

AMERICA'S RAILROAD KINGS AND THEIR VAST COMBINATIONS.

It is both consoling and encouraging to the men most prominent in the field of vastest operations today, that field being the great territory traversed by our railways, at least one-half of them made their own fortunes and forged ahead almost unaided, except by that best of partners—opportunity. They seized fortune by the forelock and hung on until she rewarded them with riches and power.

There are uncrowned kings in America today, even in this greatest of republics; there are leaders of armies and forces, fighting desperate battles and winning tremendous victories, even though our country is at peace with all the world. There is going on at this moment one of the greatest battles, by which control is sought of transcontinental traffic between the Atlantic and the Pacific. It is a battle of giants, the field of operations a continent, the rewards of the victors riches "beyond the dreams of avarice," and power not possessed by Alexander, by Frederick the Great or by Napoleon.

When the railroad managers found themselves blocked by a decision of the supreme court in their schemes for controlling the traffic of the United States, they merely changed their tactics and combined under another banner, upon which was inscribed instead of the defunct "Joint Traffic Association" merely "community of interest." It was an idea, however, and not in so many

brother Cornelius died, when it was recalled that his father had educated him with the particular vocation of a great railway manager ever in view. He had passed through all the various grades of routine work, in which he was thoroughly drilled, until he had obtained a complete mastery over the complicated and responsible duties of the life his father had in mind. It is admitted by all that W. K. Vanderbilt possesses in a marked degree all the great qualities of his father and grandfather, along with their sharp perceptive faculties and decision. He was born Dec. 12, 1819 and hence is not yet 82. He is philanthropic, travel-

The railway mileage owned and controlled by the New York Central system, aggregating 13,556 miles and including the Lake Shore and Michigan Southern, the West Shore, the Delaware, Lackawanna and Western, and the Chicago and North Western, was further increased by the addition of the Boston and Albany, while the New York, New Haven and Hartford, with its 2,600 miles of track, in sympathetic hands, gave the Central and Pennsylvania practical control of all the East, the Boston and Maine system, with 2,241 miles, being then at their mercy.

In order to completely control the At-

the Pennsylvania alone securing the Norfolk and Western.

But absolute control over all the great southern roads was not acquired without the co-operation of another magnate who though not generally known as a railway man, held in his hands the guiding reins to more iron horses than were possessed either by the Central or the Pennsylvania. This driver of iron steeds was none other than the great banker, Mr. J. Pierpont Morgan, whose success in consolidating various lines and combining diverse interests has given rise to the saying that he not only reorganized them, but "re-Morgan-

of \$10,000,000 at his death and grandson of the poet Pierpont, whose name he bears, Mr. Morgan belongs to the aristocracy of society and wealth by right of inheritance. He is a dominant figure in the world of finance today, having been the means of bringing out from hiding more capital for investment in speculative undertakings than any other man in existence. He is all powerful, and he knows it. His word is law wherever spoken, and to say that it is as good as his bond is to state a truism accepted throughout the realm of plutocracy. As an intelligent thinking machine he is perfection, being mechanical

the main feature of the latter being the Louisville and Nashville, 3,200 miles in length. All these lines, then, in the aggregate about 65,000 miles, are held by Vanderbilt, Cassatt, Morgan and Belmont. They comprise quite one-third the total railway mileage of the United States, and another third is practically controlled by the remaining five members of the band of nine already mentioned.

It has become imperative that the eastern and southern roads make also such connections as shall constitute at least two transcontinental lines between the Atlantic and the Pacific. They controlled all the Atlantic seaboard and connections with Chicago,

which sent so many roads and their managers to ruin.

It may be said that Harriman's great success dates from 1892, or only eight years ago, but today he is said to control as many millions of dollars as to the fore again in another business combination, this time composed of Hill, Harriman and himself, the great banker for some of the early deals and the other called attention to Harriman's exceptional ability the year before he died, but long after his death this young man would have control of the great Southern Pacific, which he had been instrumental in creating. The control of this complete supremacy, and his friends not only from New Orleans to San Francisco, but easterly from the terminus to Ogden, where it meets the western terminal of the Union Pacific, the new "Colossus of roads," then, the astride the transcontinental railway, a system so necessary to the great East of the coast and was absolute master of the situation. Now, the kings of the east must treat with him if they want to extend their lines from coast to coast, and rumor has it that the recent phenomenal fluctuations in the recent railway stock were owing to a battle royal between Harriman and his friendly rival, ending in a new deal around.

Mr. Harriman's rise has been so sudden that he is probably less known than any of his brother millionaires outside the immediate circle of his friends and fellow manipulators. He is, however, known for his indirect contributions to science, in the celebrated expedition to Alaska which he fitted out less than two years ago, and as a thick-skinned scholar. He resides most of the year near Tuxedo, N. Y., and his 15,000 acres in extent, are famous. His friend Hill, he has a hobby in blooded stock, the Harriman horse being as celebrated in their way as the Hill's bulls. The headquarters of Mr. Harriman's railroad systems, with nerves ramifying the country, is at 12 Broadway, New York city.

Hand and glove with Harriman in his vast transactions is his friend, Mr. Jacob H. Schiff, who was born in Frankfurt-on-the-Main in 1847, coming to the country a poor boy in 1855. He became a member of the banking firm of Kuhn, Loeb & Co., in 1871 and married a daughter of Mr. Loeb. The names of Harriman, Schiff and the firm of which the latter is a member are usually linked together in transactions involving the great railroads of the middle west, and one can make a shrewd guess as to whence the capital is drawn. Mr. Schiff is well and favorably known as a philanthropist, and especially as a donor to great Hebrew charities, to which also he devotes much valuable time.

The seventh great group practically controlled by one man is the southwestern system. The man is Mr. George J. Gould. This system comprises the Missouri Pacific, with more than 1,000 miles; the Texas Pacific, the St. Louis and San Francisco, etc., besides the Wabash, the Rio Grande and Western and the most recent acquisition, the Denver and Rio Grande—in all nearly 14,000 miles.

The Missouri Pacific, as all "old timers" know, was the pet project of late "Wizard of Wall street," George Gould's father, who is said to have seen it as "a sort of plucking," to see what he could do with it. Under his wonderful management it rapidly developed tributary lines and branches and opened new regions to settlers and new coal mines to prospectors, resulting in the vast Missouri Pacific system of today. And even as his father improved the first railroad he owned—the Rutland and Washington—George Gould has extended and expanded the Missouri Pacific. It was his father's injunction to maintain credit at any cost, and he has done it, as the noteworthy advance of Missouri Pacific stocks from less than 60 a year ago to above par within the past month conclusively proves.

Brought up under his father's training in every detail of railroad management, George J. Gould is probably better equipped than any other man in the United States for carrying on his gigantic projects with far-reaching ken. It may be remembered the Vanderbilt system that it is harder to keep a fortune than to make it, but he has nevertheless greatly increased the millions left by his father, and at the age of only 31 he stands far ahead of his honored parent in the matter of accumulated wealth and extensive operations. At Gould used to say of him that George had never failed to meet in exactly the right way every responsibility and that there had not been a single act he had done on his own judgment which was not precisely the right thing to do.

The Standard Oil interests, so far as railway affairs go, are represented by Mr. William Rockefeller and are entirely in sympathy with Mr. Gould and the Harriman syndicate, so the deal of both will in all probability receive the sanction. Mr. Rockefeller's influence is apparent in the Missouri, Kansas and Texas railway and allied lines, as also in the Chicago, Rock Island and Pacific, the Chicago, Milwaukee and St. Paul and the Chicago Great Western.

Important links in a prospective transcontinental combination, at the present writing independent of syndicate control. There are some 3,000 miles of so-called independent railroads forming an element large enough to be treated with respect by the syndicates. The biggest of these is the Atlantic, Michigan and Santa Fe, with nearly 8,000 miles and a Pacific outlet running through a region rich in natural resources. This great system in the Atlantic yet hold the balance of power in the transcontinental combination westward from the Mississippi.

In the south is the Vanderbilt-Pennsylvania-Morgan-Belmont hybrid system, which continues the Vanderbilt-Pennsylvania system, with Cuban steamship connections, which is yet independent, while various shorter routes of unabsorbed exist in different parts of the country.

It would seem from the foregoing that to accept promoters have concluded to accept as their guide Mr. Carnegie's aphorism, "Put your eggs in one basket and then watch that basket." That is the advice of one of the 8,000 capitalists in this country to his fellow capitalists and millionaires in perspective.

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words, that they adopted this rallying cry: by tacit agreement only, and not by formal proclamation. Nevertheless, there was formed another combination just as real as the first and more nearly impregnable, inasmuch as it could not be assailed in the courts. The processes have been going on silently, persistently, making toward a consolidation of railway interests which, in fact, is practically formed. The understanding between the great railway kings is complete, and now there only remain to be arranged the details by which the railroads controlling the United States will be controlled by a comparatively small number of men. The kings of the rails have not told us how they arrived at an understanding, but the handwriting is apparent to one who will study the combinations and cast a comprehensive glance over a map of the United States.

The railways of the United States aggregate a grand total of 130,000 miles, or 20,000 miles more than those of all Europe, including Great Britain. Of this total at least 120,000 miles are now owned or controlled by less than a dozen men, those particularly prominent in their management being J. Pierpont Morgan, W. K. Vanderbilt, George J. Gould, Alexander J. Cassatt, James J. Hill, E. H. Harriman, Jacob H. Schiff, August Belmont, Jr., and William Rockefeller.

These are the uncrowned kings of America who may in the near future rule its commercial destinies, though it is an important and perhaps significant fact that no one of the number has been prominent in politics or has shown a desire for political preference.

There was once a poet who is said to have remarked that he cared not who made the laws of a country so he wrote its songs. Paraphrasing his aphorism, it may be said that the aforementioned nine care not who makes the laws of the United States so long as they may rule its railroads. Of these nine individuals pre-eminent for their sagacity and penetration at least five were unknown quantities a few years ago, three belong to second generations of American millionaires, and one—Vanderbilt—represents the third generation that has grown powerful by the application of genius to the management of affairs pertaining directly to railroads.

To Mr. W. K. Vanderbilt is credited the "community of interest" idea, or, in other words, the benevolent assimilation of such railroads as he and his friends did not control but needed. In order to regulate the traffic of the continent, his connection with the New York Central and Hudson River system, which his grandfather, the great "Commodore," built up from next to nothing and made one of the most valuable properties in the world, is too well known to require more than mention. His great talent as an organizer was hardly suspected until after his

ed and educated, with excellent taste in architecture and art. With his social life we have nothing to do, but in whatever society he moves he is a marked and brilliant figure. Genial and winning, he is silent and even taciturn when it comes to business affairs, his great moves being made with discretion and accuracy and only known by their results.

Having carried the Central to the highest pinnacle of perfection, Mr. Vanderbilt looked about him for some new railway world to conquer and cast a lingering glance upon the vast Pennsylvania system. This magnificent property was too prosperous, too firmly entrenched, too ably managed, to be had for the asking, but its stock was in the market, and so Mr. Vanderbilt bought great blocks of it. When the Pennsylvania management found out what he was doing, they wanted an explanation, in effect it was this: That by co-operation the Central and the Pennsylvania could in great measure control traffic between the Atlantic seaboard and the Mississippi valley. This admirable theory, which was practically advanced in the nature of a proposition, struck the Pennsylvania president, Mr. Alexander J. Cassatt, so favorably that he recommended it to the Pennsylvania management and bought big blocks of Central

and Ohio, with its more than 3,000 miles of tracks. These little morsels were well within the capacity of the Pennsylvania to digest, and the "deal" ended with a total of more than 18,000 miles, its credit, aggregating with the Central's holdings nearly 38,000 miles.

The personality of the present head of the Pennsylvania system, Mr. Alexander Johnson Cassatt, is in its way as interesting as that of Mr. Vanderbilt. He was born in Pittsburgh, Dec. 8, 1839. He was educated in this country and in Europe, graduating in 1855 as a civil engineer. He was made third vice president of the Pennsylvania in 1874, first vice president in 1880, and in 1899 was elevated to the presidency of the entire Pennsylvania system.

Mr. Vanderbilt and Mr. Cassatt joined forces to the mutual advantage of their respective systems, the Central and the Pennsylvania obtaining joint control of the Chesapeake and Ohio and

lantic seaboard from Maine to Florida. It was only necessary now for the Pennsylvania to absorb either by purchase of stock or by securing dominating influence in directorates, such systems as the Norfolk and Western, the Chesapeake and Ohio and the great Baltimore and Ohio, with its more than 3,000 miles of tracks. These little morsels were well within the capacity of the Pennsylvania to digest, and the "deal" ended with a total of more than 18,000 miles, its credit, aggregating with the Central's holdings nearly 38,000 miles.

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Mr. Morgan held the destinies of several railroads in his grasp at that time and has since increased his controlling interests until he personally dominates more than 20,000 miles. These roads comprise the Philadelphia and Reading, Central of New Jersey, Lehigh Valley, Erie, Atlantic Coast Line, Southern railway, Queen and Crescent route, Mobile and Ohio, Central of Georgia and two or three smaller lines. Thus it came about that, Barks being willing, there was formed the great triad consisting of Vanderbilt, Cassatt and Morgan, who actually hold today the fate of the eastern United States in their hands through their domination of the railway situation.

An estimate of Mr. J. Pierpont Morgan's character and abilities would seem superfluous at this time when his leadership as a general of industry has been so freely exploited. The latest of his great combinations, of capital, the "million dollar steel trust," was so recently launched that this consummate manager of men and consolidator of capital is now as well known perhaps as the president of this great republic. Born April 17, 1837, in Hartford, Conn., son of a banker who left him a fortune

in his habits, as regular as a clock in his hours of labor and yet devoted to certain recreations and hobbies, such as yachting, bric-a-brac, rare books and flowers. Inexplicable as the sphinx, he is human and companionable among his chosen friends.

Railroads, as the late Jay Gould once said in speaking of himself, are a sort of hobby with him and mere playthings. He understands the complicated workings of their vast systems at a glance; in a moment comprehends their intricate complaints, if they have any, and, like the trained physician, places his finger at once on the special trouble and suggests the remedy.

He is a money maker by instinct, a corner of dollars by nature. A veritable Midas, all he touches turns to gold, and, although he has given much to charity, dispensing millions with a lavish hand, yet he cannot begin to spend his ever increasing fortune.

This is the man who has entered into the combination formed by Vanderbilt and Cassatt for the control of all the eastern and southern roads. In addition to these he directly controlled there were about 6,000 miles in the so-called Belmont-Morgan and Belmont groups,

but beyond the latter point their absolute influence ceased, and they were in a manner at the mercy of the western roads. Then the genius of generalship and combination played by Magellan Morgan was called into play, and he discovered a way for uniting his system and that of the northwest, with a tentative agreement pending with those of the middle west when he sailed for Europe.

Five great lines, the Great Northern, Northern Pacific, Union Pacific, Atchafalaya, Topeka and Santa Fe and Southern Pacific, connect the Mississippi river with the Pacific coast. In the northwest lives a man whose genius for railroad construction and manipulation is indisputable. He is popularly known as Jim Hill. He was born in Canada of Scotch-Irish parentage in 1838, but has lived in Minnesota since he was 18. He was very poor when he went there to "grow up with the country" and was glad of any odd job by which to get an honest living. There was not a mile of railroad in Minnesota. It is said, at the time James J. Hill first went there, but in 1862 this sagacious man got a grip on the first ten miles constructed, and in 1890 the road which he had fostered for years finally reached the Pacific coast. Branching out still farther, Hill leaped across the Pacific to Japan and China and took over silver, cotton, timber, lumber and rails, to be exchanged for oriental products. At this moment he has two big steamers building especially for this trade, each one to be 650 feet long, 75 feet wide and to draw 28 feet of water. They will dock at Seattle, where he has dredged channels 45 feet in depth.

From the humblest beginnings Jim Hill's Great Northern road has grown to be a vast system over 5,000 miles in extent. It has recently accomplished the feat of absorbing another equally long, the Northern Pacific, and yet more recently of annexing the Chicago, Burlington and Quincy system of some 8,000 miles. In all the Hill corporations include a total of more than 18,000 miles and extending from Chicago and the great lakes into the Pacific northwest. So far as this vast territory is concerned, Mr. Hill can make a "trade" with either Morgan or Vanderbilt, or both, for a transcontinental line without a break. His election to the Erie directorate seemed to foreshadow a union with that system, which would result to the mutual benefit of all concerned.

Of the remaining three lines between the Mississippi and the Pacific, two—the Union Pacific and Southern Pacific—are securely held by another man who as a railway organizer ranks with Hill and as a financier with Morgan, yet who has risen from obscurity to fame within a few years. This man is Mr. E. H. Harriman, whose influence is dominant in the Illinois Central, Chicago and Alton and Oregon Short Line, besides being paramount in the two great systems already mentioned. As the son of a poor clergyman in New Jersey he inherited no fortune in lucre, but became possessed by inheritance of a plenitude of brains. Choosing a banker's profession and taking to stocks, he acquired a controlling interest in the Illinois Central some years ago. It was in managing the affairs of the Central that his genius as an organizer became apparent, and he attracted the attention of Mr. Hill, whose powerful influence he has received from the first, until now these two apparently dominate the situation in the middle west and southwest. The "panic year" of 1893 found Jim Hill with the snug little sum of \$50,000,000 saved up for just such an emergency, and both Hill and Harriman tided over the hard times of that year

sume his career as an impresario. His last unfortunate experience in this country did not discourage him, and he still believes that a fortune awaits him and the troupe of Italian singers he intends to bring to the United States.

Benjamin Franklin Newcomer, who died recently in Baltimore, bequeathed \$10,000 to charitable institutions in that city, \$25,000 going to the Home For Orphanas, \$10,000 each to the Poor Association and the Maryland School For the

Blind, \$2,000 to the Little Sisters of the Poor, and \$2,000 to the Society For the Protection of Children.

Professor Robenau, he Berlin electrical expert, who is studying the Transatlantic electric traction to the Transatlantic railroad, states that within ten years one will be able to travel round the world in 22 days.

The King of Siam in his state attire wears jewels to the value of over \$1,000,000.

MEN OF WORDS AND DEEDS.

Cecil Rhodes is an inveterate smoker. He has a strong cigar between his lips all the time he is indoors during the day.

Rudyard Kipling and Mrs. Kipling have sailed for England from Cape Town. Mr. Kipling is again in perfect health.

Dr. Winton Ingram, the bishop of London, makes the third English bishop

to take to the bicycle. The other two are the bishops of Ripon and Colchester.

Charles Noble Gregory, associate dean of the University of Wisconsin, has accepted an appointment to the place of chancellor of the law school of the University of Iowa.

Former Alderman Benjamin James, who died in Boston the other day, was a

direct descendant of Peregrine White, the first white child of English parents born in New England.

President James K. Patterson of Kentucky State college, Lexington, has announced that he will give \$50,000 for a college library in memory of his son, who died a short time ago.

Grand Duke Michael, the heir apparent of Russia, proposes to know something of his country before he is called upon to ascend the throne. He is preparing to make a tour of the empire for the purpose of studying the condition of the people.

The oldest private soldier in South Africa is W. Robertson, who, though more than 71 years of age, is hale and hearty and is doing trench duty. Robertson served in the Crimean war and the Kaffir war of 1873 and wears the medals of those campaigns.

Whitlaw Reid in a lecture to Yale students said, "People who have char-

acter to protect resort too rarely to the law against libel, but those whose character could hardly be injured are the first, under the guidance of lawyers looking for their pay to a share in the verdict, to institute libel suits as a means of speculating on inadvertent errors."

Colonel Mapleson has lately been writing friends in New York that he still intends to return to this country with an Italian opera company and re-