

Big Fortunes, How They are Made.

Henry Clews Tells How Money is Made in Wall Street, and Senator Teller Chats of the Great Gold Finds in Colorado.

A Golden Era Predicted by Clews—He Tells How It First to Last Millions—Discusses Wall Street Moves and Names the Five Richest Men of the United States—What Teller Saw at Cripple Creek—The Wonderful Fortunes and Independence Mines, Which Each Took Out Half a Million a Month—How Dan Shuffelt Made a Fortune and Some Stories About Him—Some Fortunes Made by Luck and Some by Chance Which Senator Teller Tells.

Special Correspondence of the News.
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HILE IN NEW York the other day I dropped in for a few moments at the office of Henry Clews, and had a characteristic chat with him about money matters. Mr. Clews is a 45-year-old, hawk-like Wall street speculator at twenty-two, and he is still in the swim at sixty. He has known intimately all the great operators and fortune-makers for the past thirty-five years, and has had his troubles with most of them. He has made and lost millions, and he is said to be worth millions today. He is still one of the most energetic men on the street, and you would never suppose that he has reached three-score. He is as bright as a silver dollar fresh from the mint, and talks in the quick, jerky way of the business man of his time. I asked him first as to the times. He told me that property had come to stay, and that we were on the upgrade of financial good times. Said he:

GOOD TIMES COMING. "I expect to see the times improve steadily from now on. We are going to have a period of gold inflation, and the golden era is about to come. We will produce more than two hundred million dollars' worth of gold in the world this year, and the greater part of this will go into circulation. There are new gold fields being discovered in all parts of the world, and the probability is that the output will increase rather than diminish. Now, the big countries of Europe have been hoarding gold for some time. They have their strong boxes recently full in preparation for possible wars in the future. They will hoard no more, and the surplus from now on will go into circulation. There will be a billion

dollars' worth of gold thrown into the world's circulation during the next five years, and this will create at least a billion dollars of credit money. The result will be a gold inflation and the prices of everything will rise.

"Will there be a panic at the end of it?" "Yes, the panic will come sooner or later. Prosperity and the reverse come in waves, and we are bound to have our ups and downs just about every five years.

HOW ABOUT INTEREST RATES? Have they not got to the bottom?" "No, I think not," replied Mr. Clews. "Interest is falling and will probably fall. The low rate of interest depends upon credit. Our government has such good credit that it can get money very cheaply. It is so with our business men. They are known to be good, and every one wants to lend to them."

MONEY IN WALL STREET.

"How about Wall street? Is there as much chance to make money as there has been in the past?" "Yes, every bit. Men are making money here now. Successful Wall street speculators are born, not made. They come into the street, and by industry, energy and practical common sense make fortunes."

"What are the elements of a successful Wall street speculator?"

"The chief thing is to know a good thing when you see it, and to act upon it the moment you know it. A successful man here has to know the country. He has to study the markets, and to be able to reason and think for himself. He has to be careful in his habits, and see that his brain is in good condition. If his vital force goes out in dissipation of any kind he can't use it here, and I can tell you, he needs vital force here."

THE SYSTEM FOR WALL STREET GAMBLERS.

"In Monte Carlo, Mr. Clews, where real gambling goes on, there are numbers men who have systems which they think will beat the game. Is there any system by which a Wall street stock gambler can beat the game?"

"No, I think not," replied the old broker. "Men with systems come here by the scores. They invariably fail in the end. You can't play Wall street on a system."

"How does a presidential campaign affect Wall street?"

"It is a bad thing," replied Mr. Clews. "Bad for the speculators, bad for the brokers, and all around. People get interested in the different candidates. The bankers

and brokers are appointed on committees, and they devote time to politics which they ordinarily use in the street. Both Wall street and the people lose a great deal during a presidential campaign."

THE RICHEST MAN IN THE UNITED STATES.

"Who is the richest man in the United States, Mr. Clews?"

"I believe Cornelius Vanderbilt stands at the head," was the reply. "He has at least one hundred million dollars."

"Let me see," was the reply of the broker, as he held up a delicate white hand, and began to count on his fingers, beginning at the little one. "There is Cornelius Vanderbilt first. William H. Vanderbilt second. William Waldorf Astor, the fortune of Jay Gould, and lastly, that of John Rockefeller. Each of these is worth from fifty million to a hundred million dollars, and together they represent an enormous amount of money."

"Are not these three large fortunes dangerous to the United States?" I asked. "Don't you think that we are liable to have a society of the rich and one of the poor if we are not careful?"

"No, I think not," replied Mr. Clews. "The only way these fortunes have been kept together is by a system of entail. The Vanderbilts have given this to the eldest son, and the Astor millions are kept together. The rule is that rich families seldom last their estates many years after four generations. That may be called the life of a fortune. We have no law of entail, and the money going to the eldest son, and the money going away with the fortunes of the elite rich."

WALL STREET MONKS.

"How about the honor of Wall street? Some people think that the bankers are disengaged men to deal with?" "I don't believe that there is a place in the world where honor is worth more and held at a higher rate than right here. Millions are made and lost here every day without a scrap of writing connected with the contract. A nation of the hand will show enormous respect for a list which makes or loses a fortune. Other professions have no idea of such methods, and the worst brokers here, so high a sense of honor as the most of any other class in the world."

HOW IT FEELS TO HAVE MILLIONS.

"You were worth five million dollars, Mr. Clews, is that when you suspended. It must be awful to lose millions. How does it feel?"

"It feels so bad," replied Mr. Clews, with a shudder. "That I don't like to talk of it. I don't want to think about it. Why, I lost two millions and a half in one clip at that time. It was in Georgia bonds. You know, the state repudiated, and I could do nothing. I got up, however, but I don't want to go through such an experience again."

TALKING OF CRIPPLE CREEK.

"Speaking of Mr. Clews' belief of there being a good era at hand, I had a chat the other day with Senator Henry M. Teller about the rich Cripple Creek gold mine of Colorado. Cripple Creek has just luck of Pikes Peak. It is, perhaps, the best gold region in the United States today. Senator Teller had just come from the mines when I saw him."

"A wonderful gold development is going on in Colorado, and this has practically changed the condition of the state. We seemed to be on the verge

of ruin in 1893 through the fall in the price of silver. Now the financial situation has changed, and all the clouds have golden linings. New mines have been discovered at Cripple Creek, and we have some rich gold mines at Camp Creek and Fairford. The Cripple Creek mines are turning out gold at the rate of twenty-eight to ten million dollars a year. I visited two of the greatest mines there during my stay. In the Portland mine I found millions in sight, and I am told that the Independence mine is equally good. The Portland mine is turning out about \$15,000 worth of gold a day, or more than half a million dollars a month. It costs very little to get the gold out. The average is less than twenty-five cents an ounce, and an ounce of gold is, you know, worth more than \$20. Nineteen dollars and twenty-five cents is a good profit out of twenty-five cents, isn't it?"

COLORADO RICH MEN.

"Yes, it is," said I. "I suppose the most of this money goes to the east?"

"No, it does not," replied Senator Teller. "It has been in Colorado for years. It would not run for a long time take any stock in the gold discoveries, and Colorado must be developed the mines themselves. This is what I want. I want to see the state develop itself and get the profits. We don't want a lot of money going in the west and returning only the body of Colorado. We are practically independent. Colorado has all the gold in the world, and the people do not want any silver. We can give them gold. If they don't want gold we will give them coal, and if they don't want coal we have got enough petroleum in the state to last many of the eastern states. The gold discoveries have filled the Colorado banks. I heard not long ago from Colorado banks. My letter stated that there was more than a million dollars of Cripple Creek gold deposited in its bank vaults. I have a receipt statement from one of our banks in Denver. It had a half million dollars capital and its deposits now amount to more than seven millions of dollars."

THE COLORADO ERA.

"Do you think this gold output will continue to increase?"

"I don't know why it should not," replied Senator Teller. "Some of the mines which I saw had enough gold to last to keep them busy for years, and new mines, as I said, are being discovered. There is a great increase in the world's gold product. It would amount to about \$500,000,000 annually. It is now going on at such a rate that it will amount to more than \$200,000,000 a year, and I will not be surprised to see it increase to \$300,000,000 a year. Such an increase will surely raise prices and silver will go up. I do not, however, believe that this will make immediate good times. Capital is tight. There are few new fortunes being started, and it will be, I think, several years before we see a substantial change in the financial situation."

"Speaking of the Cripple Creek mines, Senator, who are the men who are making the most money out of them?"

"There are a number of men who are realizing fortunes," replied Senator Teller. "Among other persons who have valuable property is a man named Strain. He owns the Independence mine, which is now turning out a half million dollars every month. I venture to say he can clear that much a month. Some of his ore is so rich that it can be taken out at an expense of 10 cents an ounce, and I don't suppose that it costs

him more than \$25,000 monthly to operate the mine. I was told when I was last in Denver that he had then \$200,000 on deposit in a Denver bank."

"We Stratton is a rich man to start with?" I asked.

"No, I believe not," replied Senator Teller. "He came west poor and struck it rich at Cripple Creek. It was the same with one of the owners of the Portland mine, which I told you was also turning out a half million dollars a month. He was a plumber a few years ago, and was working for a few dollars a day."

GOSPEL ABOUT MONEY.

"How about David H. Moffatt, Senator?" I asked. "He is also a self-made millionaire, is he not?"

"Yes," replied Senator Teller. "When I first knew David H. Moffatt he was running a little book and stationery store in Denver. He came west from Omaha, I think. He left the book store to be cashier of a bank, and his money-making ability was such that he was soon able to buy a majority of the stock of the bank, and became its president. I don't mean that he did anything not strictly honest, but he is a natural money maker, and he has always been successful."

"What is Mr. Moffatt worth now, Senator?"

"I suppose he is worth anywhere between ten and fifteen million dollars," was the reply. "He is so rich now that he can't be making money. He may have a little here and there, but he is content to come out on top. Why, just long ago he had to take a pump for a debt of \$10,000. He put money into it and developed it, and now that mine alone he has a fortune of a million. He is now interested in mines all over Colorado. He owns railroad and other stocks, and he is one of the boldest operators of the west. He has large interests at Cripple Creek."

HIS EXPERIENCE WITH A TRAIN.

"What kind of a man is Moffatt, Senator?" I asked. "You remember how a tramp scared him into a prevent of \$25,000 with a little bottle of water?"

"It was not water," replied Senator Teller. "It was a bottle of sweet oil. I have talked with Mr. Moffatt about it. He was sitting in his back room of his bank in Denver one day, when a wild-eyed looking fellow entered. He seemed to be desperate and he was. After a few moments' talk he pulled a little bottle out of his pocket, held it up before Moffatt and told him that it contained poison. He said that if he did not have some money, and that Moffatt could choose between giving it to him and being blown to atoms. He told Moffatt that he was bound to have \$25,000, and that he would drop the bottle on the floor and blow himself, Moffatt and the bank into eternity. Mr. Moffatt looked at the man. He did not know whether he was telling the truth or not, but he decided that the risk was too great and that he would oblige the man. He told me that he thought the man could be caught after he had gotten the money and shared out of the bank. Well, he walked to the cashier's desk, and for the \$25,000, got it and handed it to the man, who took it and ran out. Moffatt was too late and he was never caught. The incident was rather a humiliating one to Mr. Moffatt, but the money lost was nothing to him. Any sensible man would have done the same. You see

you can't calculate very closely as to whether a man's pistol is loaded, when the cork is raised and the man has his finger on the trigger. It doesn't pay to risk the pressure of that finger. This was the situation of Moffatt. The bottle might have contained dynamite and might have been as dangerous in its explosive power as the bomb which was thrown at Russell Sage. He was wise in not risking it."

HOW SOME FORTUNES WERE MADE.

"I suppose big fortunes are often made in Colorado by chance, are they not, Senator? Mining is to a large extent a matter of luck."

"Yes," said the Senator. "Luck has a great deal to do with it. It takes luck, brains and nerve. I bought a mine once for about \$25,000, and I made \$50,000 out of it. I had a chance to go into another lot \$25,000. I would have had to borrow money to do so, and I was afraid of it. This was for a three interest, and within a short time the mine was sold for about \$20,000. I would have made nearly \$50,000 out of my \$25,000, but I had not at that time the nerve to risk it. The same fellow who asked me to go in with him to buy that mine have lately made a big strike at Cripple Creek. They bought a mine and stuck it on the back of five cents a share to raise the \$25,000, which they needed to develop it. The face value of the stock was \$100,000 at the start, and it cost those who went in only 5 cents on the dollar. It is now worth more than \$1,500,000, and every 5 cents put into it has risen to a value of from \$2 to \$5. I asked one of the owners why he did not take me in when the stock was down at 5 and 10 cents. He replied that he did not know that it would amount to anything, and he feared to offer it to his friends. One of the present Congressmen from New York got a block of stock in it but it costs a share."

MUCH OF LUCK AFTER ALL.

"Yes," continued Senator Teller. "This matter of fortune making is to a large extent a matter of luck. I know, for instance, of a mine which was paid a few months ago and which is now paying a big dividend. It was discovered in Idaho and the prospectors capitalized it at \$500,000. They wanted \$50,000 cash to open it up, so they took \$25,000 of the stock for themselves and sold the remaining \$25,000 at a credit. A share in it got the 35,000 to open the mine. They came to Denver to get the money. One of the prospectors knew Gov. Grant and one of our capitalists. Both of these men were out of the city, and not knowing where to turn the prospector went on to Ohio, where he finally succeeded in placing the mine at Youngstown. He brought back his \$25,000 and began to work. The mine paid at once, and it is now giving 10 per cent dividends on the face value of the stock, realising, in fact, more than \$500,000 a month. Had Grant been in Denver he would have bought the mine and luck in this case directed a fortune to Ohio. Take my own case. I am out a rich man and still I have just a couple of hundred thousand dollars by not being in Denver at the proper time. A friend of mine came into my office to ask that I buy his mining property. He told my partner that he was willing to give me the option on it for thirty days at \$25,000. Had I been in Denver I would have jumped at the chance, for I knew that the property was worth several times that. It was out in the country, however, and the man could not wait. He handed it over to another party and

within three weeks it was sold in Chicago for \$250,000, the other party clearing just \$50,000 out of the sale."

Frank G. Carpenter.

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