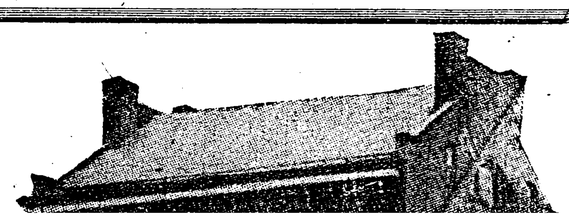
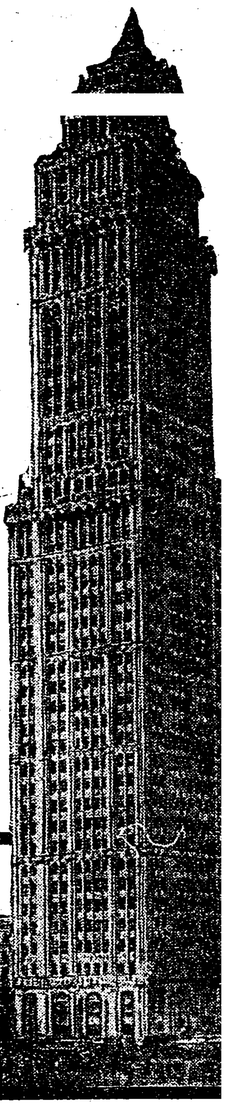
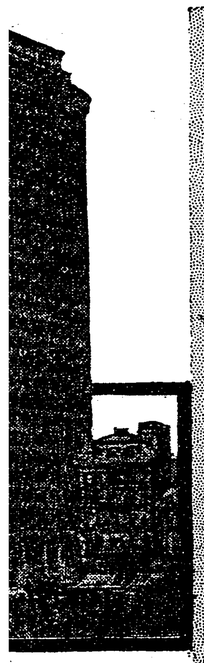
A SKYSCRAPER BUILT BY THE NICKELS OF MILLIONS

The Woolworth Building Tells the Romance of a Business---How a Farmer's Boy Started a Little Five and Ten Cent Store and Now Has 286 Big Ones.







The New Woolworth Building to be Built at Broadway and Park Place.

THIS is the romance of an idea. It is the story of how a great skyscraper, the third loftiest structure in the world, may be built with dimes and nickels—if there are enough of them. The new building, soon to be a landmark of New York City, might be called a monument to the idea. And back of both the idea and the skyscraper is a unique personality, which is, after all, the only true subject of romance.

Readers of THE TIMES have already learned about the skyscraper. It is to look like a vast tower in the Gothic style, extending 105 feet along Broadway and 197 feet on Park Place. With forty-five stories, it will rise into the air to a height of 625 feet, or thirteen feet higher than the Singer Building. The skyscraper will cost $5,000,000. It will bear the name of its projector—the Woolworth Building.

"Do you mean to say," you ask, "that this is to be built by the 5 and 10 cent store man?"

It is the same man—Frank W. Woolworth. Herein lies the romance of an idea. But like all stories worth while, this one depends, as has been suggested, on Mr. Woolworth's personality. So a reporter started out to find and analyze it, going to the merchant's offices in the old A. T. Stewart Building, at Broadway and Chambers Street. During a brief wait he summed up some of the cut-and-dried facts of the subject.

Frank Woolworth owns 286 stores, besides supplementary warehouses, between Lewiston, Me., and Denver, Col. About a year ago he started more stores in England. There are ten of them now, and two more in preparation. A recent census of the visitors of one day to his American stores gave their number as 1,500,000. This was in an ordinary business season, in holiday times the visitors number more than 2,000,000 a day. It requires something like 9,000 employes to keep the business moving smoothly.

The man who holds all of this under his thumb is not much over 50. He began, without wages, as a farmer's boy in a dry goods store in Watertown, N. Y.; set up his first store in 1879, and has been in business thirty years.

Besides these bare outlines, not much was generally known of Woolworth. There was a fabric of gossip, more or less inaccurate, but little that was substantial. Business associates spoke of him as a man who knew, thought, and did nothing but business. He was more than reticent, so the stories went; was taciturn to the point of silence.

When the reporter met Mr. Woolworth he found that all this was true—and it wasn't. The thick-set man, with iron gray hair, had the grit of steel about him. He had the deliberate manner and slow speech of one with 9,000 employes and a $5,000,000 skyscraper on his shoulders. The rush of a big office seemed like the roll of green-backed stock certificates, and the visitors' cards that fluttered down constantly on his rolltop desk—mere details of a business day.

It seemed a far cry from all this to a boy on a farm in Jefferson County, N. Y. His family had always been farmers, he said, in England, so far as they knew, before some of them migrated to New England in 1665, during several generations in Massachusetts, and after Mr. Woolworth's grandfather joined the Yankee advance westward, which left him a farmer near Watertown, N. Y.

Then, by one of those vagaries of Providence found now and then in all families, a boy appeared who seemed to be intended for something else besides farming. The boy, Frank, wanted to be a merchant. His father, an easy-going man, with no nose for a bargain, wanted Frank to be a farmer like the rest of them. The mother, a shrewd business woman, sided with the boy. She had noticed, perhaps, how Frank, when his father wasn't looking, would get his brother to set up an old board for a counter and "play store."

The reporter noticed paintings in the office; all modern landscapes of country scenes, full of sunshine.

"Evidently you still like the country," [illegible] Mr. Woolworth. "While I was a boy I [illegible] to hate everything connected with a [illegible] I had too much of it. My boyhood rounded out the hardest years of my life. I wanted to be a merchant as far back as I can remember."

It seemed as if this ambition had to be. So the boy started to realize it. He began to gather capital. The first money he made was nine cents for a day's work picking hops. To this he added half dollars and dollars now and then, doing odd jobs for neighbors. His twenty-first birthday found him with $50 capital. In the meantime he had been looking for a job in a store. For two years he tried and failed.

"What do you know about storekeeping?" asked the Watertown merchants. "You're nothing but a greenhorn."

The boy admitted it. But he was going to be a merchant, anyway. So a man in years and $50 in pocket, he made a deal with the proprietor of a Watertown dry goods store. The "greenhorn" would spend his capital learning the business. In other words, he would work for nothing and invest his savings in himself. So the Watertown merchant put him to work unpacking dry goods boxes on the sidewalk.

Young Woolworth worked three months for nothing—except experience. By that time his $50 had been spent. Again he faced failure. He told the dry goods merchant of his predicament. The storekeeper liked the boy's grit. Besides, the lad had learned something. So when Woolworth ended the dicker he was an employe of the store at $3.50 a week.

Thus he served for six years. By the end of that time he was making $10 a week. That was his income when he married a young woman in Watertown, to whom he credits much of his success.

These years of apprenticeship saw the birth of what may be called the Woolworth idea. One of the boy's early memories was of the fascination he felt in the visits of the wandering peddlers to his country home. He could not keep away, somehow, while his mother was bargaining with these itinerant merchants for tin pots and pans in exchange for her old iron or brass, rags and garden truck. Mr. Woolworth admits that these early memories had something, at least, to do with his idea. The first trading he did for himself was largely in wares like the peddler's.

But the Woolworth idea is more than this. It was based on an instinctive knowledge of human nature; the desire to get something for nothing. This is, of course, the inspiration of every bargain sale. In one of its forms the appeal is seen in odd prices, like $1.67 or $4.98, suggesting a discount. Woolworth put it in another way. He fixed a uniform price, 5 cents at first; then 5 and 10 cents. Of course everything offered had to be worth the 5 or 10 cents. But every article that seemed to be worth more was a bargain, and would sell all the faster.

At first everything Woolworth sold was 5 cents. He had only a counter in the Watertown store. There was the collection of tinware such as was sold by the peddlers, and an assortment of cheap jewelry, highly colored, pressed into fancy shapes and very popular with the young people who lived on neighboring farms.

The idea in itself meant success. Nor is what follows due entirely to a natural genius for trading and a share of that Yankee shrewdness which helps New Englanderp to make money in almost anything, from a nutmeg to a threshing machine. The boy was willing to take chances, but every man who prospers does that. Such qualities are found in all successful merchants, men, for instance, like A. T. Stewart, Marshall Field, or Eben Jordan. Mr. Woolworth was asked to supply the missing link.

"For one thing," he replied, "I knew when to run. I won't try to recall how many times my ventures have failed. I don't mean failure in the sense of bankruptcy. I have never had to do that. But I mean opening a store somewhere, finding the conditions were not right, or the location was wrong, or that I didn't have the right sort of a man to manage it—something like that—then knowing when to close out the business, shut up shop and try somewhere else."

Thus he summarized the story of his early growth as a merchant. The 5-cent counter in the Watertown shop succeeding, Woolworth opened a 5-cent store in the neighboring town of Utica, in a small place now used as a barber shop.

It is said of Asa Packer, projector of the Lehigh Valley Railroad and founder of Lehigh University, that when he became a millionaire he was fond of taking wealthy visitors to his mansion in Mauch Chunk, Penn., into a corner of his library and showing them the harness of the mule he drove on a towpath years before, while his idea of a tidewater railroad was germinating. So Mr. Woolworth treasures a similar relic—the first bill of goods for his little store in Utica. Yellow with age now, it is for $322.14; all the money he had in the world then and more, too.

For the Utica store was capitalized largely with unbounded faith. Even the $30 rent demanded by the landlord in advance, so the story goes, was a serious proposition, and young Woolworth tried to have it remitted. Everything in the store was 5 cents. The idea succeeded at first. But after two months trade began to dwindle. It seemed to be too big a proposition and ahead of the times. The store was opened in February, 1879. In the following May young Woolworth decided to shut up shop and try again somewhere else.

He went back to Watertown and planned a fresh start. Taking a statistical guide of the country, he checked off cities that looked favorable. New England was tempting. But Woolworth told himself that his Yankee shrewdness would be matched by others equally shrewd and he might be outwitted.

Finally he turned southward and chose Lancaster, Penn., as the scene of his next venture. Any one who knows this town will realize that there the odds might seem to be against him. The people of Lancaster are old Anglo-Saxon stock mingled with Germans, or "Pennsylvania Dutch." Thrifty, settled in their ways and mostly well-to-do from the riches of the garden country around them, they had every reason to be conservative.

Many of them looked askance on Woolworth's new store at first, as if every woman and child of them was from Missouri. For a while many passed on to older stores, where prices were higher, but where their mothers and sometimes their grandmothers had traded before them.

The Woolworth store was anything but pretentious. The proprietor had sent there, in June, 1879, what was left of the goods in the Utica shop. The new store was 14 feet wide and 35 feet deep, in an old-fashioned building, with no show window to speak of and furnishings that meant an outlay of less than $20. It was, though, the nucleus of a fortune now expressed in a $5,000,000 New York skyscraper.

The bacilli of the bargain hunter are in every woman's blood, however blue or conservative. Gradually Lancasterians were "shown." Then one of the phenomena of Pennsylvania occurred. As a noted jurist once remarked of Philadelphians: "They are very slow in getting started, but will compose and criticise to the limit of patience. But let them once be convinced that a thing's good and they'll develop it most thoroughly."

Precisely that happened to Woolworth's Lancaster store. His trade began to boom. His shop was expanded into one of the handsomest business blocks in the city. Now Lancaster is an important Woolworth centre, with a new warehouse that is one of the sights of the town.

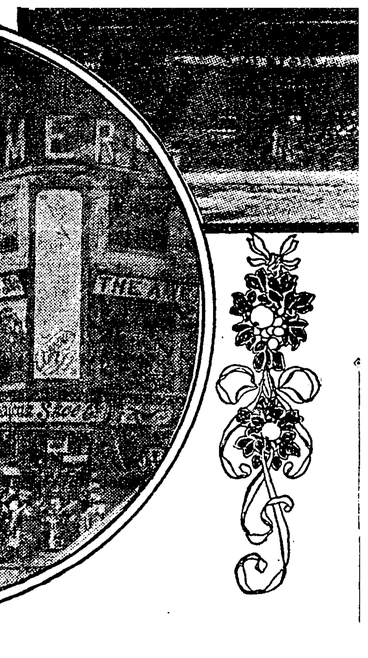
This success was typical of the grit of the man. It foreshadowed the beginning of a long and bitter business fight, during which a fortune of millions was gathered as the fruit of failure. Woolworth now expanded his original idea into stores with a uniform price of 10 as well as 5 cents. At first he sold tinware, cheap jewelry, and notions. Then crockery, laces, Christmas tree baubles, toys, agateware, candies, and similar articles were added, until the business stocks acquired their present variety.

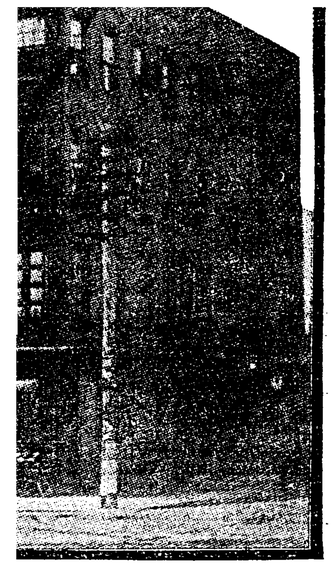
Therein Woolworth found the elements of the bitter business fight covering many years. His dilemma then and always has been to buy goods at prices cheap enough to sell for 5 and 10 cents. He was a radical in business pounding against the stone wall of conservatism. This is the way he summed up the fight to the reporter:

"The old-fashioned trader would sell a few things at a big profit—he had to make the big profit because his sales were small. Take a tin pie plate as an example. When I started they were sold over a counter for 25 cents each. It seemed ruinous to offer the plates, as I did, for 5 cents. Now, the pie plate cost about 4 cents, and was sold by the tinsmith for 7. The other 18 cents asked for it meant the profit of an occasional sale.

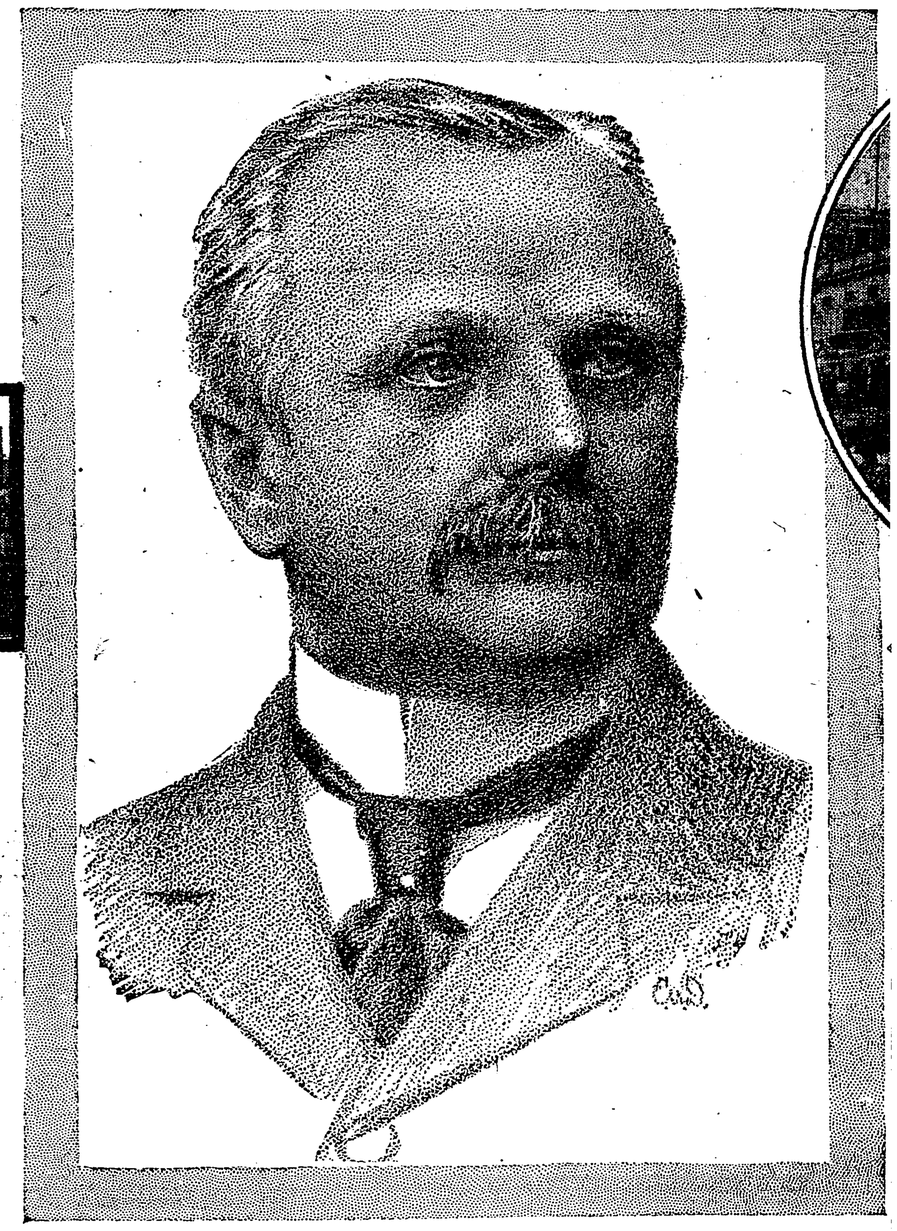
"I found I could sell 100 pie plates for 5 cents each where the old-fashioned merchants would sell a dozen at 25 cents each. I always paid cash. Ordering pie plates by the gross instead of dozen, I could get better terms. Paying cash meant a discount. Making large sales allowed me to scale down the profit to the smallest and still make money. So I found I could sell the twenty-five-cent plate for 5 cents. Now they are selling two for a nickel."

This principle of business is familiar now, but was new thirty years ago. It stirred up bitter ill-feeling from rival retailers, and was met with incredulity by the old-fashioned wholesalers and jobbers. Woolworth had a hard row to hoe. So narrow was his margin of profit, for instance, that he would wait for some cheap excursion to take him from Lancaster to Philadelphia to do his buying—he would not add the expenses of a trip to New York.





The First Five and Ten Cent Store in the World, Opened June 21, 1879, at Lancaster, Penn.



Frank W. Woolworth.

One of the London Stores.

Reaching Philadelphia, the wholesale dealers and big manufacturers looked on him with suspicion. He was snubbed, discouraged, and regarded as an interloper. Was not Woolworth selling tinware, towels, thread, crockery, and Christmas-tree baubles at half the prices the old-fashioned merchants were asking? Was he not breaking the time-honored rule of trade: "The smaller the article the higher the profit"?

Here is an experience that is typical. Woolworth went into a large jobbing hardware house in Philadelphia and asked to see some knives and forks. A clerk handed down several samples from the shelves quoting the prices.

"They cost too much," remarked young Woolworth. "I want something to sell for 5 cents."

"The h—l you do," replied the clerk. "You must be looney."

"I've had them before."

"Well, maybe you have," retorted the clerk, "but I don't believe it."

Recalling the incident with a laugh last week, Mr. Woolworth added that he had been shown the doors of dozens of wholesale stores in this way. But he kept everlastingly at it, because the bargain-hunters bought his goods and kept on buying in ever-increasing numbers.

Gradually manufacturers and jobbers began to see that immense quantities of goods sold in the Woolworth stores would pay a profit even at small values. Soon Woolworth was back in the cities where he had failed; he opened new stores, and succeeded. Once he had dreaded New England. Now he has half a dozen stores in Boston alone.

"But when did the landslide come?" asked the reporter. "I mean, when did the wholesalers and manufacturers come to your way of thinking so completely that you had a clean sweep in your expansion?"

"I can hardly say they have ever come over in quite that way," Mr. Woolworth replied. "It has always been buying—buying—and bargaining. You know I don't manufacture anything, as some merchants do. We only buy and sell."

Seven buyers in foreign countries, for instance, make purchases as large as those of any American in china, toys, laces, agateware, and the like. Three-fourths of all the Christmas tree ornaments made in Germany go to the Woolworth stores. They sell seven-eighths of the goods of this sort retailed in the United States. So shrewdly must the prices be scaled that the latest wrinkle in cutting down cost is to have "German toys" made in Japan.

Something has been said of the metallic grit in Frank Woolworth's manner, of his reticence and his mental concentration in his business and the development of the Woolworth idea. These are the qualities in the merchant which most people doubtless see and remember. But as the reporter studied him, another Frank Woolworth, more or less paradoxical, revealed itself. To see both sides is necessary to an understanding of his success. The two parts of the paradox fit together to form a personality. This is best explained by telling of the reporter's two interviews with the merchant.

The first time he met the taciturn business man, Mr. Woolworth didn't want publicity. There was an undercurrent of bitterness in his manner as he talked about it. Some of the newspapers hadn't treated him fairly, he thought, others had misrepresented facts. What motive could any newspaper have in seeking him out? A hint that the sole reason was a desire to tell the readers of THE TIMES of an interesting man and his career was met with skeptical silence. He was a man of business—all business!

"I told the directors of a bank I'm in," he remarked while evading one of the reporter's questions, "that it would be a good idea to get together and have a dinner when the deposits of the bank reached $30,000,000. That was some time ago. The deposits were then about $21,060,000. They've reached $30,000,000 since. We have had the dinner. I told them about my start and what I believed a young man should do to succeed in business. They wanted what I said put into a pamphlet. But why should I? They suggested I go up to the City College and tell it to the boys there. Maybe—someday."

Yet with all this talk of business the surroundings seemed paradoxical. The reporter had talked with some of the biggest business men in New York. Their offices had left a general impression of solid, elegant simplicity. Here the room blossomed into ornate French floriescence after the style of Louis XIV. Gilt scrolls ran around or up and down the mahogany tables and chairs and over the rolltop desks, with a gold mask here and there. Behind them were mahogany pilasters with panels of green velours between, and the paintings, of country landscapes, full of sunshine.

These all suggested the other Frank Woolworth of the second interview. He had had a chance to think about it over night. He knew the story would probably be printed anyway. The urbane, communicative merchant, free from suspicion now, completed the paradox and the personality.

As he talked it seemed as if the fierceness of the business fight he had passed through had left their scars upon him and possibly accounted for the previous impression of bitterness and a certain metallic quality. As he said, his rivals had stopped at nothing. His name had been mixed up in stories of domestic troubles belonging in no way to his family, but to a distant relative only, who happened to have the same surname but different initials. Gossip had been aimed to bring discredit on him through his supposed race or religion.

All of this was very vital in the final summary of the man, for it helped to answer two questions. One was: How can a merchant handle the business of 286 retail stores while giving none of them constant personal supervision? The second question partially answers the first. It was: How can 9,000 employes be organized into a going, profitable concern under one man?

"I guess I have the knack of knowing the right sort of man when I see him," replied Mr. Woolworth. "They say I'm a hard master. But somehow the right sort stay on with me. I met one of my boys the other day, for instance—I call them boys, but many are really men.

"'By the way, how long have you been with me?' I asked.

"'Twenty-two years,' he replied. He began as a boy of 12.

"I pick out boys of the right sort. Presently some of them get to be managers of stores. I let them go ahead and manage. We have a newspaper with store news that is circulated among the places. Then I let the managers deal with those under them in the way of picnics, or dances, or a dinner now and then.

"There's another reason, I guess, why my employes stay on. We try to give them a square deal. A third rule is: No graft or hint of it. I heard some time ago, for instance, of an experience of one of my buyers. He got a case of champagne at Christmas—with not a suggestion as to who sent it. He drank the champagne all right, laid low, and said nothing. Some time after he dropped in at a wholesale place where we had been buying. The man who met him asked casually how the buyer had enjoyed the champagne. The buyer replied that he liked it immensely and drank it all. But he did no more buying in that house."

THE FOREST AS A CURE FOR THE COCKTAIL HABIT

IF you want to get away from the booze habit, if you really have a desire to circumvent that craving for the morning cocktail, you have got to get out in the woods," remarked the bronzed man as he reached for the olive in the bottom of his glass. "I've been through the game, from Martin's to Muldoon's, and I think I know a little bit about it. There's nothing like the early sleep, rolled up in your blanket at 9 P. M. and out breathing the fragrance of the balsam pines at dawn to kill that internal craving for the strong stuff that saps the vitality from your body, stupefies the nerve centres, and makes you a slave to—what's that? Another drink? Yes, François, the same.

"As I was saying," continued the bronzed man, while waiting for François to bring the round, "there's nothing like getting out into the woods to forget this sort of thing. In fact, it's the only way out, excepting the psychopathic ward, which isn't altogether pleasant. I had a nurse at Bellevue once who used to be a snake charmer, and as business was bad in the side show game—thank you, François. Here's looking at you, boys.

"But, as I was saying," continued the bronzed man, after the necessary, albeit somewhat gurgling pause, "get out in the woods if you want to escape the glazed eye and the wobbly nerve. But—and here I sound the note of caution—take a small supply with you. You'll need it the first day or so, and if you don't take it along you'll be in a bad way, unless you happen to go to Beaver River, up in the Adirondacks, and get hold of Dave Cronkey to guide you.

"That's what I did this Fall when I went out with some fellows hoping to bring home a deer. We got the deer, all right, for Dave's [illegible] emptied your gun, but that's neither here nor there. What I started to say was that we decided we didn't want anything to drink while we were in the woods, so we only took along one quart bottle in case of snake bites. Well, we arrived at Beaver River early in the morning, and fought off the feeling till we got to Bullock's, at Grassy Point, where breakfast was awaiting us. It looked pretty good after a four-mile stage ride in the frosty morning air, but somebody suggested a drink—you know how it is; there's always some backslider to suggest a drink, and if he doesn't you do, so—well, anyhow we opened the bottle and had one. There were four of us, and it made quite a hole.

"After breakfast we were loaded with our kits into canoes, and Dave and Bill Gaynor, who was helping him, paddled us down the river to Dave's camp on Burnt Lake. By the time we reached there and had our things unpacked it was dinner time, otherwise noon. And some one suggested an appetizer. That was the end of the bottle.

"And there we were, back in the primeval forest, with not a drink within half a day's journey. But we had made up our minds to stick it out. We just loafed around that afternoon and turned in with the sun. It was hard work to get to sleep without the lulling sound of the elevated and the trolley cars, but we managed it somehow, and were up at 5 o'clock for breakfast.

"Dave had planned to drive a deer for us down the runway along Red Horse, from Salmon Lake to Trout Pond, and as I knew something about the lay of the land, having trouted all through that country, I went with him, while the others were assigned to advantageous posts along the runway. Gaynor worked from the other side.

"Well, I don't know just what the feelings of Lazarus were when he begged the crumbs that fell from the table of the Croesus of Biblical times—Dives was his name, wasn't it?—but whatever they were, they weren't one, two, six to the thirst I had that morning. I knew Dave wasn't a very promising subject, but just to relieve my mind I said:

"'Dave, do you, by any chance, ever take a drink?'

"'Nope,' said Dave. 'It's been eighteen years since I've taken a drink o' red liquor.'

"'My spirits fell. We walked along in silence for a while, and after having evidently digested the matter in his mind for at least five minutes, Dave said:

"'There's a lot o' fellers what comes up here with a sight o' whisky, more'n they kin get away with, an' when they goes home they leaves what's left with me. Now, if you want a drink o' whisky real bad, mebbe I kin find you one.'

"I assured him that I wanted it real bad. 'All right, then, I'll git it fer you,' he said. And he did. From a hollow log not twenty feet from the trail he produced a half-filled bottle of as good a brand of whisky as I ever drank. We stayed there till I had two good hookers, and went on our way rejoicing.

"We didn't scare up our deer that day, and the others were pretty glum when we got back to camp, but I had a smile that wouldn't come off, and at that I was fortunate in not having them accuse me of holding out on them.

"Of course I was wise, and stuck to Dave. Together we tramped to Branch Mountain, to Witchhopple Lake, to Big Crooked Lake, in fact all over the country for miles around, and whenever I wanted a drink, Dave would turn over a log, or a fallen tree, or a rock, or dig down in the dead leaves, always producing a bottle. This continued for the week we spent at Dave's camp, and all that time all I had to say was, 'Dave, let's dig up a bottle.'

"And Dave did. Although he wouldn't commit himself, and never took a drink himself, at least, not in my presence, I really believe he has more whisky cached within twenty miles of his camp on Burnt Lake than an ordinary man can drink in twenty years."

And having thus relieved his mind of the value of the woods as an antidote for intemperance, the sunburned man [illegible] another round.

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