gloucester station. To our great disgust, these young cousins were brighter than we. They had gone to the Gloucester station and boarded the train, and began to shower us with rice, etc., as soon as we entered the train at West Gloucester. One of these cousins was Mr. Robert B. Alling, who later married, and became the father of a wonderful family of children in Detroit. Although he has since passed away, he was a young man of whom we all were proud. With him were his sister Elizabeth, and my sister Alice. They surely gave us a good send-off. Our first married night we spent at the home of George A. Sweetser, on Abbott Road, Wellesley Hills, Massachusetts. The next morning I took the 7.20 A.M. train for my office in Boston. Grace stayed in Wellesley and wrote letters. Our honeymoon consisted of *work*. We boarded here for some time, until we had a home of our own on Seaver Street, Wellesley Hills.

Let me say now that I have been blessed with an economical wife. Once in

a while she has a flair for some foolish expenditure on a useless hat or gown, but usually her feet are firmly planted on the earth. Although my parents did not train me in sex control, they certainly trained me well in money control. My father always wanted me to be in business for myself. He used to tell Grace and me that there never was an ancestor on his mother's side who worked for anyone else. Apparently one thing he had against the Babson side was that they permitted themselves to be employed by others. He further often explained to us that, whether one becomes an employer or always remains a wage worker depends primarily on whether or not he saves money. Father said that a man who systematically spends less than he gets, automatically becomes an employer; while a man who spends what he gets, automatically always remains a wage worker. Father insisted it had nothing to do with how much money a person has or the amount of his salary. "Some people with very meager salaries always save a little; while other people with large incomes never save anything," said he.

After boarding for about a year and a half, we rented a small house on Seaver Street, Wellesley Hills. The rent for that house was twenty-two dollars a month. Up to the time that Edith was born, our living expenses, including rent, never exceeded one hundred and fifty dollars a month. This fact, considering that during much of that time I was earning monthly many times this amount, is an indication of my wife's self-control. After my illness—during which she took full care of me—we continued to live even more economically. Our breakfasts used to consist of an apple or other fruit, shredded wheat and milk; our lunches of a good salad and perhaps a simple dessert; and our dinners of plenty of vegetables, with meat once or twice a week. This, furthermore, is practically our menu at the present time. It costs little, and is healthful and appetizing. We had an old furnace in the house, but we were out walking a good deal and did not require much heat. As we went to bed early, our lighting bills were small.

OUR ONLY CHILD

On December 6, 1903, my daughter and only child was born. I named her Edith Low Babson, after my sister who was drowned. Mrs. Babson had a hard time when bringing this child into the world. It is a great joy to me that Edith is so fond of her mother and appreciates what her mother went through preceding her birth. Grace always desired more children, and she thinks that it was a disappointment to my parents that she did not have them. Dr. Gilbert N. Jones, our family physician, strongly urged us, however, not to. He gave as his reason the condition of my wife. To have another child, he said, would kill her.

I feel that the doctor had in mind also the tubercular strain which was in my system. He, with Grace's expert help, had successfully brought me through my

own tubercular difficulties. He knew that my own aunt, as well as my grandfather Stearns, had died from tuberculosis. Dr. Jones, therefore, felt that I should at least "go slowly." For this reason, my daughter and her children must especially be on their guard against this scourge. It cannot be warded off by taking medicine, pills, or capsules—only by taking lots of sleep and rest, eating good food, and maintaining the best of habits. Such a program may be hard, but "better let grass grow under your feet than have it grow over your head." I am proud to say that my daughter has had five children—Roger, Camilla Grace, Michael, Judith, and Marlene. Good grandchildren are the best inflation hedge.

BEST HEDGE AGAINST RADICALISM

Whatever may happen to stocks, bonds, and money, there will always be a place for land and people. The land, although owned, it may be, by the state, will be allotted to the most capable workers; while, whatever the social or economic system, those with character, intelligence, and energy will be well off. Children are nature's asset. We are supposed to invest our time, strength, and money in children and other natural resources, rather than in stocks and bonds. We are supposed to have enough children so that we can afford to lose one or more. We should train these children to take care of us in our old age, rather than depend on securities, life insurance, or government pensions. Having considerable property myself, I am not taken seriously when I speak in this way. Nevertheless, I believe in the rugged life.

Let me say that my wife has been a good citizen, of both her town and of the nation. She worked with me in Washington during the war, and has always been interested in promoting the welfare of others. She has continually emphasized that the Business Statistics Organization and its subsidiaries must put first the good of every man, woman, and child in the country. As I shall explain later, she was the original treasurer of the Business Statistics Organization, and did not resign on its twenty-fifth anniversary, nor on her fiftieth birthday, as I did. Incidentally, let me add that it was a great joy to both of us to have so many of our old associates with us on that famous day. Grace is more dignified, and less democratic than I am; she is also calm and patient, while I am nervous and irritable. She has cooperated with me, however, in our gifts to town employes, working people, and others, and will probably get a better seat in heaven than I shall. I may have done these things for business reasons, but she is no such hypocrite.

FAMILY CHARACTERISTICS

I think Grace may have more family loyalty than I have. My family have always gone on the principle, "Let each take care of himself and the devil take the hindmost." Mrs. Babson has never felt this way and we are fortunate to

have with us a few members of her family in our various interests. I can say, however, that no nepotism has yet taken root. Let us hope it never will; for many a successful business has been ruined by relatives.

Mrs. Babson has never taken things for herself. She has bought almost no jewelry during her married life and does not care for such things. I doubt whether a gold pencil, or a morocco notebook, or an ornate pen, or a fancy briefcase, or an expensive bracelet, or even breastpins, can be found among her possessions. As for me, all I want is a stub wooden pencil in each pocket, a flat jackknife, and some scraps of paper.

Mrs. Babson has never used liquor or tobacco or profanity; although my daughter Edith, when questioned by a neighbor as to the latter point, replied, "Mother doesn't want to!" Innumerable side-splitting stories have been told in our home, but they have never been vulgar stories. We both drive our own cars, and we have never had more than one servant living in the house at a time. This one servant has been very efficient, and for many years has been a Japanese boy. We have had, in fact, two Japanese boys, one succeeding the other. In recent years, owing to our large amount of entertaining, a woman has come in by the day and done the so-called second work. Both Mrs. Babson and I are happier, however, to be by ourselves. Besides, taking care of oneself is another good hedge against radicalism. Theoretically, we both believe in industrial democracy, but feel that it must come slowly if it is to do any permanent good.

WINSLOW L. WEBBER

I cannot close this chapter without telling how I met Winslow L. Webber. As I explained in a previous chapter, one of my first employers was Winslow L. Webber, Sr., city engineer of Gloucester. This was preliminary to his getting me the position on the Gloucester-Magnolia state highway, in 1895. I did not see Mr. Webber again until 1906. At this later date Grace and I had a summer cottage at Riverview, Gloucester. City Engineer Webber also had a cottage there which he called "At Last." I remember that he then had a small boy about seven years of age (born in Gloucester, November 2, 1898) named "Junior." The family, however, dropped entirely out of my mind until one day in 1915 at my father's home at 8 Angle Street, just after my return from a South American trip. A tall, lanky lad then came up on the piazza and introduced himself as "Win" Webber, and said: "Just before my father died a short time ago, he told me that he was Roger Babson's first real employer, and that when I wanted a job to go to Roger Babson. Hence I am here." I liked the looks of the lad, and replied by suggesting that he work on the grounds at my Annisquam summer cottage.

Having always been interested in young people and especially in getting them

started in the right line of work, I held for several summers vocational classes at Gloucester. These took place one afternoon each week for eight weeks. Each week we would visit some one factory, bank, store, or other kind of business. It gave the boys both a knowledge of different kinds of work and contacts which later became valuable. Every community every summer should have these vocational classes. I was still carrying on the vocational trips in the summer of 1914. One in particular that I recall was when we took the trolley cars and went for a visit to the Rockport Granite Company's quarries. "Win" was on this trip. Later, shortly after he went to work at Annisquam, "Win" Webber came to *Babson's Reports* to train for a salesman. He first worked in our Boston office on Congress Street. Then he had charge of our sales office in St. Louis. Although successful in this work, he felt he should have more business training and asked for a year's leave of absence to take the course at the Babson Institute, from which he was graduated in 1922. After his training at the Babson Institute, he was transferred to Minneapolis, to have charge of our sales office there. "Win" Webber was working in Minneapolis when he came East to marry Edith on December 8, 1923. After this, they both returned to Minneapolis and went to housekeeping. Later, they went to Florida and started there our educational center at Babson Park, Florida, which Mrs. Babson had so much at heart and named in honor of her granddaughter, Camilla. After four years in Florida, they returned to Wellesley Hills to live.

We never knew the reasons for their troubles causing the separation in 1943. Later Edith married a splendid Wellesley man, a widower, named Lewis W. Mustard, Jr., who had three good children. "Win" Webber has since married a good Cape Cod girl, Dorothea Hopkins. Marlene is the child of my daughter and Mr. Mustard who has been devoted to all of my grandchildren as well as to Edith. Perhaps the answer to the above affair is explained only by Newton's Law of Action and Reaction. Winslow and Dorothea have a daughter named Suzanne Joy born December 25, 1948.