

# CRUCIAL MOMENTS OF GREAT AMERICAN FORTUNES TO-DAY.

### How George Westinghouse Was Nearly Driven to the Wall, and All for Lack of a Paltry \$50,000, Now Told for the First Time—Vanderbilt Fortune Was Saved From Probable Serious Impairment by Some Very Quick Action.

### How the Huntington Fortune Was Saved from Disaster by Demand for Loan of \$2,000,000—Gould Fortune Put on Exhibit to Overcome a Crucial Moment—Memorable Week in Whitney Fortune, When It Was Saved by Mr. Morgan.



TWO SPENDERS OF THE GOULD FORTUNE. MRS. KATHERINE CLEMENS GOULD AT THE LEFT AND HOWARD GOULD AT THE EXTREME RIGHT—OPPOSING COUNSEL IN CENTER. PHOTO TAKEN DURING SEPARATION TRIAL.



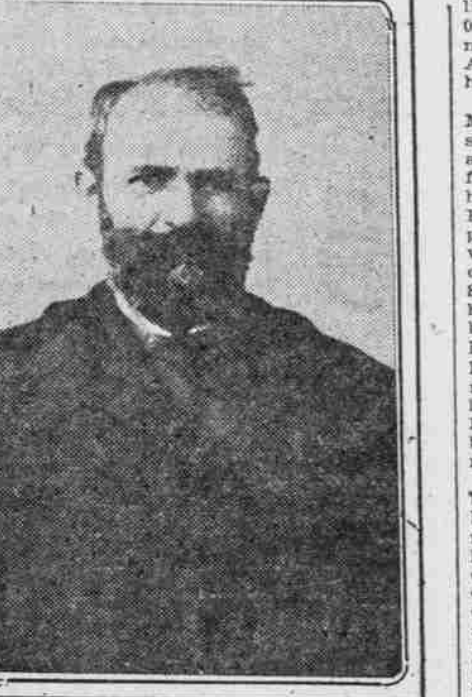
SNAPSHOT OF W. C. WHITNEY AT THE RACES, WHICH HE LOVED SO WELL.



MR. AND MRS. GEORGE WESTINGHOUSE AS THEY APPEARED AT THEIR SON'S WEDDING IN LONDON SEVERAL WEEKS AGO.



"WHEAT KING" BATTEN—THE PHOTO TAKEN DURING HIS SENSATIONAL BULL WHEAT CAMPAIGN.



JAY GOULD—A CHARACTERISTIC PHOTOGRAPH OF THE FRENCH-STYLE WIZARD OF WALL ST.

**E**IGHTY MILLIONS OF DOLLARS—or a dollar for every man, woman and child in this country—that is today the sum total of the exceedingly active fortune left by Jay Gould to his six children, share and share alike.

The strong boxes of the various living Vanderbilts hold enough money, or its equivalent, to put in the pocket of every nephew and niece of Uncle Sam the tidy little sum of \$25. The William C. Whitney fortune, now increasing rapidly under the administration of Harry Payne Whitney, is one-sixth that of the combined Vanderbilt fortunes, or \$50,000,000. It is equal in size by the present-day Huntington fortune, which is ten millions larger than George Westinghouse's personal possessions, the same amount less than the H. H. Rogers fortune, and twice that figure smaller than the sum which B. H. Harriman calls his own. Taken collectively, a hand-to-hand distribution of these fortunes would mean approximately \$35 for each and every one of us. And yet, truly amazing and suggestive of enormous power as these brief figures will appear to any one giving them a little thought, it is a fact that each of the great American fortunes here mentioned, and world-famed today, are the result of a single crucial moment. Then the fate of that fortune trembled in the balance. A false move on the part of the owner, a turn of luck, and presto! in the place of Aladdin-like riches an empty pocketbook, perhaps, to say nothing of the loss of reputation as a money king.

But these are not the only great fortunes of the day that are always more or less in peril of being either seriously curtailed or absolutely lost. And as long as it is so based this peril is ever before its owner or owners. Indeed, the only great American fortune of today which is secure are those of which the great real estate possessions of the Astors and the Goelzels are illustrations. Panic cannot run, and the fortune cannot be driven to the wall in the stock markets of the world.

Were they to speak frankly, it is doubtless true that practically every possessor of a big American fortune would agree with old Commodore Vanderbilt when he said, mainly, that it is easier to make a big fortune than to keep it after it has been made. Even of John D. Rockefeller it has been said that he walked the floor of his room night after night at a time when it seems as though the Standard Oil structure which he had created would be swept out of existence.

**How \$50,000 Saved Westinghouse.**

As for the personal fortunes of one of the greatest industrial capitalists that this country has ever known, there was a time when it came near to total or partial dissolution because its owner, with millions of gilt-edged securities in his possession, found himself in dire need of only \$50,000 in ready cash. This truly unique crucial moment, experienced by George Westinghouse in 1893, is here told about in principle for the first time.

In the interest of his great manufacturing establishment, Mr. Westinghouse had made a loan of \$50,000 from a bank in Poughkeepsie, N. Y. With the spread of the panic over the country the bank made an imperative demand on him to take up the little loan. But unfortunately for the borrower, he was in the position of the thirty man upon the ocean who saw water, water everywhere, but not a drop to drink. He had securities of intrinsic value of many millions of dollars—his pockets fairly bulged with them as he went from bank to bank seeking to put them up as collateral for real money to the extent of his Poughkeepsie loan. But in that time of currency famine no one

would loan him (or any one else) actual money, even upon the best of securities. So Mr. Westinghouse was squarely confronted with the grave danger of having the paper of his great manufacturing establishment go to protest, involving the least temporary bankruptcy and the consequent impairment of the large personal fortune which he had created by the exercise of his genius.

In dire extremity, Mr. Westinghouse finally sought out a friend who, unknown to Mr. Westinghouse, had a cash deposit considerably in excess of \$50,000 in a certain New York City bank. As he told of the crucial moment before him, and asked if his letter knew where he stood a shot of a chance of securing the desired real money, Mr. Westinghouse's pockets fairly bulged with securities that in normal times would have been a sufficient pledge for more than a million dollars. The friend listened attentively to what the inventor had to say; then he replied in the matter-of-fact way that was characteristic of him: "I will see to it that your property and your credit are protected. If I can't do it in any other way, I will actually draw out of the bank in which I have sufficient money deposited all that you need to take up this trifling amount of paper."

"At that time, remember, everybody who had real money was holding on to it like grim death. Nevertheless, the friend, true to his word, and by the exercise of his personal influence as he was able to bring in certain quarters, secured for Mr. Westinghouse the \$50,000 that stood between him and financial disaster. But for a full 24 hours the man whose creation of industrial apparatus had increased the wealth of the country by hundreds of millions was apparently doomed to behold his own riches scattered in whole or in part.

Fourteen years later Mr. Westinghouse's fortune underwent its second crucial period, an event which well illustrates the statement that no great fortune of today which is not invested almost entirely in real estate is ever wholly safe. This crisis occurred when one of the great Westinghouse works became embarrassed by reason of the currency famine of 1907. Its generalship as that which has made the organization of some of our railway systems possible. But though this critical period stretched over a much longer period of time than its predecessor, it is doubtless true that the first crisis stands out much more vividly in the mind of the principal figure in each event.

that idea, and determined to sell these securities. In the aggregate they represented a very large amount of money.

Instantly Mr. Vanderbilt summoned the late Samuel Barton, who was a broker, and very expert in marketing securities that required delicate manipulation. Mr. Vanderbilt said: "Sam, I want you to sell for me all my New York & New England and the old Boston, Hartford & Erie stock which I carry." Mr. Barton replied: "Well, Cousin Will, that'll have to be done in a very careful way, because we don't want to break the market. I think I know how it can be done, without causing the price to drop."

He went on to tell Mr. Vanderbilt how he planned marketing these securities, and the plan was accepted. Then, with his customary skill, Mr. Barton executed the commission, and called upon Mr. Vanderbilt for the securities so that he might deliver. A moment's scrutiny of them was sufficient to reveal a fatal, although purely technical, defect. They lacked proper indorsement, and for that reason were not what the stock exchanges call "a good delivery."

"What am I to do?" Mr. Vanderbilt asked. "Is there time enough to correct this mistake?"

"It will take two or three days to get proper indorsement upon these securities, and you've got to make delivery tomorrow," Mr. Barton replied.

"Why, I shall be caught selling short!" exclaimed Mr. Vanderbilt. "I can't deliver the stock. What's to be done? It will never do to have it said that William H. Vanderbilt was cornered, and has been caught selling short, and no one can tell what the effect will be upon our other securities."

"Can't you borrow? There's a lot of this stock in Albany, and a good deal in Boston, and some in Hartford, if we

could only get it here by tomorrow morning," Mr. Barton suggested.

Instantly Mr. Vanderbilt summoned the railway superintendent and also wrote a number of telegrams. A special train was made up, consisting of a locomotive, one car and a baggage car to New York and stop at Hartford, Providence and Hartford came ready with instructions to make record time for Albany, and another train was under negotiation to make the run from Boston to New York and stop at Hartford.

For once in his life Mr. Barton saw his cousin lose control of his nerve. Mr. Vanderbilt stood anxiously by the telegraph instrument waiting for replies to his telegrams or nervously paced back and forth across the floor of his office. He was fearful that the chances were against sufficient accumulation of borrowed shares of stock in time for a good delivery the next morning. But good luck was with him. From Albany, Boston, Providence and Hartford came replies to his messages containing promises to lend him the stock. It was stated by the superintendent that it would be possible to bring the special trains back to the Grand Central Station late that night, and sure enough, at the time appointed there did come puffing into the station those trains, each of which had made record time between Albany and New York and Boston and New York, bringing the borrowed shares.

Next morning Mr. Barton made a delivery of the borrowed stock, and in due time Mr. Vanderbilt made good these borrowed shares by utilizing the stock which he owned, and upon which he secured proper indorsements. His prestige was saved, he had not been caught short, and whatever danger there was of impairment, even temporarily, of the Vanderbilt fortune, was not known until years had passed, except to Mr. Vanderbilt and Mr. Barton.

In a manner equally dramatic, the creator and builder of the present-day Col-

umbus P. Huntington fortune of some \$30,000,000 surmounted an intensely critical moment in the history of the fortune. And the story of how he did it is also here told for the first time.

It was in the panic days of 1893 that Mr. Huntington found himself facing the situation that, unless he obtained a large amount of cash very speedily, the great fortune which he had built up through his association with the Southern Pacific Railway system would be in grievous peril, and possibly lost. Mr. Huntington was carrying large obligations, or had secured heavy loans in the name of the Southern Pacific. A friend found him in his office in New York bending over his books and papers, black skullcap on his head, from which depended his white hair, which was of luxurious growth, matching his heavy white beard. He looked like the conventional picture of the Faust, as Faust appeared before he had been transformed by Mephistopheles' magic into the young gallant.

Mr. Huntington, looking up from his books and papers, said: "I have got to have a large amount of money before noon tomorrow, or there will be serious consequences for myself and for the Southern Pacific. I have got securities by the cartload, but I can't borrow any money on them. I am going to a bank today, and I am going to say that I have got to have something like \$2,000,000 in cash, and I am going to say it in a way that will show that mean fellow for the fool he is."

Mr. Huntington was interested in a certain bank in the Wall-street district. This institution had built up a large business with the Western correspondence, and in fact, the greater part of its deposits were represented by the funds that had come to it from Western institutions. But no bank in those perilous days was paying any money over the counter if it could possibly be helped. Payments were made by drafts through the Clearing-House, and by various other subterfuges. Nevertheless, Mr. Huntington went to his bank, and he said to the president: "I must have so much money"—naming the amount, approximately \$2,000,000.

"But how can we give you as much money as that, Mr. Huntington?" was the reply.

"You've got it here. I have securities good for 10 times the amount, and I have got to have the cash to save my own property and the Southern Pacific Railroad."

Mr. Huntington had an imperious, and when he was very much in earnest, an autocratic way with him, and as he was of considerable authority in that institution, he was at last his way, securing the funds needed to protect his own credit and property and the Southern Pacific Railroad. If the bank had declined to lend him the actual cash no one could tell how serious the consequences might have been for him and for his possessions. But while Mr. Huntington's credit and property were protected, this one transaction was of such grievous consequence to the bank that it found its business strivings, and was at last obliged to liquidate, although doing that without involving any bankruptcy proceedings.

**Gould Fortune on Exhibition.**

While there has never been a time when George J. Gould has found the great fortune left to him and his five brothers and sisters seriously threatened, there was a time when Jay Gould, in order to surmount a crucial moment in his fortune exposed actual evidences of his riches, such as cash, stocks, bonds and mortgages, to the gaze of outsiders. Until he did this thing, more than 30 years ago, no man of wealth ever dreamed of over-coming a critical period in his career by this highly spectacular method.

Mr. Gould was in the midst of the de-

perate battle that he was waging for the control of the Western Union Telegraph Company. With his own money he had begun the construction of a rival telegraph line. It had established many offices. Mr. Gould insisted that it was his purpose to build up a great rival to the monopoly secured by the oldest telegraph company.

As once there had been various attacks intended to affect the credit of Jay Gould. It was an everyday occurrence for some broker or speculator to beckon slyly to a friend, take him into a corner, and mysteriously whisper to him, "Jay Gould is on the ragged edge." Or the report would be varied by saying, "Jay Gould has staked everything on the success of his telegraph company, and it is going to ruin him." These reports, followed by more secretive and even more dangerous attacks, did at that time occupied, a few of his possessions; for some weeks it appeared as though they hung in the balance, and there must have been grave danger or else Mr. Gould would not have taken the extraordinary step which he did.

One day he summoned to an office at the corner of Wall and Broad streets, which he at that time occupied, a few of his more intimate friends. They did not know for what reason they had been asked to meet him there, but they entered the office they found the little man standing before several boxes.

He caused clerks or office servants to bring several other boxes into the room. This having been done, he opened the boxes and began to take out bundles of securities, displaying them, a gorgeous and glittering array of the evidences of wealth, to the wondering eyes of the rich men whom he had summoned before him. Mr. Gould rapidly fingered and turned over the various sheets of parchment paper upon which were printed the denominations and descriptions of the securities. He counted them with quick fingers, and when he had finished his wealth revealing work, he said to his friends:

"They say I am ruined. I hear all sorts of reports that I cannot meet my obligations. Of course, stories of that kind, if they are not denied or proved false, do damage. So I just wanted to show you what I do possess, so that you can tell any one who asks you about me that Jay Gould is amply able to take care of himself and his property."

They went away wondering, not merely at the magnitude of Gould's wealth, but at his audacity and absolutely original method of displaying his wealth, that was bound to affect his credit. It was never known exactly how many millions, par value, Mr. Gould owned, another at \$40,000,000, but there was no report that told of less than \$35,000,000.

That strategy was sufficient. New credit was injected into the Gould securities. The moment of danger and suspense passed. Jay Gould was stronger than ever. The peril to his fortune was ended, and in a short time he was able to use his great credit company as to batter down all opposition to his majority control of the Western Union, one of the three public utilities constituting the bulk of the Gould fortune today.

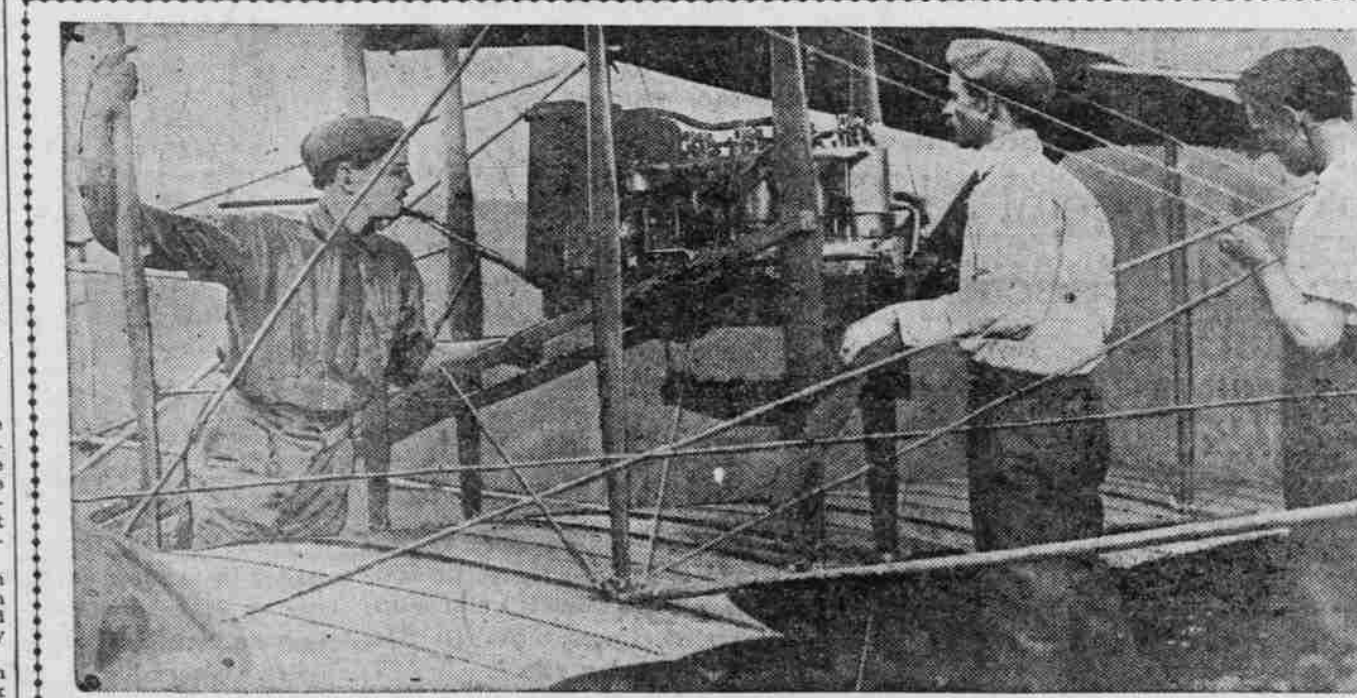
**Eventful Week for Whitney Millions**

Perhaps the most memorable period in the history, down to date, of the Whitney fortune of about \$30,000,000 was that week back in the last year of the last century when one morning Mr. Whitney saw probably financial ruin ahead, and a few days later was able to plan a move that shortly thereafter increased his fortune by several million dollars. The story of Mr. Whitney's great danger has been told at once or twice in print; the story of his subsequent great good luck has never been told before.

The crucial moment came as a result of a deliberate attempt on the part of Mr. Whitney's enemies to wreck his fortune. In his prestige and drive him into retirement. These enemies hoped thereby to keep him from getting the controlling hold on the lighting companies of New York, and also to take revenge for a business quarrel. To this end the manipulators of the money market had so perfected their plans that upon a certain day late in the Fall the rates charged for money would be very high. It was expected that the great danger would be met with in obtaining loans by all who sought them.

Now, Mr. Whitney had borrowed several million dollars of firm of private bankers and brokers who were recognized as among the larger of the operators in Wall street. To secure the loan he had pledged several millions in money value of the securities of which he was the owner. He was suddenly called upon at 6 o'clock one morning to take up the loan. As he walked thoughtfully down Nassau street, pleasantly greeting his acquaintances, no one would have dreamed that he was at that moment under the tremendous strain which probable loss of his fortune, and perhaps complete ruin upon that day, caused him.

He entered the office of the brokers from whom he had obtained the loan, casually glancing at the Stock Exchange ticker as he did so. His expert eye at once told him that something like panic was in progress on the floor of the Exchange. He saw that the prices of the securities of the corporations in which he was interested were rapidly depreciating. "What was he to do?" He offered the brokers securities in double the amount of the securities he had already pledged with



CURTIS AEROPLANE FLIES LIKE A BIRD. NEW YORK, July 10.—(Special)—Glenn H. Curtiss got his aeroplane in the air recently on the old Morris Park racetrack grounds and gave a short exhibition to some members of the Aeronautic Society after 8 o'clock in the evening. The total flight of the machine was about 2000 feet, and it was in the air some what less than a minute. This aeroplane comes nearer being like a bird than any other flying machine yet seen. It is fitted with a four-horsepower 4-cylinder motor, and the entire machine, with operator, weighs but 450 pounds, almost half of the weight of the Wright machine. It has flown two miles on several occasions at Hammondsport.

**TABLET TO 1812 VETERANS**

**Champlain Celebration Brought to Close in Burlington.**

BURLINGTON, Vt., July 10.—The unveiling of a tablet to the memory of the soldiers who served in the War of 1812 closed the Champlain Bicentenary programme in this city today.

The tablet was placed on the main building of the University of Vermont, which was used as a barracks for troops in the second war against England.

The Society of the Daughters of 1812 erected the tablet. Major-General O. O. Howland, U. S. A., retired, delivered the chief address.

**DAYTON OUTDOES SEATTLE**

**Ohio Town Shows 40 Per Cent Increase in Postal Business.**

WASHINGTON, July 10.—Enormous increases in postal receipts for the month of June, 1909, compared with June, 1908, at 50 of the largest post-offices are reported in a statement issued by the department today.

Dayton, O., leads with an increase of 40 per cent. Seattle, Wash. is next, with an increase of 32.20 per cent.

**Solons Ask Co-operation.**

MILWAUKEE, July 10.—Co-operation by employers and industrial workers in the framing of industrial insurance legislation was proposed at a meeting of the special committee of the Wisconsin Legislature on industrial insurance, held in Milwaukee today.