

**Business Enterprise**

# 'Nautilus' Powered By Baking Powder Put Brothers In Premium Business

**Hirsch Laboratories  
Big Producer Of  
Cereal Box Gadgets**

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When it comes to submarines, there's one Toledo company that takes a back seat to none.

It's Hirsch Laboratories, 222 Jackson St., a firm that is unique among the many small companies that make up part of this city's industrial community. It was on May 6, 1954, that the Hirsch firm hit a high mark in its existence—a feat engraved indelibly on a small bronze plaque on the desk of co-owner Ben Hirsch.

Under a four-inch plastic scale model of the atomic-powered Nautilus are these words:

"U.S.S. Nautilus . . . No. 1,000,000 . . . produced by Hirsch Laboratories . . . May 6, 1954"

These Toledo-made Nautilus subs were powered not by nuclear action but by old-fashioned baking powder. As such, they were used as premiums by one of the nation's leading cereal makers and turned out to be one of the most fabulous cereal premiums in its history.

**Quick Success**

While given to understatement in discussing the growth and developments of his firm, Ben Hirsch, who runs the company with his brother, Henry, admits that their version of the Nautilus caught on with such amazing rapidity with this country's small fry that they turned out well over 1,000,000 units. The sub set an all-time record for premiums used by the cereal firm, and a later and smaller Nautilus that Hirsch made for a give-away item for the same cereal maker ran literally into astronomical totals.

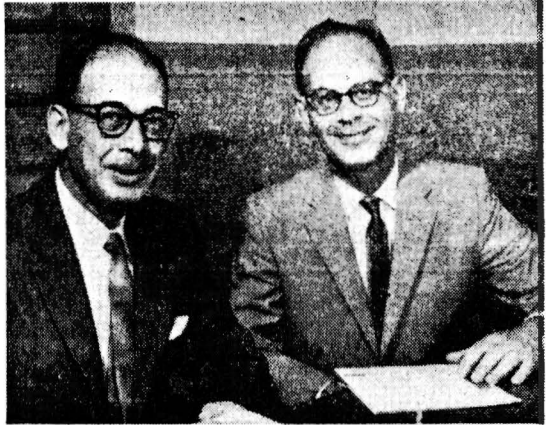
Hirsch Laboratories are specialists in dreaming up and making cereal premiums—the small toys or gadgets depicted on cereal boxes to entice Junior to get Mama to buy that particular brand. It is big business and the success of the Hirsch brothers in bringing out hot items at the right time establishes the Toledo company as one of the leaders in the nation in this highly specialized endeavor.

**'Sure Things'**

"We're not precisely toy makers interested in just turning out new toys," says Ben. "We want to bet only on sure things."

To do this, however, may take months or even years of planning and designing before they can produce an item that captures the imagination—and orders—of, say, a big cereal firm.

Following the spectacular success of the Nautilus, which performed its nautical tricks as the baking powder released carbon dioxide, the Hirsch firm came out with a series of



—Blade Photo  
**CEREAL PREMIUMS ARE BIG BUSINESS**  
Ben Hirsch, left, and brother Henry make able team

other eminently successful premium items. These included a popular navy frogman activated by baking powder that came within 200,000 units of the record figure set by the Nautilus, a small PT boat powered by baking powder, a sailboat using a new jelly propellant, and a miniature ice-cream set.

**More To Come**

Right now the Hirsch firm is turning out a new premium that will hit the trade in a few weeks or so, and they have three other "sure things" lined up—none of which can be described in even the vaguest terms.

"One slip or leak about a new premium that a company is set to come out with could just about put us out of business," says Ben, "as well as prove damaging to the customer."

The Hirsch brothers make a happy combination. Ben, who lives at 3427 Indian Rd., is a specialist in chemistry and pharmacy. It is his role to take ideas that are kicked around and develop them in the laboratory to the point where they become a solid possibility as a premium.

Henry, on the other hand, is the firm's mechanical genius who designs and builds most of the intricate machines needed to make their premiums.

**Development Time**

Since it may take months of furtive dreaming and experimenting before a premium is made and sold, the Hirsch company works only about five months a year. The remainder of the year is spent in development work.

The company has only seven full-time employees, but when a premium moves into high production, it may call in as many as 150 workers to handle assembling, cementing, packaging and other duties.

The Hirschs started their in-

ventive careers early. While still in high school, Ben developed a hair ointment that led into a line of cosmetics he made and sold locally. After graduating from high school, he succeeded in lining up orders from S. S. Kresge and Woolworth dime stores, and that brought other members of the family into the flourishing cosmetics business and forced the operation into a small building.

**Early Money**

In 1930, the Hirsch brothers moved to their present location on Jackson Street. A fire in 1944 damaged their plant and that, combined with material shortages in World War II, cut down their cosmetic operations.

"We began looking around for something we could do, relying on our chemical and mechanical skills," said Ben.

They found it in a tiny toy skater they developed. It zipped around on water by means of a coating of camphor. The item, sold through dime stores, was an instant hit.

"In fact, we made more money in 60 days on that one item than we had in all the years we had been in business," says Ben.

**Locomotive Next**

From that point on, the Hirschs were in the toy business. They followed the skater with a tiny plastic locomotive that sent out smoke rings when it was pushed, and that, too, sold well over 1,000,000 units.

"Our first two successful ventures in this direction played right into the hands of the cereal firms who began contacting us to come up with ideas for premiums," Ben says.

From that point on, the story of the Hirsch company is one of a small firm succeeding through imagination and hard work.

"But there's still no way to forecast what will go in this zany business," says Ben. "Look at these plastic hoops."

## **Financial Backers**

Both brothers were confident that corn flakes had great commercial possibilities. But Dr. Kellogg hesitated to exploit them fully because of medical ethics.

So Dr. Kellogg agreed to sell his interest to his younger brother in a small plant they had set up to handle orders from sanitarium patients.

But W. K. Kellogg needed financial backing. He got help from a frequent sanitarium visitor, Charles D. Bolin, of St. Louis, who raised \$19,000 from four business acquaintances and added \$16,000 of his own.

The Battle Creek Toasted Corn Flakes Co. was organized. Of the original incorporators, only one is living today. He is William E. Goff, now 78 and a cost accountant in the city controller's office.

## **Advertising Pays**

W. K. Kellogg, who was elected the first president, jumped into advertising on a national scale. Soon the response was so great, he placed apology ads in newspapers and magazines, asking customers to "stop buying and give your neighbors a chance."

In 1909, the firm became known as the Kellogg Toasted Corn Flake Co. When Dr. Kellogg later organized the Kellogg Toasted Flake & Biscuit Co., litigation over the use of the Kellogg name arose between the brothers. This lasted until 1921 and ended in a victory for W. K. Kellogg.

In 1922 the firm formally became known as the Kellogg Co. Foreign expansion started in 1924.

In 1925, when he was 65, Mr. Kellogg began his series of gifts to the Battle Creek community.

## **Community Benefits**

In the late '20s, Kellogg's money made possible the Youth Building, Altrusa Day Nursery, farmers market, the Boy Scout camp at Sherman Lake and the Ann J. Kellogg School. Other gifts included the Kellogg Bird Sanctuary at Wintergreen Lake and the Kellogg experimental farms.

Mr. Kellogg established the W. K. Kellogg Foundation in 1930 and during his lifetime turned over to it more than \$44,000,000, mainly in Kellogg Co. stock, to use in expressing his basic philosophy of helping others to help themselves.

At his death at 91, in 1951, his gifts to the Foundation totaled some \$47,000,000.

In its first 25 years of operation, the Foundation expended some \$51,000,000. As of last December, the Foundation's assets had a current value of more than \$124,000,000.

Upon his retirement in 1939 Mr. Kellogg turned over the presidency of the company to W. H. Vander Ploeg, who had joined the company as an executive in 1937.