

**THE SECRET TO
P O W E R**

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As a kid I knew I was an Entrepreneur, but I had a lot of rough roads to trod before I owned that title. As a young man I was extremely fortunate to have two “Masters of the Universe” as my mentors. One was the Chairman and CEO of Continental Illinois National Bank and Trust Company and later U.S. Secretary of the Treasury then Ambassador to NATO. The second was a rodeo champion, renowned M.D., accomplished the first reattachment of a severed limb 17 years before a team of six announced the exact operational “first,” (he hated publicity), delivered over 5,000 babies as a specialist in surgery and my father. I learned very early they were both Entrepreneurs.

It sounds like I led an idyllic childhood, and I did. For that I am forever grateful. However, the incredible Principles and Secrets I learned from these two Masters were, for the most part, intellectual. It took nearly thirty-five years and a lot of rocky road for them to become “realizations,” and thereby true REALITY for me.

Chicago became “my town,” when I flew in to see him. The dark, warm wood of the Chairman’s office was as inviting as his broad smile as he extended his hand in greeting. “Scott, my boy. Welcome. Here, sit,” he would always say as he motioned to the tufted leather armchairs in front of his huge desk. He would wait for me to sit down and then pull up the chair next to me. I always felt honored.

He had broad shoulders and gray-white hair that spoke of power, sagacity equaled only in the universe by my father. Many a time I asked how he came to be who he was, what he was and how he became as powerful as he was. It seemed that there was no one that he didn’t know, no door that didn’t open to him, nothing that he couldn’t do.

I remember with goose bumps the excitement he had when he announced he was going to finance a couple of young Entrepreneurs that had been working out of their garage and he believed in them. With a big smile, he proudly handed me a large sheaf of papers, neatly bound on the side for me to look at. The formal letters at the top were unmistakable: “Continental Illinois National Bank and Trust Company.”

“Sir,” I asked, “How do you know if a project like this ‘Apple Computer’ thing is going to succeed? ‘Apple’s’ kind of a funny name.”

He smiled again then nodded to indicate he was going to, indeed, tell me.

I was shocked that Henry J. Kaiser, Andrew Carnegie, my Dad and the Chairman, each an Entrepreneur, each did the exact same thing and had the same “Secret.” The Chairman pulled his chair a little closer to mine. It was a signal that something personal, something very important was about to take place. I took a small breath to not let my heaving chest give away my anticipation. The dark hardwood of his walls warmed with power and reeked of primacy .

“Scott, my boy.” the Chairman started, his hand on my forearm.

He paused as his eyes searched something inside of me.

I wondered if I should be nervous. I fought for control.

“There are things, goals really, that I want. These are worthy things of me. I see them in my mind so very clearly as though they are already mine or if I have already attained the goal. Do you understand what I am saying, Scott?” A small, wise smile nudged the corners of his mouth as he patted my arm.

I nodded and stared at his piercing blue eyes that still searched.

“Good. Once I see the exact picture of what I want I write it down in detail and then every night before I go to sleep I picture myself already in that place of having that goal or being that which I achieve.”

He leaned forward just a bit and looked more deeply into my eyes as if to drive home a point. His hand felt at once warm and like a claw. He had my attention.

“I feel that picture.” Again that pause. “Then I write down 10 statements in my notebook about how it feels now that I have achieved that goal. Just before I go to sleep I say the words again so my ears can hear and then I go to sleep picturing the goal and feeling its rewards.” His emphasis ran chills down my spine.

He lifted his hand, leaned back into the large leather chair beside me and took a deep breath as if just satisfactorily delivering the greatest message of mankind. He had! Then he said, “There is one more thing. You will come across many things in your life that you will not have an answer to, at least for the moment. There is a formula that I follow that is proved.”

Once again that head with a commanding white mane turned to see if my attention was rapt. He was very serious.

He nodded ever so slightly as if to approve and then went on. “I study and meditate on the problem. I research all that I can to reach a conclusion. In the end when there is nothing else I can do I put it away. What I mean, Scott, my boy, is that I let it go. I forget about it. Lo and behold, one day, one hour in the future when I least expect it, my subconscious mind pops the answer up to me. It is exactly the same principle as the suggestions before I go to sleep.”

Then he did look at me with an inquisitive look. “Do you understand?”

“Uh, I think so,” I stumbled.

He took a short breath as if talking to a spoiled child but one that could be trained! “I tell my subconscious mind what I want and then I let it go to work and produce the result. Simple as that.” He nodded then sat back. “Now, Tell me about your dad and our friend Bill. How are they doing these days?”

That was the last he would speak of deeply personal things, yet that talk had a lasting effect on me. As I wrote down his words that evening they seemed so simple they could have been said by a third grader. But

they came from the Chairman and CEO of the Continental Illinois National Bank and Trust Company, and soon to be Secretary of the Treasury of the United States of America.

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During the highest inflation and interest rates in the history of the United States I found myself as Vice President of a western states mortgage company, a subsidiary of a national company. I was in charge of all commercial lending and we were doing none! I had to change that. Banks could not make money because of inflation and consumers could not pay because of the ridiculous interest rates. It was a no-win situation for everybody.

I searched my mind and every book that was available. I talked with everyone that seemed knowledgeable. I exchanged economic information and lending practices with numerous foreign countries and studied US banking in detail back to 1875. I did every mathematical formula that was available and even called in markers from universities. I had reached my end. I was jogging one morning with my neighbor, telling him of my struggle. “John,” I said, half out of breath, feet pounding the tarmac, “I have to come up with something that will break the back of this inflation and interest rates.” I continued to jog, not realizing that I was not shaking my head but just making a statement.

After about thirty full seconds John said, “Yea, you will.”

I didn’t remember his remark until about three weeks later. I had researched all I could. I had given up. I put everything out of my mind and was on to other things. There had to be other avenues of business that this company could profit from and I had to find it.

Completely, out of the blue and for no apparent reason, I turned around to my credenza and put my hand on a paper. I don’t know what was on the paper but John’s comment returned to me and the thought slammed to my mind, “A loan consists of four variables. History fixes the interest rate and makes the payment variable. Any one of the four can be fixed. Any one can be variable.” Wow! Simple words of a third grader!

I jumped up and shouted, “Everybody!! Quick, into the boardroom. For several hours the new electronic calculators were buzzing, chalk dust was flying and I was excited. I was shouting questions, writing formulas and erasing to make room for conclusions. Soon I put my hands down at my sides, let out a sigh and said, “This is it. It is the Adjusted Balance Mortgage. Call NBC News.”

From a dead end and going no where I ended up testifying before the US Congress and being named “Father of the Instrument of the Decade” by the Federal Home Loan Bank Board. The Chairman’s “Secret” had worked! In a market that could not invest in mortgages I sold \$72 Million of the first AAA-rated mortgage-backed security in history, all based on my new ABM mortgage. Today we have it as the “variable rate mortgage.”

--NBC News, 1980

