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(A) CHAPTER 1

¶ Making a million legally has always been difficult. Making a million illegally has always been a little easier. Keeping a million when you have made it is perhaps the most difficult of all. Henryk Metelski was one of those rare men who managed all three. Even if the million he had made legally came after the million he had made illegally, what put him a yard ahead of the others was that he managed to keep it all.

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Henryk Metelski was born on the Lower East Side of New York on May 17th, 1909 and lived through the Depression in his most formative years. His parents were Polish and had emigrated to America at the turn of the century. Henryk's father was a baker by profession and had easily found a job in New York, where the immigrant Poles specialised in baking black rye bread and running small restaurants. Both parents would have liked Henryk to have been an academic success, but he was not gifted in that direction and never became an outstanding pupil at his High School. He was a sly, smart little boy, unloved by the school authorities for his indifference to stirring tales of the War of Independence and the Liberty Bell, and for his control of the underground school market in soft drugs and liquor. Little Henryk did not consider that the best things in life were free, and the pursuit of money and power came to him as naturally as does the pursuit of a mouse to a cat.

Of course, he joined the Polish gang, who were never as powerful as the Irish or the Italians, but managed to hold their own on the Eastside. Despite his frail build and puny size, his natural cunning equipped him to run the smaller operations while older and tougher boys fell in with his plans. The Polish gang were responsible for the numbers racket, which they organised in their small neighbourhood, and because it was exclusively a Polish area they had little interference from the other big gangs who were always at war amongst

themselves. It is only the shrimps who survive among the sharks. Henryk quickly became the brains behind the Polish gang, never allowing himself to be caught red-handed, never even picked up, although it was obvious to the police of the 19th Precinct that he was the one they should be trying to nail.

When Henryk was a pimply and flourishing fourteen year old his father died of what we now know as cancer. His mother survived her husband's death by no more than a few months, leaving their only child to bring himself up. Henryk should have gone into the district orphanage for destitute children, but in the ~~mid~~ ^{early} 1920's ~~with all its problems~~ ^{of unemployment, lack of schooling} it was not hard for a boy to disappear in New York - what was harder was to survive. Henryk became a master of survival, a schooling which was to prove very useful in later life.

He knocked around the Eastside of New York with his belt tightened and his eyes open, shining shoes here, washing dishes there, looking always for an entrance to the maze at the heart of which lie wealth and prestige. He discovered one when his room-mate, Jan Pelnik, a messenger boy on the New York Stock Exchange, put himself temporarily out of action with a sausage garnished with salmonella. Henryk, deputed to report this mishap to the Chief Messenger, upgraded food-poisoning to tuberculosis, and talked himself into the ensuing job vacancy. Then he changed his room, donned his new uniform and started work.

Most of the messages he delivered during the ~~Depression~~ ^{early twenties} read "shoot yourself". ~~Some of them were acted upon, for times were not easy and men became desperate, but here and there Henryk spotted individuals who made more money in a week on the Exchange than he would in a lifetime on his salary. However, with the arrival in 1923 of President Coolidge, prospects began to look up in America and a long way up for Henryk Metelski.~~ ^{many quickly made fortunes while he was nothing but an observer. His instincts directed him towards those individuals who made more money in a week on the Exchange than he could in a lifetime on his salary.}

He set about learning to understand how the Stock Exchange operated, he listened to conversations, read messages, found out which newspapers to study and by the age of eighteen he had had four years experience on Wall Street.

Handwritten notes on the left margin: "The U.S. Depression was in 1930s (think was in 1929). You have property in U.S. Please research whole thing of 1920s."

Handwritten notes on the left margin: "See changes", "The U.S. Depression was in 1930s (think was in 1929). You have property in U.S. Please research whole thing of 1920s."

Handwritten notes on the right margin: "early twenties", "This was a boom era. Henryk saw men of little ability make fortunes while he was nothing but an observer. His instincts directed him towards those individuals who made more money in a week on the Exchange than he could in a lifetime on his salary."

Four years which to most messenger boys would have been nothing more than walking across floors handing over bits of paper, four years which to Henryk Metelski had been the equivalent of a Master's Degree from Harvard Business School (not that he knew then that one day he would lecture to that august body).

In July 1927 he took a mid morning message to Halgarten & Co., a well established broking firm, making his usual detour via the washroom. He had perfected a system whereby he would lock himself into a cubicle, read the message he was carrying, decide whether it was of any value to him and if it was, telephone Witold Gronowich, an older Pole who ran a small insurance brokerage for his fellow countrymen. Henryk reckoned to pick up \$20 to \$25 a week extra with the information he supplied. Gronowich, being unable to place large sums on the market, never led any leaks back to his young informant.

Sitting in the washroom Henryk began to realise that he was reading a message of some considerable significance. The Governor of Texas was going to grant the Standard Oil Company permission to complete a pipeline from Chicago to Mexico, all other public bodies involved having already agreed to the proposal. The market was aware that the company had been trying to obtain this final permission for nearly a year. The message was to be passed direct to John D. Rockefeller's broker, Tucker Anthony, immediately. The granting of this pipeline would open up the entire north to a ready access of oil, and that would mean increased profits. It was obvious to Henryk that Standard Oil shares would rise steadily on the market once the news had broken, especially as Standard Oil already controlled 90% of the oil refineries in America.

In normal circumstances Henryk would have sent this information immediately to Mr. Gronowich, and was about to do so when he noticed a rather overweight man (who had obviously had too many Wall Street lunches) also leaving the washroom, drop a piece of paper. As there was no one else about at the time Henryk picked it up and retreated once again to his private cubicle, thinking at best it would be another piece of information. In fact, it was a cheque for \$50,000 made out to cash from a Mrs. Rose Rennick.

Henryk thought quickly. He quit the washroom at speed and was soon standing on Wall Street itself. He made his way to a small coffee shop on Rector Street where he carefully worked out his plan and then he acted on it immediately.

?check?

First, he cashed the cheque at a branch of the Morgan Bank on the south west side of Wall Street, knowing that as he was wearing the smart uniform of a messenger at the Exchange it would be assumed that he was no more than a carrier for some distinguished firm. He then returned to the Exchange and acquired from a floor broker 2,500 Standard Oil shares at \$19.85, leaving himself \$125 change after brokerage charges. He placed the \$125 in a Deposit Account at the Morgan Bank. Then, sweating in tense anticipation of an announcement from the Governor's office, he put himself through the motions of a normal day's work, too pre-occupied with Standard Oil even to make a detour via the washroom with the messages he carried.

No announcement came. Henryk was not to know that it was being held up until the Exchange had officially closed at 4 o'clock because the Governor himself was buying shares anywhere and everywhere he could lay his grubby hands on them, pushing the shares to \$20.05 by the close of business without any official announcement. Henryk went home that night petrified that he had made a disastrous mistake. He had visions of going to jail, losing his job and everything he had built up over the past four years.

He was unable to sleep that night and became steadily more restless in his small room. At 1 o'clock he could stand it no longer so he rose, shaved, dressed and took a train to Grand Central Station. From there he walked to Time Square where with trembling hands he bought the first edition of the Wall Street Journal. And there it was shrieking across the headlines

"GOVERNOR GRANTS OIL PIPELINE RIGHTS TO ROCKEFELLER"

and a secondary headline

"Standard Oil Shares, Heavy Trading Expected."

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Henryk walked dazed to the nearest all-night café, on East 42nd Street, where he ordered a large hamburger and French fries, which he devoured like a man eating his last breakfast before facing the electric chair, whereas in fact it was to be the first on his way to fortune. He read the full details on page one, which spread over to page fourteen, and by 4 o'clock in the morning he had bought the first three editions of The New York Times and the first two editions of The Herald Tribune. Henryk hurried home, giddy and elated, and threw on his uniform. He arrived at the Stock Exchange at 8 o'clock and imitated a day's work, thinking only of the second part of his plan.

The interval between the messengers' arrival and the official opening of the Exchange is only two hours, but on that day it seemed interminable to Henryk. He passed it by reading all the papers. The later editions gave a fuller story of the pipeline, The New York Times carrying a detailed enquiry into the significance of the announcement to the oil industry and an interview with the ageing John D. Rockefeller, President of Standard Oil.

At last the Stock Exchange opened officially and Henryk went over to the Morgan Bank to borrow \$50,000 against the 2,500 Standard Oil shares, which had opened that morning at \$21.30. He placed the \$50,000 in his deposit account and instructed the bank to give him a draft for \$50,000 to be made out to Mrs. Rose Rennick. He left the building and looked up the address and telephone number of his unknowing benefactor.

Mrs. Rennick (a widow who lived off the investments left by her late husband) rented a small apartment on Park Avenue, one of the more fashionable parts of New York. She was somewhat surprised to receive a call from a Henryk Metelski, asking to see her on an urgent private matter. A final mention of Halgarten & Co. gave her a little more confidence and she agreed to meet Henryk at the Waldorf -Astoria at 4 o'clock.

Henryk had never been to the Waldorf-Astoria, but after four years on the Stock Exchange there were few hotels or restaurants he had not heard mentioned in other peoples' conversations. He knew that Mrs. Rennick was more


likely to have tea with him there than agree to see a man with a name like Henryk Metelski in her own apartment, especially as over the telephone his Polish accent was more pronounced than on meeting him face to face.

After lunch Henryk asked the Senior Messenger if he might have the afternoon off, feigning influenza. His boss did not object to the request as Henryk had never missed as much as an hour in his four years. Henryk went home, had a bath and put on his best suit.

* As Henryk stood in the softly carpeted foyer of the Waldorf-Astoria, he blushed for his sartorial naivety.* His suit, in which he felt so assured and prosperous among his friends was shiny, skimpy, cheap and loud. He did not match up to the decor, less still to the patrons, of the hotel, and, feeling inadequate for the first time in his life, he edged gingerly into the Jefferson Room, stationed himself behind a copy of The New Yorker, and prayed for his guest to arrive quickly. Waiters fluttered deferentially around the well-provendered tables, ignoring Henryk with instinctive superciliousness. One did nothing but circle the tearoom with delicately proffered lump sugar from silver tongs in a white gloved hand: Henryk was enormously impressed.

Rose Rennick arrived a few minutes later with two small dogs and an outrageous hat. Henryk thought she looked over sixty, overweight, over-made-up and overdressed, but she had a warm smile and seemed to know everyone, moving from table to table, chatting to the regular Waldorf-Astoria tea set. She eventually reached what she had rightly guessed to be Henryk's table, and was rather startled by him, not just because he was strangely dressed, but because he looked even younger than his eighteen years.

Mrs. Rennick ordered tea while Henryk told his story of how there had been an unfortunate mistake with her cheque, which had been wrongly made over to his firm at the Stock Exchange the day before. His firm had instructed him to return the cheque



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* Henryk imagined everybody to be staring at him and he buried his short, amply-covered frame in the large leather chair. Some of the other patrons of the Waldorf-Astoria were amply-covered too, though Henryk felt it was more likely to have been Pommes de terre Maitre d'Hotel that had caused their obesity than French fries. It was too late for him to wish he had put a little less grease on his black, wavy hair and to regret that his shoes were so down-at-heel. He scratched at an irritating pustule on the side of his mouth.

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immediately and to say how sorry they were. Henryk then passed over the draft for \$50,000 and told her he would lose his job if she decided to take the matter any further, as he had been entirely responsible for the mistake. Mrs. Rennick had, in fact, only been informed of the missing cheque that morning and did not realise that it had been cashed, as it would have taken a few days to go through her account. Henryk's perfectly genuine anxiety as he stumbled through his tale would have convinced a more critical observer of human nature than Mrs. Rennick. Readily she agreed to let the matter drop, only too pleased to have her money back, and as it was in the form of a draft from the Morgan Bank she had lost nothing. Henryk breathed a sigh of relief and for the first time began to relax and enjoy himself. He even called for the man with the sugar and tongs.

After a respectable period of time had passed, Henryk explained that he must return to work, thanked Mrs. Rennick, paid the bill and left. Outside in the street he whistled with relief. His new shirt was soaked in sweat (Mrs. Rennick would have called it perspiration) but he was out in the open and could breathe again. His first major operation had been a success.

He stood in Park Avenue, amused that the venue for his confrontation with Mrs. Rennick had been the Waldorf-Astoria, as it was the very hotel where John D. Rockefeller (the President of Standard Oil) had a suite. Henryk had arrived on foot and used the main entrance, while Mr. Rockefeller had earlier arrived by subway and taken his private lift to the Waldorf Towers. Few New Yorkers were aware that Rockefeller had his own private station built 50 feet below the Waldorf-Astoria so that he did not have to travel eight blocks to Grand Central Station, there being no stop between there and 125th Street. (The station is still there today, but no Rockefellers live at the Waldorf-Astoria and the train never stops there.) While Henryk was discussing his \$50,000 with Mrs. Rennick, Rockefeller was discussing an investment of \$5,000,000 with President Coolidge's Secretary of the Treasury, Andrew W. Mellon.

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 Price share

The next day Henryk returned to work as normal. He knew he must cash the shares before the end of five days to clear his debt with the Morgan Bank and the stockbroker - the account on the New York Stock Exchange runs for five business days or seven calendar days. On the last day of the account the shares were standing at \$ 23.30. He sold at \$23.15, clearing his overdraft of \$49,625 and after expenses, realized a profit of \$7,490 which he left deposited with the Morgan Bank.

1 line #

while

Over the next three years, Henryk stopped ringing Mr. Gronowich, and started dealing for himself, in small amounts to begin with. Times were still unstable, and he didn't always make a profit. He learnt the best, some would say the only, way of making money on a bear market, to sell short. Not a process for the ethical in business, but he soon mastered the art of selling shares he didn't own in expectation of a subsequent fall in price. His instinct for the market trends refined as rapidly as his taste in suits, and the guile learnt in the back streets of the lower Eastside stood him in good stead. Henryk had discovered that the whole world was a jungle - sometimes the lions and tigers wore suits.

When the market collapsed in 1929, sold on every share he possessed. He had moved to a smart flat in Brooklyn and was driving a rather ostentatious Stutz. Henryk had realised at an early age that he had entered upon life with three main disadvantages - his name, background and impecunity. The money problem was solving itself, and so he decided to expunge the others. First, he made application to have a legal change of name by Court Order to Harvey David Metcalfe. Secondly, he cut off all contact with his friends from the Polish community, and so in May 1930 he came of age with a new name and a new background.

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It was later that year he met Roger Sharpley, a young man from Boston who had inherited his father's import and export company. Educated at Choate and later at Dartmouth College, Sharpley had the assurance and charm of the Boston set, so often envied by the rest of America. He was

tall and fair and looked as if he had come from Viking stock, and with the air of the gifted amateur, found most things came easily to him, especially women. He was in total contrast to Harvey. It was that contrast that brought them together.

Roger's only ambition was to join the Navy, but after graduating from Dartmouth he had had to return to the family firm because of his father's ill health. He had only been with the firm a few months when his father died. Roger would have liked to have sold Sharpley & Son to the first bidder, but his father, Henry, had made a codicil to his Will to the effect that if the firm were sold before Roger was forty years old (that being the last day one can enlist for the U.S. Navy), the money was to be divided between his relatives.

Roger found himself between the devil and the deep blue sea. Business life held no interest for him, and he felt miserably incompetent left in charge of the family firm. It gave him a steady income, but he knew it could not long survive on its past reputation. On the other hand, he could not sell it and join the Navy without leaving himself penniless. Harvey and Roger met at the Exchange, and while neither liked or understood the other, each thought there might be something in the acquaintance to his own advantage. Harvey was right.

Gradually, in discussions well primed by late night bourbon, Harvey learnt from Roger that Sharpley & Son had been founded in 1833, though they did not like to be reminded that their first successful trading had been in slaves. From there they had progressed to become experts in the import of whisky and the export of furs. Although only small in size, they had a reputation for honesty and efficiency - a reputation which had been built over nearly a hundred years. Harvey gleaned from Roger that the income from Sharpley & Son for the year 1929-30 was \$30,000 on a turnover of \$420,000. It had been as high as \$82,000 in the halcyon days of his father, but the firm was now being run by its ageing Vice-President and General Manager, John Bodie, who was satisfied