

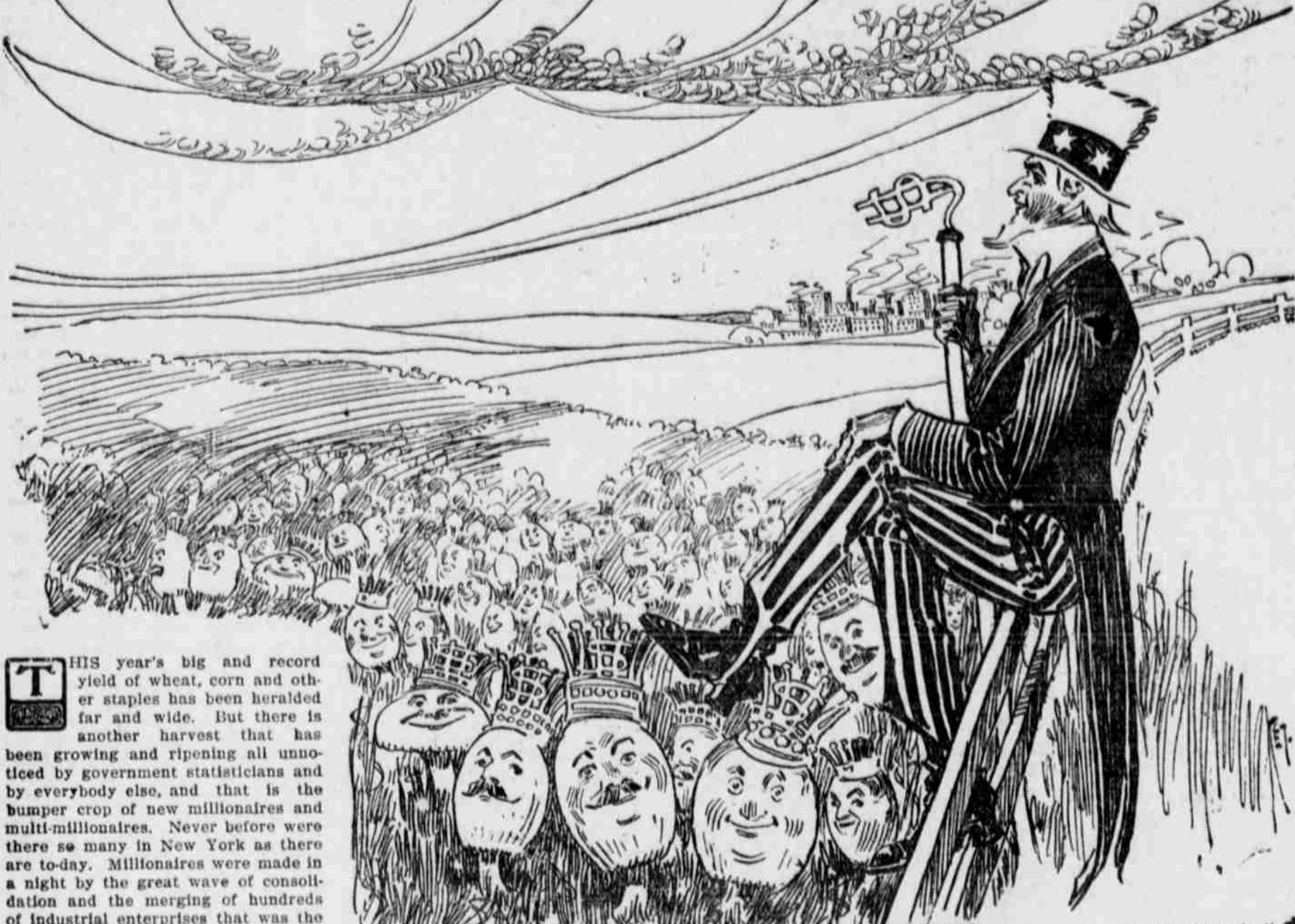
Money Kings Made in a Night

BUMPER CROP OF NEW MILLIONAIRES

When Cupid Laughed

By W. CAREY WONDERLY

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THIS year's big and record yield of wheat, corn and other staples has been heralded far and wide. But there is another harvest that has been growing and ripening all unnoticed by government statisticians and by everybody else, and that is the bumper crop of new millionaires and multi-millionaires. Never before were there so many in New York as there are to-day. Millionaires were made in a night by the great wave of consolidation and the merging of hundreds of industrial enterprises that was the feature of the opening years of the twentieth century, just after the close of the Spanish-American war. There were steel kings, steamship kings, pump kings, kings of car springs and of air brakes and of all sorts of things. They blossomed forth between the sunset of one day and the dawn of the next. The select circle of plutocracy widened so swiftly that it broke all barriers and created a new aristocracy of wealth in America. New York was invaded by a horde of westerners whose manners in some cases shocked even the imperturbable servants at the expensive hotels where they monopolized the royal suites. Pittsburg, from being simply a great mill town, a city of grimy workmen, jumped into world-wide prominence because it was discovered suddenly that it had more millionaires to the square inch than any other spot on earth. In New York all sorts of people achieved fortunes, paper or actual, almost before they were aware; jockeys, waiters, bartenders and other humble folk glanced with amaze at the balances with their brokers and began making plans for yachts and country houses. The history of this period was one of the wonders of America.



ONE-TENTH OF THE TOTAL BUSINESS DONE ON THE EXCHANGE GOES FROM WALL STREET BUYERS

Then, two years ago, the panic came and put a dampener on the financial hopes and aspirations of those who had survived the various ills that followed in the wake of industrial over-expansion. But since the panic clouds have cleared away there has come another and even more wonderful appreciation in values, the most remarkable advance in the prices of all commodities and securities that this country has ever known. Probably more millionaires have been made in the last 12 months by the steadily rising tide of tremendous prosperity than history ever has recorded in a similar period of time. The number of those who have grown rich quickly is greater, probably than it was in the time of merger and consolidation, nearly a decade ago. Before the panic of 1907 there were, perhaps, 3,000 millionaires in New York. Now there are anywhere between 5,000 and 10,000.

The advances in the value of securities in the last two years have been almost incredible. There probably are more than 100,000 persons who are stockholders of United States Steel. In October, 1907, Steel Common was 21%; in February, 1909, it was 41%; this October it has been well above 90. The shares of the Pennsylvania railroad are more widely distributed than any other transportation line, more than 60,000 people being listed on its books of shareholders. Two years ago it was 103; lately it has been above 150. Union Pacific is next to Pennsylvania in the length of its stockholders' list. It is not only one of the most popular investment securities, but also one that is speculated in most largely. Union Pacific common was 100 in 1907; this year it has been above 219, an increase of more than 100 per cent. New York Central, Southern Pacific, Baltimore & Ohio, Atlantic Coast Line, Illinois Central, Great Northern, Standard Oil—practically all the stocks in the long list of railways and industrials have advanced from 50 to 100 or more per cent. in value since October, 1907.

Thousands of people who are not speculators and who are intolerant of speculation have profited enormously by this wonderful rise in prices. They are the ones who bought for investment when the prices were low and who are now reaping the harvest. During the panic enormous blocks of gilt-edge shares were thrown on the markets when great speculators like Heinze and Morse, and some others who were not so spectacular or daring, had to sacrifice anything and everything for ready money. Their holdings now are scattered throughout the country and have been tucked away in tens of thousands of safes and strong boxes.

While some of the new millionaires come from the ranks of those who were bargain hunters in the days of panic, most of the new plutocrats are from the army of speculators.

There are so many of these new millionaires that it would be impossible to list them all indi-

vidually with any degree of accuracy. Comparatively few of the old band of millionaires have failed to add materially to their fortunes since the panic. There are some, it is true, who were more or less disabled in those days, and the period that preceded them who have not succeeded in winning back their lost money and prestige; some who were in the ill-fated trust companies, others of the insurance crowd, and so on. But those who held on and were able to weather the storms have been lifted up and now are richer than ever. Not only that, but a large number of new groups of great financial strength have been developed. There is the Hawley group, for instance, which has made millions and millions in the rise in values of railway shares. Edwin Hawley, the head of this coterie, was not a big Wall street figure until within the last year or so, but of late he has added immeasurably to his wealth and to his power as a transportation king.

Among those of his friends who have climbed into the chariot of the plutocrats is Frank A. Vanderlip, the president of the National City bank. He is reputed to have made more than a million out of Chesapeake & Ohio and Union Pacific. When he was assistant secretary of the treasury a few years ago Vanderlip was a man of very moderate means and lived in a modest little flat in Washington. After he came to New York his wealth increased somewhat, but only since the first of this year has he entered the millionaire class.

Another of the Hawley group who is one of the new crop of multi-millionaires is a banker named Scott, who piled up a small fortune, dollar by dollar, in Richmond, Va., and who has increased it many fold of late in Wall street. Still another of the same group is Robert Fleming. He was not a poor man when the rise in stocks began, but he is said to be a very rich one now. Then there is a new crop of Union Pacific millionaires, Southern Pacific millionaires, Wabash, Rock Island and many other groups of new millionaires who have become wealthy by the tremendous upturn of the shares they were interested in. Some of these men were millionaires before the beginning of this year; these have now moved up to the multi-millionaire class.

There are quite as many who have won fortunes in the field of industrial stocks, especially in United States Steel common. One of these—more than a millionaire when he began buying Steel—is Frank A. Munsey, the publisher. He is said to have started his Steel purchases two years ago, when the stock was around 22, and to have accumulated a total of 100,000 shares at very low prices. His winnings are estimated at more than \$5,000,000.

These instances, taken at random, give an indication of the thousands of fortunes that have

sprung up lately through the upward sweep of prices in Wall street. Great corporations, like the fire and the life insurance companies, have also profited stupendously. These tremendous reservoirs of money own huge blocks of shares in scores of railway and industrial companies—lots of from 10,000 shares to almost a controlling interest. The most of these are sober, gilt-edged, dividend-paying stocks that have not been spectacular in their advance in price as compared with some of those that have gone up like skyrockets. Yet even these high-priced shares have been enhanced in value from 20 to 50 per cent. in the last 12 months. They were bought at panic prices, so the published records of these companies show, and these institutions now are said to be selling them off, cautiously and carefully at the fancy figures that have been prevailing of late. Unlike the individual investor, they believe in cashing in their winnings and salting them down until there is another chance to buy cheap.

In the commodities there are new groups of millionaires and multi-millionaires also. Some of these have won their wealth in wheat, others in corn, but most of them in cotton. There are more new cotton kings and princes to-day than ever before. Practically all of these are southerners, who have had an expert knowledge of this staple. Most of them have been cotton planters themselves on a large scale, and all their lives they have been studying cotton, its growth and its ever-widening markets.

Almost every day there have been rumors flying about as to what Patten was doing in cotton. But curiously enough there has been never a word said about the real bull leader in the cotton market, the man who has been the biggest speculator in this staple, and who recently has jumped into the multi-millionaire class, Eugene G. Scales of Dallas, Tex. Scales is the most towering bull, probably, that the cotton market ever has known. Patten is a piker beside him. Even the celebrated Mr. Sully in his palmist days never operated on such a huge basis as Scales has been in the last eight months.

This new and mighty multi-millionaire in the cotton market has steadfastly kept himself in the background. He is no amateur speculator, however, for five years ago he was in one of the Sully campaigns and retired from the fight with several large dents in his financial armor. But now he has won back all his losses and a lot more.

Some among the many others who "know cotton" and have won big fortunes through its rise in price are Fergus Reid of Norfolk, Va.; Morris H. Rothschild of Woodville, Miss.; William P. Brown of New Orleans and Louis S. Berg of Mississippi. Berg had charge of the Chalmette terminals at New Orleans not long ago and was a hard-working railroad man. A little later he pieced together a lot of small Mississippi railroads and combined them into an effective and profitable system. Then, with a modest fortune, he came to New York, and since then has been making money out of cotton.

And so the list runs on. Hardly a name among the thousands of new millionaires is familiar to New Yorkers. They are practically unknown outside of the small communities they came from in the west and south. They live in the costliest suites in the most expensive New York hotels. Next summer, if they have no setback they will begin leasing or buying palaces at Newport, Bar Harbor or other places where the socially elect are supposed to live. Then they will begin trying to break through the imaginary inclosure with which "society" surrounds itself. There are so many of these new millionaires that perhaps like the incursion of a new race they will overwhelm and conquer the relatively small group of people who have been priding themselves on having their wealth for a decade or more. At any rate, the names of most of these new millionaires probably will be read for the first time in print in the next year's books of social registry, which form the nearest approach to the directory of the peerage that the plutocracy of America knows.

"Surely, you know how I love you," he persisted. "Why, my every thought and action is of you!"

The woman at the piano shook her pretty brown head. While her back was toward him, something told her he was posing. Somehow Valeska was forever posing; his every movement was studied and artificial, and she was tired of foreigners. In three months one may even grow tired of Rome. On the spur of the moment she decided to go home—back to America—and at once.

"Cicely!" The man's voice was a caress. "Cicely, I love you."

"Please don't." She put up a hand between them. "Won't you understand that it cannot be? Much as it pains us both, I must tell you that I cannot marry you. Why go over it all again?"

He retreated to the far end of the room, and sat down, quiet and abashed, like a chidden child. Cicely could scarcely repress a smile. Valeska was so ridiculously funny when he fell into one of his naughty-boy poses.

"Oh, you will get over it, mon ami," she laughed. "Come, help me get the tea things ready! My friends will be upon me directly like a pack of hungry wolves."

Valeska helped her arrange the table and make the little thin slices of bread and butter into pyramidal piles, but when the Leo X. urn was purring like a happy cat, he reached for his stick and gloves.

"Not going?" cried Mrs. Fairfax.

"Yes."

"Au revoir," she laughed. And the next moment he was gone.

Cicely glanced around the room, taking in every detail. Its artistic litter pleased her. She could never bear to see things just right.

"Now for Ned," she smiled, arranging a few violets in her gown. "But of course he will not come," she pouted.

A few minutes later Miss Robins entered the apartment. Roberta Robins

what I mean, and you must make Valeska ask the eternal question—"

"And he'll get the eternal answer, I promise you."

"Exactly. You will tell him the plain truth—that you love another—namely, Ned Randolph. You will give Valeska to understand that you have been merely using him as a pastime—that never for a moment were you serious, and that now you are only waiting for Ned to come and take you back to America. Hush, not another word! Here comes the principessa Martoni and her American daughter-in-law. Don't forget, Wednesday, the Casino, at noon." And she had gone before Cicely had another chance to approach the subject.

When on Thursday morning, Roberta Robins entered Mrs. Fairfax's drawing room, gay with its many daffodils, and scented with the breath of Parma violets, Cicely knew by the steely glitter of her friend's eyes that there was going to be a scene.

"Of all the idiots!" cried Miss Robins, shaking a forefinger at the pretty widow smiling up at her from among the cushions. "You will end your your days in a mad-house, Cicely Fairfax. What did you do yesterday morning at the Casino?"

"Why—Valeska was there, 'pon honor, Bobbie."

"You played golf all morning, for hours and hours and hours you golfed. I was nearly insane!"

"But the temptation was too great, and besides, the golf links are the finest in Italy. Oh, Bobbie, you should see Valeska play—"

"Never mind that long-haired monkey. What about the breakfast on the south balcony?"

"But the chef at the Casino is not equal to the links, Bobbie. We breakfasted at Maurice's."

"And golfed at the Casino!" snapped Roberta.

Mrs. Fairfax affected a childlike air. "I fail to see why I am to be drawn and quartered simply because I prefer the chef at Maurice's to the chef at the Casino."

"But I said—"

"You said I was to ask Valeska to breakfast—"

"—at the Casino," interrupted Miss Robins, "and while you and Valeska were falling into Gibson poses on the links, I was holding a lion at bay in breakfast room No. 5 at the Casino. It was all I could do to restrain him! Miss Robins's eyes flashed.

"But to breakfast with a lion!" Mrs. Fairfax shook her head. "Roberta Robins—"

"The lion was Ned Randolph," snapped the artist, jumping up and going to the balcony.

A shuffling noise came from the music room.

"You breakfasted—with—Ned—Randolph, Bobbie?" The widow buried her face in the cushions. "Wasn't that a strange way to show your friendship?"

"Oh, you haven't a grain of sense, Cicely Fairfax! I had it all arranged nicely. You and Valeska were to breakfast on the south balcony, Ned and I in room No. 5, directly in back of you. And Valeska was to propose, and you were to tell him about how you adored Ned, and Ned was to jump through the window and clasp you in his manly arms, and—instead—you played golf!"

"But I didn't know—" apologized Cicely.

"To-morrow we must repeat the performance, only, this time you breakfast at the Casino."

"But I have an engagement with the Principessa at noon to-morrow—"

"It's all off. I'll telephone her!" And before Cicely could restrain her, Roberta had dashed aside the curtains of the music room door.

Ned Randolph, standing behind them like a silly school-boy, had the grace to blush. But Cicely—Cicely buried her face in the pillow and laughed.

"Ned! Cicely!" Mrs. Robins turned from one to the other. "You heard?" she demanded, flushing.

"Everything. It was ugly of me, Bobbie," Randolph spoke up. "You will forgive me?"

"And you knew and played golf purposely, Cicely?"

"And Ned kept running to the window," came from the depths of the chair. "Scold him, too."

"I must plead guilty," laughed Randolph. "You see, Bobbie, we remembered how you played the same little trick with Marian Derring and young Ashby at Newport last summer," cried Cicely. "And I couldn't help having a little fun—"

"So you two were there! Oh, my, and I had forgotten. But it 'took' then, Marian married Ashby."

"And Cicely is going to marry Ned," laughed Randolph. "She is tired of being a merry widow, aren't you, little woman?"

"And you, Bobbie, what are you going to do?" said Cicely, as she made a buttonhole for the man's coat.

"Me?" Roberta jumped up and straightened her hat. "Oh, I am going to finish my interrupted honeymoon. Valeska and I only came up from Florence to help straighten out a little affair of our friends. Really, we are the most unselfish creatures alive. You must come and see us. We have a charming studio near the Lung Arno. But I must run. Vally is waiting for me at the Nationale. Au revoir."



A Suppressed Laugh Came from the Direction of the Music Room.

was a painter of miniatures, young, good looking, successful.

"What's up?" she asked, seeing Mrs. Fairfax seated alone in state.

"Oh, Valeska again. He proposes as regularly as the sun sets. I am going back to America just to escape him."

"Pretty widows with generous incomes do not grow on bushes," remarked her friend, dryly. "You must try some other plan than going back to America. Why not marry Ned Randolph?"

"Ned Randolph has long ago forgotten a pretty widow with more money than brains."

"What rubbish!" Miss Robins helped herself to a slice of bread and butter. "Of course you will marry Randolph, Cicely. He is awfully fond of you."

Mrs. Fairfax shook her head. "I tell you it is no use, Bobbie. He has long ago become disgusted with this frivolous widow."

"I'll wager anything that you marry him before June," cried Roberta. "Now, you know, Cicely, you are fond of Ned. And you can't deny that he followed you all the way from New York to Rome. Now, my dear girl, I have the greatest idea—a sure way to patch up everything between you and Ned Randolph. You know you have treated Ned shabbily, dear girl."

"Well, we'll let it go at that," sighed Mrs. Fairfax, pouring the tea.

"You must ask Valeska to breakfast at the Casino Wednesday morning—"

began Roberta.

"And give him another chance to propose? Thank you, but I much prefer not, Bobbie."

"And lose Ned forever?"

Mrs. Fairfax played with the tea-cups. "Certainly, a breakfast with Valeska does not sound inviting," she confessed.

"But Ned Randolph," cried Miss Robins, dangling the prize before her friend's eyes.

"Oh, well, go on, ask Valeska to breakfast Wednesday morning—what next?"

"At the Casino?"

"Yes, yes."

● You will breakfast on the balcony overlooking the new golf links—the south balcony, you know. Of course you will be particularly fascinating, coquettish, laughing, you know