

is highly desirable; so is employee ownership, profit sharing, etc. But managements can be highly motivated to be efficient without mountains of debt to drive them. There are sound leveraged buyouts and unsound leveraged buyouts, just as there are good and bad takeovers.

“But one should remember that the companies with the best records of operating performance, as well as the best records of employee relationship, innovation and community relationships, are those with strong balance sheets, high levels of investment and high levels of research and development. They are the IBM’s and the DEC’s; the Pfizer’s and the Merck’s; the Coca-Colas and the General Electrics. Their use of leverage has increased in the last decade because the tax laws almost require it; but they have kept their levels of debt to reasonable amounts and have had no recourse to the more exotic instruments created by the junk bond markets.”

**John H. Johnson:  
Roots of Ebony**

*John H. Johnson was publisher, chairman and chief executive officer of Johnson Publishing Co., Inc. when he addressed The Economic Club of Chicago on December 19, 1989 on the subject of success.*



“It is a matter first of all of setting a goal. And I’m speaking primarily to young people. You have to decide where you want to go. And then you have to decide what obstacles there are in your way. And then you’ve got to find a way to overcome them. It’s that simple. You’ve got to succeed against the odds...”

“I started way back, so long ago. Nineteen forty-

two. It was another world, and another America. But, I dared to put out a new magazine. I had nothing to lose. I had everything to gain...I put together a magazine. And I couldn’t get anyone to invest in it. I saw a man last week who could have owned half of my company for two hundred dollars. He saw me, and he walked on the other side of the street because he just didn’t believe it would go. But, I went to my mother, finally, trying to borrow money on her furniture...’Son, you know. This is new furniture. I’ve just paid for it. I can’t afford to lose it.’ As my mother often did, when she didn’t want to make a decision, she said ‘I’ll have to consult the Lord about this.’ So, I said ‘O.K.’ So, I would call her up and ask her ‘Has the Lord given an answer?’ And she said, ‘No.’ So, I’d go by and pray with her. So, we’d pray together. And cry together. And finally she said ‘Well, the Lord hasn’t answered. But, I’m going to let you have it anyway.’ So, I had the money. Only \$500. What are you going to do with \$500? That was seed money for me to buy postage. To send out letters to a group of people that I urged to send in \$2 each for an advance subscription to a new magazine, Negro Digest.

“Now, I tell this story only because when you begin to do something, you’ve got to think, why would these people send me \$2? I was unknown. They had never heard of me before. Every black magazine before mine had failed. And they had not returned the money. So, this was not a new...market that was receptive to me. But, I tried to think, what did black people want in 1942? They wanted respect. They wanted people to remember their names. They wanted to feel good about themselves. And so I wrote this letter. And I remember it as if it were yesterday. In which I said ‘A good friend of yours told me about you. This friend told me that you were well-thought of in your community. That you like to keep abreast of what’s going on. And as a result of this recommendation, I’m offering you the new magazine at this reduced price.’ Now, three thousand people answered, and sent \$2 each. And they always asked, ‘Who told you about me?’ Now, really no one told me about them. But they felt good about

it. You know, I think in selling people, you don't realize how important it is to make people feel good about themselves.

"So, after we got the magazine together, then someone asked me, 'How long did it take you to become profitable?' And I said, 'We became profitable the first issue, or there would not have been a second issue.' And that's a driving force, when you know you have no other source to go and get money. When you know you cannot go to mother, or father, or friends. And you cannot issue a new stock issue. It means you got to live within your means. It means that you got to live within the budget. And so once I get the magazines out, I still don't have a way to market them. So, I go over to the local circulation man to try to put some on the newsstands. And, I went to the leading circulating company. And I'm still with them after all these years. But, on this day in 1942, he frowned and said, 'Johnson, we cannot be distributing any Colored books.' And I said 'Mr. Levy, is this because of discrimination? Or is it because you think they won't sell?' He said, 'Johnson, I'm Jewish. I don't believe in that kind of crap. It's because they won't sell.'

"So, I have a problem. And this is like a student being in school. Your problem is, how do you convince him that this will sell. The only thing you can do is to go where his market is. So, I got thirty of my friends from the insurance company to go around in the black community and ask for the new magazine Negro Digest. After enough of them asked, Mr. Levy called me. I delivered the magazines to him. And he distributed them. But, as we walked around that night, I realized that no one knew those magazines were there except me and my friends. And so, I decided, since I still had some money left from the six thousand, to get the same friends to go back. At different newsstands, of course. And buy up all the magazines. And when they did that. The newsstands got excited. Mr. Levy got excited. And the magazines began to sell. So, I had solved that problem with him.

"And there were other problems as I moved along. I had to persuade Mrs. Eleanor Roosevelt to do an

article for us. Because we got up to fifty thousand circulation, and we couldn't seem to get any more. And all the whites were giving blacks advice on what to do about this, that and the other. So, I dreamed up an idea. Why not run a series of articles called "If I Were A Negro" in which whites would put themselves in our places, and would ask themselves, would they want to wait for equality? Would they want to wait for their kids to get a quality education? And so I wrote this letter to Mrs. Roosevelt. She first said she was too busy. She didn't say she wouldn't write it. So, I wrote back again a month later, and she was too busy. I wrote back again, and she was too busy. And finally I read where she was in this very hotel, then called the Stevens. And I sent her a telegram. And on those days, telegrams were delivered on the same day. And she said that, later she had lunch at our place, and she said that on that particular day, she had just finished dictating her column for "My Day." And so she dictated this article for me, called "If I Were A Negro." She said if she were a Negro, she would have great bitterness. And that part was picked up by all the northern papers. But she said, I would also have great patience. And that was picked up by all the southern papers. And so, the circulation of Negro Digest went from fifty thousand to more than one hundred thousand in one month. And that, indeed, as a turning point in the development and the career of Negro Digest...

"And so we moved on with Negro Digest. And that was one hurdle that we had accomplished. And then we started Ebony. And Ebony was a major problem. It was an instant success. But, I could not convince major companies to advertise in Ebony. Finally, and I tried everything, they told me that I needed white salesmen. And I got white salesmen. And they didn't improve it. They told me I needed all kinds of things. That I needed publishers representatives. And everything failed. And finally, it was left to me to try to sell it. And so I knew my mother, and many other blacks, owned Zenith radios. It was then called the Zenith Radio Company. And there was a tough man in charge then, called Commander Eugene MacDonald. And I remember writing him a letter

and saying that I wanted to come in, and see him, and talk to him about advertising to black consumers. And the Commander wrote back immediately and said, 'I don't handle advertising. I'm the Chief Executive Officer.' So I said, 'Well now, what would he handle?' And I finally figured out that he would handle policy. So, I wrote him back and said, 'May I come in and see you about your policy toward black consumers?' And he wrote back very promptly. He always answered letters promptly. And said, 'Well, I'll see you, young man. But I cannot help but believe you still want to sell me advertising. And if you bring up the subject, I'll ask you to leave my office.'

"So, now, for young people, this is a test. You have an appointment to see a man. And the one thing you want to talk about, he says he won't talk about. Now, I'm not going to refuse the appointment. I've got to find something else to talk about. So, I looked him up in Who's Who. I found that he had been an explorer. That he had been to the North Pole. Not with Perry, but he had been in the '20s. And so, there was a black man who was in, who was with Perry, Matthew Hensen. I found that Matthew Hensen was retired and living in New York City, that he had written a book about his experiences, that he had mentioned Commander Eugene MacDonald in the book. So, I got Matthew Hensen to autograph a copy of the book to the Commander. I also managed to do a story on Matthew Hensen, because my appointment wasn't for thirty days, and I could move very quickly then. So, when I went in to see the Commander, I had two things to talk about.

"And the first thing he said to me, evidently he was thinking what he'd say to me, too, was, 'Young man, you see those two snowshoes I see there?' I said, 'Yes, I see them.' He said, 'They were given to me by a black man. And he was as good as any two white men I know. What do you think about that?' I said, 'That's great, Commander.' He said, 'I understand that Matt wrote some kind of book. Do you know about it?' I said, 'Of course, Commander. I just happen to have a copy, and it's autographed to you.' He was delighted. So, as we

walked on into the office he said, 'You know, Johnson, if you had any kind of magazine for black people, you would have done a story on Matt. I said, 'Just happens that we have, Commander.' So, he opened the magazine, and he looked through it. He said, 'You know, I don't see any reason why we shouldn't advertise in this magazine.' And I said, 'I don't see any reason why not, either, Commander'...

"I think selling is like romance. You shouldn't push too hard...And if you have to ask to be romantic, then you shouldn't be romantic. So, what I've done with them, and what I did with many people, is that I romanced them. I got to know them well. And so when I say I can do anything in five minutes, what I mean is five minutes, after I've spent days and weeks studying the prospect. And knowing what will move them, and what will not...

"We, we have to persuade. We have to find out the other person's interests. I never talk in terms of my interests. I always talk in terms of what we can do for them. I never ask. I never even think about what it's going to do for me. Because I know if I satisfy them, it will satisfy me...

"In terms of young people today. Black or white. You've got to make yourself indispensable. So, that when they cut people from the payroll, they won't cut you because they need you. So, I urge all young people, black or white, whatever your job, if you make yourselves indispensable...your job will be secure."