

Those who know the truth
learn to love it.
Those who love the truth
learn to live it.

Chapter 1

ME
AND
MONEY

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The Edgewater Beach Hotel

In 1923, at the Edgewater Beach Hotel in Chicago, eight of the world's wealthiest financiers met. These eight men controlled more money than the United States' government at that time. They included:

The president of the largest independent steel company;

The president of the largest gas company;

The greatest wheat speculator;

The president of the New York Stock Exchange;

A member of the President's cabinet;

The greatest "bear" on Wall Street;

The head of the world's greatest monopoly;

The president of the Bank of International Settlement.

Certainly, one would have to admit, that a group of the world's most successful men was gathered in that place; at least, men who had found the secret of "earning money."

Now let's see where these men were twenty-five years later:

- The president of the largest independent steel company, Charles Schwab, lived on borrowed money for five years before he died bankrupt.

- The president of North America's largest gas company, Howard Hopson, went insane.

- The greatest wheat speculator, Arthur Cutton, died abroad, insolvent.
- The president of the New York Stock Exchange, Richard Whitney, was sent to Sing Sing Penitentiary.
- A member of the President's cabinet, Albert Fall, was pardoned from prison so he could die at home.
- The greatest "bear" on Wall Street, Jesse Livermore, died a suicide.
- The head of the greatest monopoly, Ivar Krueger, killed himself.
- The president of the Bank of International Settlement, Leon Fraser, also died a suicide.

Each of these men learned well the art of earning money, but it would seem that not one of them had ever learned how to live the "rich life", which was their birthright.

It is stories like this one that have caused many well meaning, but ignorant people to say, "See, I told you it is not good to have a lot of money, it's bad," or, "It just goes to show you that rich people really aren't happy;" but of course, that is just not true. For although these eight men would appear to have "slid off the track," there are many wealthy people who are very happy, and who do a tremendous amount of good with their money; they live healthy, well-balanced lives.

Consider this—money will have a greater influence on your life than almost any other commodity you can think of. Indeed, the sudden loss or acquisition of money will affect your attitude to a tremendous extent. Therefore, you must agree that everyone should have a deep understanding of exactly what money is, and of the laws governing its attraction. Yet, the sad fact is that not one person in ten does. Ninety-five people out of a hundred settle for whatever they get, wishing they had more all the way from the cradle to the casket, never understanding that they could actually have had all they wanted.

Let me digress for a moment—as you journey through this book, you might have a tendency to let your mind wander off, either thinking about someone you know who has earned a great deal of money or possibly about someone who has gone into bankruptcy. But I want to suggest that you attempt to keep focusing only on yourself, because what someone else has or does not have, is not going to affect you and it is your financial situation that you want to improve.

Money Is Important

One of the most prevalent misconceptions concerning money, relates to its importance. For example, how many times have you heard people say in conversation, “Money isn’t everything.” or “Money isn’t important.” or “I don’t care about money.” Well, the people who say these things might not care about money, but I’ll bet their car dealer

cares about it; their grocer does; and so does the person who holds their mortgage. In truth, there can be no denial of the fact that money is important to any person living in a civilized society. Therefore, to argue that it is not as important as this or that, is absurd. For nothing can take the place of money in the arena in which it is used!

Money Is A Servant

Now that I have affirmed the importance of money, let me backtrack to add this one word of caution—always remember, money is a servant; you are the master. Be very careful not to reverse that equation, because many people of high intelligence have already done so, to their great detriment. Unfortunately, many of these poor souls loved money and used people, which violated one of the most basic laws governing true financial success. You should always love people and use money, rather than the reverse!

Another myth many people like to accept about money is that it only comes as a result of “luck” or “good fortune.” For instance, whenever people gather to talk about someone they know who has been financially successful, there is always someone among them who will say, “Harry was just lucky,” or “Harry was just in the right place at the right time.” But I want to assure you in no uncertain terms, that although “luck” obviously plays some part in financial success, it is never sufficient in and of itself. Money is an effect and it must always be earned. Believe me, there are no free rides in this life and the

only people who are making money the easy way either work in the mint or are on their way to jail, if they have not already arrived there. Therefore, always bear in mind that while “good fortune” is a factor in financial success, it must always be coupled with effort and hard work!

Money Must Circulate

A third thing you should know about money is that it is valuable only as long as it is being used. Once it has been taken out of circulation, it becomes as worthless as the “old newspapers” or “empty beer cans” that have been stashed away in the attic. To understand the truth of this principle, consider the following story. On a bookshelf, in my home, I have a silver beer stein that was given to me as a gift for a speech I made. Now, whenever I go into my house, I take all the change from my pockets and put it into the cup. Then, when the cup is almost filled, I give it to one of my children, or one of two young cousins. Each of them takes turns receiving the cup and of course they eagerly anticipate their turn. The point I want you to notice, however, is that while the cup is being filled, the money in it has absolutely no value whatsoever; it just sits there, serving no useful function and not even drawing any interest.

However, as soon as the cup is filled and the money is turned over to one of the kids, it literally “flies into action.” For instance, just last week, T. Jay, one of my young cousins, received the money. He immediately took it from my hand, rushed off to a golf school and purchased several golf lessons with

his inheritance. Now, I can't honestly say what the golf pro did with the money once he got it, but I do feel fairly safe in saying that he didn't just return it to a cup on his book shelf! No, there really isn't any dispute about it; money is not meant to be taken out of circulation—rather, it is meant to be used, enjoyed and circulated!

This brings me to an even more dramatic illustration of the same principle: namely, the story of “old Mr. Chapman.” Mr. Chapman was an elderly gentleman who lived a few doors down the street from our family when I was just a boy. Although there was a tremendous age difference between us, Mr. Chapman and I became fast friends and I often used to watch him pushing his small junk cart up and down the block. You see, Mr. Chapman worked as a junk dealer and he made his living by picking up the things other people had thrown away. As the years went by, however, Mr. Chapman became more and more stooped from his arduous labors and one day, shortly after World War II, he passed away. Since he lived alone and apparently had no close relatives living nearby, the police entered his house to take stock of his possessions. Not surprisingly, they found the house littered with many old furnishings and assorted memorabilia from Mr. Chapman's past. However, much to their amazement, the police also discovered over one hundred thousand dollars (\$100,000) in old bills packed in boxes throughout the house!

Quick to pick up on so unusual an occurrence, the *Toronto Daily Star* carried a front-page story the next day about Mr. Chapman, in which it asked the

obvious question: why would an individual worth well over \$100,000, choose to keep his money stashed away in old boxes strewn haphazardly throughout his house?

Although I was still quite young at the time, I asked myself a similar question: namely, why would a person like Mr. Chapman choose to live like a veritable pauper, when he had so much money at his disposal? He could have used his money for his own enjoyment. He could have invested it to earn a return for himself and to help create jobs for other people; or he could have just deposited it in the bank and earned interest on his money. But instead, he chose to put it in a “jar on the shelf,” and he thereby rendered it absolutely useless. No, my friends, there isn’t any doubt about it —money is not meant to be hoarded. Rather, it is meant to be used, enjoyed and circulated. So please, whatever you choose to do with your money, don’t make the same mistake that poor old Mr. Chapman did!

Please note that when I suggest that money should be kept in circulation, I do not mean it should be squandered. There is a world of difference between those two concepts and if you haven’t found out what the difference is yet, I would suggest you find out as soon as possible.

Prosperity Consciousness Exercise

Now that we have touched upon some of the characteristics of money, let us turn briefly to a simple “technique” which you can begin using immediately