AN AMERICAN KING OF FINANCE.

The Career of J. Pierpont Morgan.

A Great Banker and His Methods. His Charities, His Habits, His Fads and His Pleasures.

J. PIERPONT MORGAN, the American king of finance, has just sailed for Europe for a seven weeks' tour.

The recent big coal deal engineered by this remarkable financier again brings into unusual prominence the banker who figured in the United States bond deals and the railroad pool of recent memory.

To view Mr. Morgan as a man and a citizen one must first of all look upon him as a charitable man and a religious citizen, for he is both.

Here, then, is a pen picture of the citizen:

Passing along the aisles of St. George's Episcopal church, New York city, with heavily chased silver salver in hand at the regular collection hour every Sunday morning, may be seen a stoutly built, stately looking gentleman past the summer of life, who admit if he felt disposed include all the running expenses of the church, together with the salaries paid the rector and his assistants, in his annual expenditures and hardly realize the difference in his net income. That he has not done so is not from lack of interest, for he is the largest financial supporter of the church, and anything that the Rev. Dr. Rainsford may desire in advancing the welfare of his charge will be forthcoming while J. Pierpont Morgan continues to be one of that church's vestrymen.

But these relations indicate only one phase of the character of a many sided man. Mr. Morgan is not only a practical Christian, to the extent at least of attending church regularly, assisting personally in the administration of its corporate affairs and giving with notable liberality to the endowment and support of this religious community, but he is generous and philanthropic in other walks of life.

He is also a high and liberal liver, who enjoys unstintingly all the good cheer he may chance to derive from a steam yacht to a good dinner out of the enormous fortune he has made by the exercise of his uncommon gifts of intellect. As a connoisseur in art he is a collector of peachblow vases and other treasured trifles, and has donated some of them to art museums. He loves fast horses and owns them, high class dogs and breeds them at his own famous Cragston kennels, adjoining his country manor on the Hudson, near West Point. He is a member of all the leading clubs of the metropolis and in business circles is regarded as the leading financier in the United States.

It is not said of Mr. Morgan by those who know him best that he has any inordinate pride of ancestry, but it is certain that he is a notable example of heredity, for his ancestors have been men of distinction for generations, and if "family" deserves regard in a democratic country, he may be considered to have been born to eminence. His father, Junius S. Morgan, was a banker of prominence, being the founder and actual head of the firm of J. S. Morgan & Co., of London. This father married into the Pierpont family, and John Pierpont, the poet, was the maternal grandfather of J. Pierpont Morgan. The unusual blending of business traits and habits with artistic and intellectual tastes, the prominent characteristics of Mr. Morgan, are, therefore, traceable directly to his ancestry.

His birthday was on April 13, 1837 (Hartford the place), and he was consequently a very young man when in 1860 he made himself felt as a power in the financial world. The occasion was a struggle over the possession of the Albany and Susquehanna railroad, and the two magnates with whom he came in direct conflict were Jay Gould and James Fiske, Jr. Though then a full partner in the house of Dabney, Morgan & Co. of Exchange place, he was hardly expected at 23, fresh from his university course at Gottingen, Germany, to demonstrate great fiscal ability.

Meeting the blustering threats of Fisk and Gould with calm defiance, he led the opposition against their schemes and overwhelmingly defeated them.

One result of this financial victory was the dissolution of Dabney, Morgan & Co. and the formation of the great banking firm of Drexel, Morgan & Co., which, by the comparatively recent death of the senior member, has been changed in name (only) to J. Pierpont Morgan & Co.

Of this firm Mr. Morgan is not only the nominal but the active executive head. His connection with the banking house of J. S. Morgan & Co. of London is not so easily defined, but the general belief is that he is the controlling interest in that firm. In Philadelphia the house of Drexel & Co. still exists, and in it he has a partnership interest. His relations with Drexel, Harjes et Cie. of Paris are certainly of the closest nature. With these connections it will not occasion surprise when it is said of him that he can command more ready money of his own and of other people for the furtherance of any great enterprise than can any other American financier. So well established is this reputation that his name is invariably mentioned in connection with any great commercial enterprise, bond sale or industrial formation. Stated in this aspect or only having a newspaper suggestion. Occasionally these picturesque rumors are ludicrous. But a few weeks ago a grave statement appeared in the effect that a trust was in process of formation for the purpose of controlling all the banking business of the United States, and, as usual, Mr. Morgan was mentioned as the originator and executive head of the gigantic combination. If the promoter had stated that it was a trust in the building trade, the result would have been the same. Such reputations are not achieved, however, without worth and effort, and thus the name of J. Pierpont Morgan has become one to conjure with.

One of the bright men in Broad street recently enjoyed a three days' notority by saying that if a railroad company should get into difficulty the only thing to do would be to re-Morganize it.

Since his first great financial battle, prior to the civil war, this noted money maker has been almost constantly before the public as a man who was the master mind in schemes of stupendous import where not only millions but hundreds of millions were used.

Whether the question has been one of the reorganization of some great trunk line like the Northern Pacific or the Baltimore and Ohio, a less important railroad in Virginia, the floating of a national bond issue of $200,000,000, as in 1895, or whether it related to the policy of investment or the management of the great Vanderbilt estates, Mr. Morgan has always been "of counsel," and not infrequently he outlined both the only feasible procedure and engineered the execution of the only possible successful course. To relate his various achievements in order would be simply a rehearsal of the best known facts in the financial history of the United States for the past 38 years. It would be quite impossible to get this gentleman to talk of his record, and even congress found itself unable to derive information from him regarding the bond issue of 1895.

He is content to act and let others furnish explanations if they are able to do so. But in action he yields precedence to none. With all the tendency Wall street has toward the dissection of the methods, motives, means and final achievements of its leaders, no one has ever yet maintained that Mr. Morgan's plans were not his own or that they were not carried out largely by means of his own forceful personality.

But of his individuality it is impossible to give an accurate description. "I have seen Mr. Morgan," said one well known man who is an acquaintance of the banker, "under all sorts of circumstances and in many varying moods, but I never saw him calm. He is always more or less perturbed about something and always tremendously in earnest about whatever he may happen to be doing."

But another gentleman, who knows the financier equally well, declares that Mr. Morgan's most striking characteristic is his calmness, and its imperturbability that has never failed him in an emergency.

The truth is the man is many sided, and no one who has not the most intimate personal acquaintance with him has the right to attempt giving an exposition of his modes of thought or anything like a complete comprehension of his nature. An intimate might readily overlook the very traits which would most impress a casual observer.

That he is an unusuous man ordinarily does not be doubted. It is perfect proof of this to see him make his way through a crowd when hastening from his yacht Corsair to the ferryboat about starting for the city. He is one of those persons who make their way through a gathering not by the violent methods of the rough, but by urgent persistency. This is possibly an indication of qualities that have aided in his success.

Generally he is unusual. That he can be as courteously polished as any associate in the social world—in which he is also prominent—is well known, but it is not his usual manner. A career of unbroken success has doubtless necessitated his natural self reliance, and the magnitude and multiplicity of his affairs may have contributed also to be impatient of delay and intolerant of opposition. Moreover, he is violently opposed to public notice of his acts and strongly averse to notority, though no one is better aware that publicity is inevitable.

When two years ago he fulfilled a promise he had privately given Dr. Rainsford and doubled the contributions of the entire congregation toward a church endowment fund, he made strenuous efforts to prevent the announcement of his name in connection with the princely gift. His method of refusing information was to talk the reporter straight in the eye and state deliberately that he knew nothing about it.

Then there was his donation of $1,000,000 in January, 1895, for a new building for the New York Lying in hospital in place of the one at Second avenue and Seventeenth street. The offer was made subject to two conditions—first, that there shall be sufficient money to support the new charity when the building is completed, and, second, that the plans of construction shall be satisfactory to Dr. James W. Markoe of New York city.

It is believed by those nearest him that his occasional public gifts, such as those mentioned, are indications of a large handed and large hearted liberality in private matters, though he would be a hardy mendicant who could apply personally to J. Pierpont Morgan for benevolent aid.

Undoubtedly his benefactions are partly assumed to serve the purpose of deterring such a class of applicants from appealing to him. Still, his private benefactions are large, despite his attempts to conceal them from view but the beneficiaries. His public benefactions have been noteworthy outside of St. George's church and the American Art museum. He is lavish in his personal expenditures, but that is a right conceded a man who has an income of millions. No ostentation of extravagant living or display has, however, ever been brought against him.

His annual net receipts must be enormous. The enterprises which he conducts, such as the investment of capital by scores of millions, the reorganization of railroad companies and the refunding of their debts, are not carried on without ample compensation, and no other man stands at or near the very head of such enterprises. Especially in Wall street, or has done so for more than an average generation. His accumulations must have been beyond the comprehension of the ordinary mind. Just how rich he is no one else than himself knows, and possibly, as in the case of other rich men, he is not positive within a million or two.

That he has maintained a commanding position in the investment of the financial centers, London, Paris and New York, the world knows; that he is an enthusiastic sportsman is an old story to every gentleman on earth; that he is at once conservative and broad minded, cautious and philanthropic, Dr. Rainsford can bear witness, and that he can be affable or absolutely unapproachable is a fact assured by the experience of every newspaper man along Park row or on "the street."

When I asked him for an interview, he positively refused. All the concession he would make to my urgency was, "Well, I will look the sketch over if you will send it to me before publishing it."

The inside history of the bond transfer of 1895 is of interest. There were two syndicates associated with the United States treasury, though it was customary at the time to speak of these operations as managed by one combination called the Morgan-Belmont syndicate.

But one of these associations had no other business than to provide the party with whom the government made its contract with the gold required or the terms of that agreement. The other syndicate controlled the allotment and sale or other disposition of the bonds with which the government paid for the gold. Some financiers and bankers were members of both of these syndicates. Some were associated with only one. A few, as individuals, had active part in one syndicate and indirect part in another—that is, as individuals they were of authority, for instance, in the gold syndicate, while as associate members of banking firms or directors in banks they were also interested in the bond syndicate.

It was a complete if complex union, and the many millions profit were divided among those who formed the combination.

How has Morgan made his millions? He is generally quoted at $25,000,000. He could, were he willing to speculate, be the richest man in America, for his power in Wall street is practically unlimited, and he would be able, were he so inclined, to change the price of almost every railway share in the United States as he might desire. But he will not have anything to do with stock trickery, and holds the speculators in supreme contempt. To him finance is a science comparable only to sound political economy, and he looks on stock gambling as a statesman would regard the antics of hungry politicians.

His great power in financial circles lies in the fact that he is practically the American representative of the English and European millions seeking investments in this country, and it is upon his good judgment these foreign investors depend when looking about for ways and means in which to employ their surplus money. It was this which has enabled him twice to compel the leading railway presidents of the United States to cease destructive wars and the democratic graciousness of his manner is such as to make the alias all the more impenetrable. One would not hesitate in a moment of desperation to ask Mr. Stanton for a match or the time of day.

The Princess Maud has always had a strange passion for traveling about incognito. Upon these occasions she adopts, as a rule, the name of Miss Mills.

Some time ago as Miss Mills she spent two or three weeks at a country house as one of a large party. She was introduced as a newcomer by a Chaperon whose position was an unimpeachable social guarantee.

Although as the days passed it became evident that Miss Mills stood among the guests, though not of them, she was the center of attraction. It was not long before every man in the house was at her feet.

With the greatest of good humor, but a gentle, unmistakable dignity withal, she discouraged their advances. And it was not until the merry princess was safely at home that her identity was disclosed to the house party.

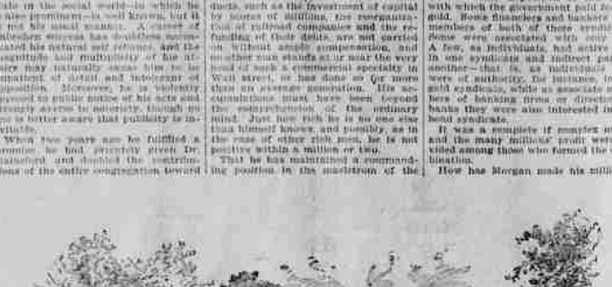
Another member of England's royal family who has an alias or incognito is her royal highness the Duchess of Connaught. Upon nearly every journey she assumes the name of Countess of Essex and carefully guards it.

The emperor of Austria is also the happy possessor of an alias. His journeyings are made as Count Hohenems. This is his strictest incognito and one that is very little known beyond his palace and suite.

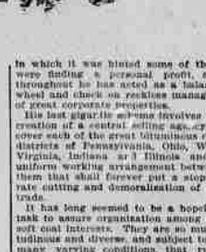
The empress of Austria, his consort, succeeds him in the matter of an alias and cloaks her royal self in the unromantic sounding name of Elizabeth Nicholson. There is romance behind the name. As the empress once had a favorite lady's maid, she perpetuates her attachment in the incognito.

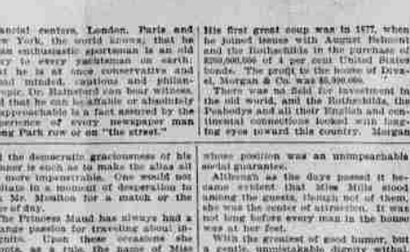
When the czar of Russia travels as the Comte de Ravenstein, and this alias is known from one end of Europe to the other. It is especially well known in Paris.

History affords two celebrated aliases. These are the aliases of Charles II and Queen Anne. When the merry monarch was out on his midnight revels in London or anywhere else, he designated himself as Rowley.



MAP OF COAL FIELDS.
CROSSED LINES REPRESENT ANNUAL OUTPUT OF 100 MILLION TONS OF SOFT COAL. PARALLEL LINES IN EASTERN PENNSYLVANIA REPRESENT OUTPUT OF 40 MILLION TONS OF ANTHRACITE COAL.





ROYALTY INCOGNITO.

The word "alias" has to a majority of people an ingloriously suspicious sound. It at once brings to mind murderers, thieves and sneaksmen in general and is invariably associated with the printed accounts of court proceedings.

When one reads or hears that John Smith is alias Tom Jones, John Smith is invariably put down as a bad lot and an undesirable person to meet in a dark street.

But aliases have their legitimate uses, and, strange as it may seem, they abound among the royal families of Europe. There is always a certain amount of connection when royalty goes gadding and a pretty hurly burly might ensue at the railroad stations of the populace knew that the king of this or the prince of that was about to descend from his coach or railway carriage. Queen Victoria, for instance, finds it advisable at times to use an incognito. Probably every one in England knows that she and the Countess of Balmoral are one and the same. She, however, does not always use that alias. Occasionally when traveling she goes under the name of the Duchess of Lancaster. This is an alias, and yet it is not. It is one of her numerous titles, but there is no doubt that it is used to hide the greater title of queen.

His royal highness the Prince of Wales is very often plain Mr. Machlin.

Mistaken For a Waiter.

The following smart example of repartee is attributed to Mr. W. S. Gilbert: The dramatist was at an evening party, and chanced to be standing bareheaded in the hall, when a guest, departing in a hurry, took him for a waiter.

"Call me a four wheeler, will you," says he.

"Sir," replied the ready author of "The Mikado" and a round dozen other operas, "you are a four wheeler."

The guest was startled by this reply. "Why," he exclaimed, "what the"—

But Mr. Gilbert interrupted him with an elaborate prevarication at apology. "I couldn't call you hansom, you know, could I?"

Pineapple Profits.

Net profits from each acre of pineapples grown on the Indian river, $250 per acre, $1,000 per acre, $2,000, $5,000, and so on up to 30, 40, 50 and even 60 acres. These are not imaginary figures, but actual returns from the crop of the present year. The authorities on pineapple culture on the coast of Florida consider $200 an acre a very conservative estimate of net profits per annum when the fruit is raised and handled with ordinary care and prudence. Some growers during last year have realized as much as $400 per acre.

It is said that cold weather increases the consumption of bread, 20 per cent more being eaten in frosty than in mild weather.

Pierpont Morgan's Career.

Mr. Morgan began to arrange the situation in Ohio and eastern Pennsylvania several weeks ago, and the settlement of the situation in the so called Pittsburg district and West Virginia districts is under way.

The Ohio coal trade was placed on a firm basis about Dec. 15 at a meeting in New York city of the presidents of the railroads covering that territory. The managers of the Ohio railroads met in Columbus on Dec. 22 to complete the details of the new trust, which is simply a new company to purchase the entire product of the bituminous district and which shall have absolute charge of the marketing and sale of the coal. There will soon be a radical change in Ohio, at least, where the demoralization of trade has driven four coal roads into the hands of the receivers.

The railroad companies interested are the Baltimore and Ohio, Cleveland, Lorain and Wheeling, Columbus, Hocking valley and Toledo, Cincinnati, Hocking Valley and Toledo, the Pennsylvania road, Toledo and Ohio Central and Wheeling and Lake Erie.

The financial world marvels at this plan, which is to rescue great anthracite railroads from their long period of embarrassment and place them on a dividend paying basis. The result claimed for it in Wall street is that it will not necessarily increase the price of coal to the consumer, but allows the companies interested to reap great additional profits. It is supposed that the attention of the different state legislatures will not be attracted to this new trust and that it can be perfected in place as to be firmly intrenched in the various states as is the Standard Oil company, which has long since been satisfied to feel indifferent to all attempts at adverse legislation.

It is declared to be the most far-reaching project of the sort ever devised, and yet so simple in character that it is believed the result will be to place the coal industry on a solid and paying basis. The most difficult factors are to be found in the Pittsburg district, but when the demoralizing elements in that region are eliminated there will be steady progress toward complete success, since about half the bituminous coal lands are in possession of the railroads, and they are disposed to settle what little differences may exist as soon as possible.

The Philadelphia and Reading, with which the Morgan interests chiefly lie, is the principal beneficiary of the plan, as of the entire 45,000,000 tons to be sent to market it will supply 29.5 per cent and will receive, on a basis of $20,000,000, annual profits of $4,150,000 in addition to its receipts.

The following outline gives an indication of the vast profits in coal involved in this new plan:

BITUMINOUS COMBINATION.

	Output in tons.
Pennsylvania	6,000,000
West Virginia	3,000,000
Ohio	15,000,000
Indiana	5,000,000
Illinois	12,000,000
Total	39,000,000
Extra profit on bituminous coal computed at $1 per ton	39,000,000
Extra profit of bituminous coal roads at $1 per ton	20,000,000
Total profits of six selling agencies	40,000,000
Equal to 8 per cent on invested capital of	500,000,000

ANTHRACITE COMBINATION.

Annual output (tons)	40,000,000
Amount saved by selling anthracite coal through joint agency (50 cents a ton)	20,000,000
Equal to 5 per cent on invested capital of	400,000,000
Total extra profits a year under the Morgan plan	60,000,000

Mr. Morgan is a big man physically as well as mentally and financially. He is broad shouldered and heavy set and abrupt in manner and speech. The impression he makes upon one is that of a forceful character. His dress is decidedly English, being usually of rough cloth with rather pronounced plaids or stripes, while his watch chain is heavy and his general tout ensemble that of a man who patronizes a good tailor, but puts on his clothes in a hurry. There is nothing about his personal appearance to suggest the attentions of a valet, and his bitterest enemy would never call him "a dude."

His fancies run to yachts and dogs. The latter he loves. When you give a collie to a friend, it is an infallible sign of loyalty. It is said he offered one of Setton Hero's pups to ex-Secretary Carlisle and another to ex-President Cleveland as a token of esteem and regard.

In which it was hinted some of them were finding a personal profit, and throughout he has acted as a balance wheel and check on reckless managers of great corporate interests.

His last gigantic scheme involves the creation of a central selling agency to cover each of the great bituminous coal districts of Pennsylvania, Ohio, West Virginia, Indiana and Illinois and a uniform working arrangement between them that will forever put a stop to rate cutting and demoralization of the trade.

It has long seemed to be a hopeless task to effect a combination among the soft coal interests. They are so multitudinous and diverse, and subject to so many varying conditions, that rules which would successfully work in one locality were utterly useless in another.

When J. P. Morgan and his associates once time ago determined to settle the anthracite coal situation, they also proposed to strike at the root of the evil and remedy the bituminous coal trade. Some of these gentlemen—anthracite coal magnates—are interested in bituminous coal properties.

Mr. Morgan is the controlling spirit in the Chesapeake and Ohio, which has proposed a purchase of New York Central stock for the European market. Each property is what they called his premonition. Practical men expressed surprise and awaited results. He bought $2,000,000 of Central stock at 120 and sold it to his European friends at 130 and upward. His profits were over $1,000,000. Then he restored the equilibrium of the Hudson River by buying the stock there rallied to the New York Central, rechisted another million and was rewarded by the Vanderbilts with a clear profit of 200 points, the entire sum of which was 200,000.

The refinancing of the Baltimore and Ohio, the Richmond Terminal, the Reading and the Long Island railroad cost more millions to his bank account. But there have been minor triumphs. The Columbus and Hocking Valley road slipped through his fingers, and the mammoth hotel at Rockaway turned out to be a gigantic elephant. But this was offset by his achievement of taking up the crippled Erie railroad and putting it on its feet. The control of the New England railroad is another example of Mr. Morgan's genius in this direction. His method of treatment is drastic, and the holders of the junior securities have made many a wry face, but the method is efficacious. From $1,000,000 to $2,000,000 is generally supposed to be the commission for reorganization going to the house of J. P. Morgan & Co.

He is generally quoted at $25,000,000. He could, were he willing to speculate, be the richest man in America, for his power in Wall street is practically unlimited, and he would be able, were he so inclined, to change the price of almost every railway share in the United States as he might desire. But he will not have anything to do with stock trickery, and holds the speculators in supreme contempt. To him finance is a science comparable only to sound political economy, and he looks on stock gambling as a statesman would regard the antics of hungry politicians.

His great power in financial circles lies in the fact that he is practically the American representative of the English and European millions seeking investments in this country, and it is upon his good judgment these foreign investors depend when looking about for ways and means in which to employ their surplus money. It was this which has enabled him twice to compel the leading railway presidents of the United States to cease destructive wars and to form a combination among themselves which makes them, despite the attempts of the Vanderbilts to control Wall street, practically independent of the Vanderbilts. His first great coup was in 1877, when he joined issues with August Belmont and the Rothschilds in the purchase of $200,000,000 of 4 per cent United States bonds. The profit to the house of Drexel, Morgan & Co. was $5,000,000.

There was no field for investment in the old world, and the Rothschilds, the Peabodys and all their English and continental connections looked with longing eyes toward this country. Morgan