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Number II

CROWN PRINCES OF CAPITAL

MEN WHO STAND IN LINE OF SUCCESSION TO THE GREAT
AMERICAN FINANCIAL LEADERS OF TO-DAY

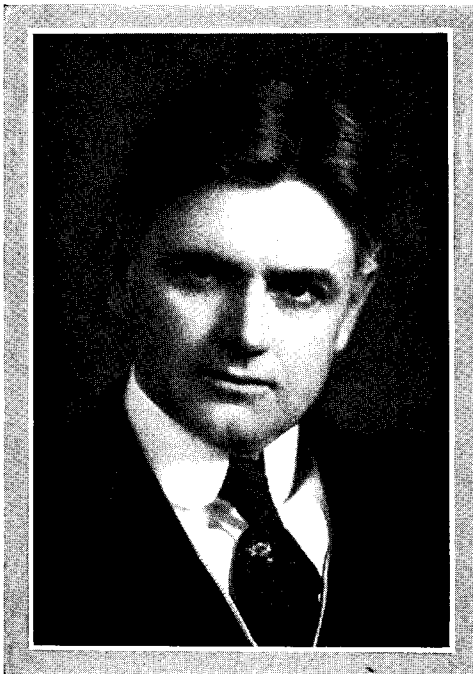
BY ISAAC F. MARCOSSON

WHILE the late Edward H. Harri-
man was riding the high tide of
his power and overlording the
railroad map, men in Wall Street would say
apprehensively:

"What will happen when he dies?"

At this suggestion there arose in the
minds of the timorous the grim vision of
another Indigo Thursday, with frenzy in
the ticker and terror astride the market-
place.

But, as all of us well remember, the



SAMUEL McROBERTS, A WESTERN LAWYER TRAINED
IN THE ARMOUR FINANCIAL SCHOOL, WHO
IS A NEW POWER IN THE NATIONAL
CITY BANK, NEW YORK

From a photograph by Matzenc, Chicago



JOSEPH T. TALBERT, ANOTHER WESTERNER,
ONCE A BANK EXAMINER, NOW VICE-
PRESIDENT OF THE NATIONAL
CITY BANK, NEW YORK

From a photograph by Cox, Chicago

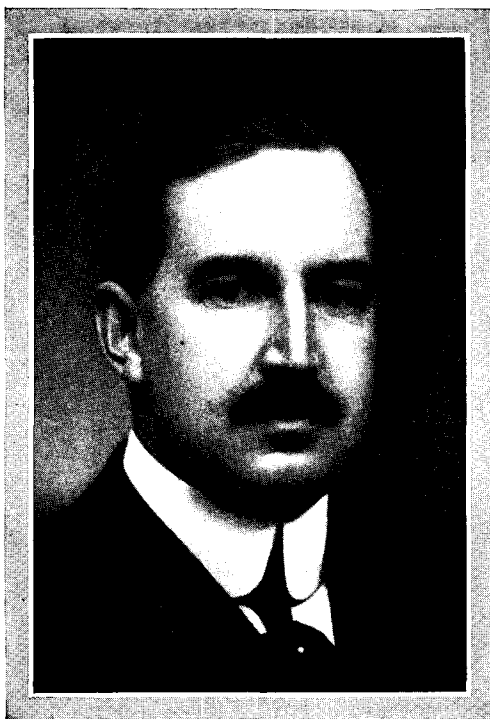
spectacled little wizard yielded to his one conqueror, and no financial disaster ensued. To be sure, the news of his death was not announced until after the Stock Exchange had closed for the day; but had it been known earlier there would have been nothing more than a brief flurry in stocks. Yet the master of the Union Pacific had vaster speculative entanglements than Governor Flower, whose demise precipitated a panic in 1899.

One reason for the comparative serenity that followed Mr. Harriman's passing was that his house was in order; another

—more important, perhaps—was that a man trained in the Harriman school was ready to succeed him. I do not mean that any individual could fill Mr. Harriman's place. That was impossible, for he had created a sphere all his own. The compelling fact is that, although the chief engineer's hand was cold and stiff, the wheels of his mighty machine kept turning; and Wall Street went its way.

What happened on that September day when Mr. Harriman met the inevitable up in the Ramapo Hills will doubtless be repeated when his colleagues in the cabinet of big finance cease their earthly labors. Swift succession will be the order of things, because the mills of business can stop for no individual. The era of "one man power" has gone. Such is the stability of our financial empire, for it is practically death-proof.

Wall Street is the aorta of our corporate existence. Through it courses the life-blood of industry, which is capital. That golden flood must be bulwarked and guarded against even a momentary interruption



GATES W. MCGARRAH, PRESIDENT OF THE
MECHANICS AND METALS NATIONAL
BANK, ONE OF THE INDEPENDENT
INSTITUTIONS OF WALL STREET

From a photograph

of its flow; and hence the necessity of preparing for natural contingencies.

Most of the chieftains who have grown gray in our financial wars are marching on to the time when they must either voluntarily retire or be removed from the scene of all action. J. P. Morgan has just entered his seventy-fifth year; William Rockefeller is only four years younger than Mr. Morgan; James J. Hill is seventy-two; George F. Baker is seventy-one, and Jacob H. Schiff is well on in the sixties.

Of all the militant multimillionaires, only three really and truly

retired of their own accord. John D. Rockefeller forsook business cares when he was sixty-four, Andrew Carnegie when he was sixty-five, and Thomas F. Ryan at fifty-six. James Stillman, at sixty, is only nominally out of harness, because he still keeps a firm rein on his far-flung interests.

The royal mantles of all these men must fall on other shoulders. Who, then, are the crown princes of capital?

FINANCIAL CAPTAINS OF TO-MORROW

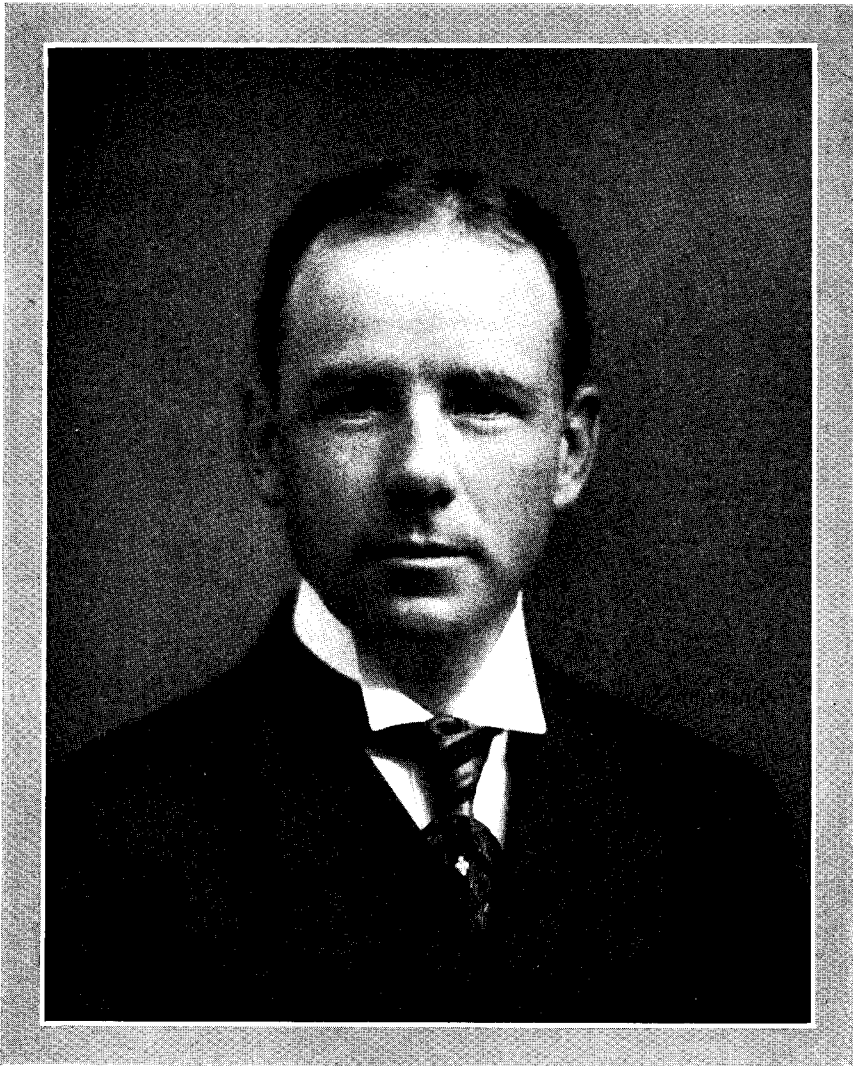
Run over the list of the inheritors of financial purple, and you encounter some interesting surprises. You will find among them no Vanderbilt worthily equipped to renew the prestige of his house; no Astor to take a leader's place as the wielder of our greatest hereditary fortune; no Gould to sit with authority on the money throne. Instead, newer names—the names of self-made men—dominate the roster of the Wall Street rulers of to-morrow.

Before going into the specific stories of these men, it might be well to point out the new conditions which will mark their

reign. They will face regulations unknown to their predecessors of other dynasties.

For one thing, there can be no more of the rough-shod overlordship that marked Mr. Harriman's absolutism. The people have put limits and restraints upon the exercise of economic power, and such institutions as the Interstate Commerce Commis-

for his stewardship of wealth and property. This grows out of the fact that within the past five years we have begun to be a nation of small investors. The securities of our great corporations are more widely held than ever before. The result is that we are slowly but surely reaching a time when the huge backwaters of capital will



THOMAS W. LAMONT, ONE OF THE TWO NEW PARTNERS OF J. P. MORGAN—MR. LAMONT GRADUATED FROM JOURNALISM INTO FINANCE, AND HIS CAREER IS A BRILLIANT RECORD OF ACHIEVEMENT

From a photograph by Puch, New York

sion and the various public service boards have set up tribunals to curb corporate abuses. The magnate of to-day has a larger responsibility than formerly because he is more directly answerable to the public

be the reservoirs of accumulated savings. As this condition develops, we shall be less and less at the mercy of the manipulator.

While these safeguards check the dan-

gerous ardor of self-seeking ambition, they do not render the country completely immune from the depredations of financial buccaneers. Our national credit and business character depend largely upon the quality of Wall Street leadership. Therefore, it is of the utmost importance for the country to know just what manner of person these coming captains of capital are.

Some have served long apprenticeship at high courts in the kingdom of wealth, and are already well known; a few bear names that for generations have been synonymous with financial rule; others are just coming into their own. Together, they form a gallery of conspicuous achievement, fascinating because its figures play with mighty issues, and have for their dazzling stake the worldly thing men set their hearts

upon. When the gilded touch is combined with youth, the interest is doubly keen.

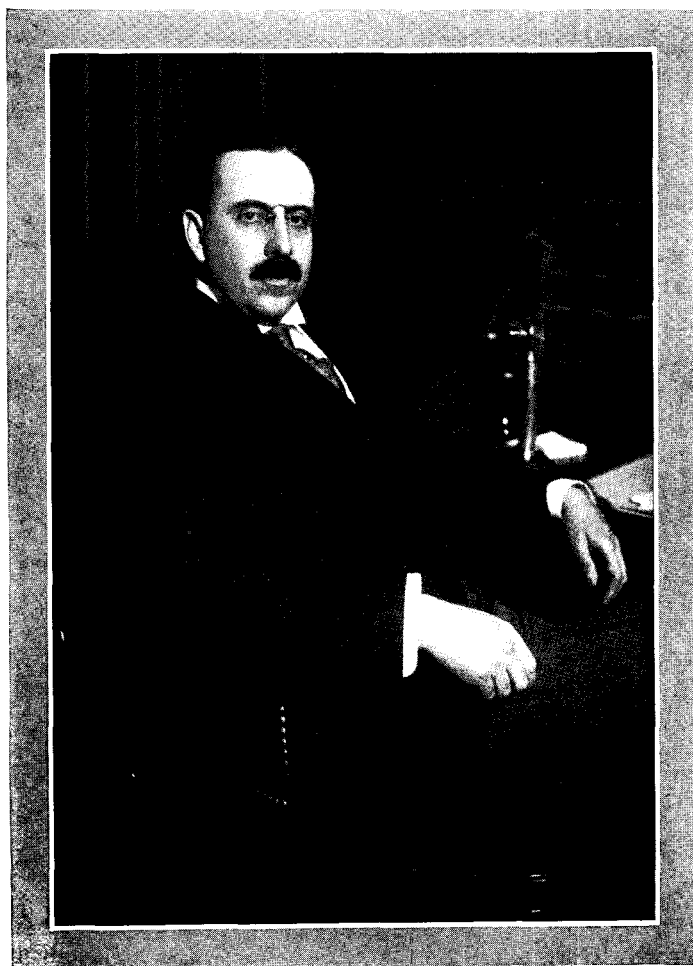
Let us now see who these men are.

THE STORY OF HENRY P. DAVISON

Many people think that financiering is a sordid and prosaic proposition, quite forgetful of the fact that it is the bone and sinew of empire-making, and that now and then it projects a romance as thrilling as any chapter of martial conquest. The records of the new masters of wealth are studied with stories of swift and dramatic success, but none is quite so picturesque or significant as the one which reveals the rise of Henry P. Davison, one of the heirs apparent to our most princely power.

Back in the eighties, a beardless boy trudged every morning and night through the streets of Troy, Pennsylvania, to and from a small bank where he was employed as a clerk. He was keen-eyed, conscientious, and very ambitious. New York drafts often passed through his hands, and on the ledgers over which he toiled there sometimes appeared the titles of the great institutions of Wall Street. Once he transcribed the name of J. P. Morgan. It is a curious coincidence, but from that time on a big vision haunted this boy's mind.

Then, as now, the Morgan name was magic. In banks, large and small, all over the United States, thousands of young men had hopes of an aideship to the grizzled field-marshal of American finance. Association with him spelled prestige and fame. To this boy, dreaming in the little Pennsylvania town, there came the ambition some day to have his part with Morgan in the drama of money.

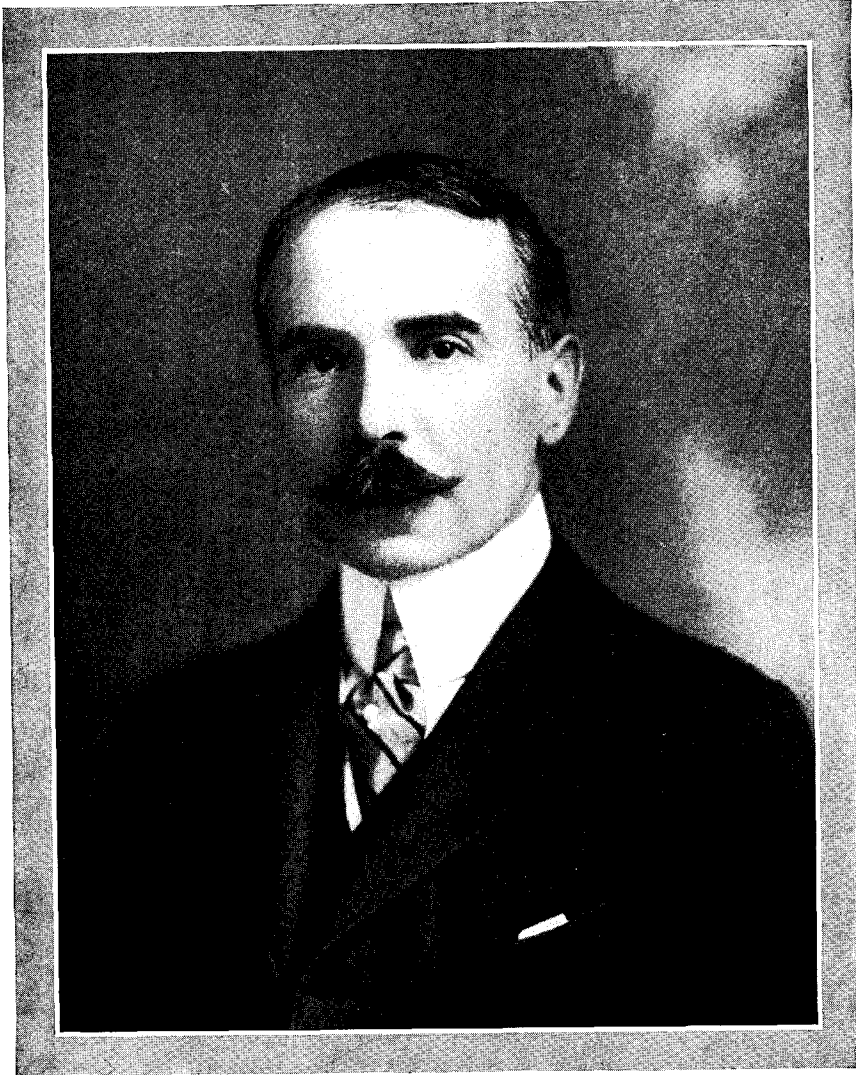


ALBERT H. WIGGIN, PRESIDENT OF THE CHASE NATIONAL BANK, AND A STRONG LINK IN THE MORGAN CHAIN OF FINANCIAL POWER

From a photograph by Brown, New York

In time, young Davison was receiving a salary of three hundred dollars a year. Although he was barely twenty, he had risen as high as he could go without encroaching on the functions of the owners of the bank; so he decided to go to New York. There was the heart of the banking

leaped when he stood at the corner of Broad Street, and saw the modest five-story building with the words "J. P. Morgan & Co." over the door. To him that building was a financial fortress. Every day, between his efforts to find a job, he came back to look at it.



OTTO H. KAHN, MEMBER OF THE FIRM OF KUHN, LOEB & COMPANY, AND ONE OF
THE FUTURE KINGS OF THE STREET

From a copyrighted photograph by Pach, New York

world; there was the beckoning house of Morgan.

He reached the greater city with forty dollars in his pocket. He had no introductions; he knew nobody. He walked over to Wall Street, and was amazed to find it such a narrow and crooked thoroughfare. His heart

He soon found that positions were not easily obtained in New York. His funds began to grow scant. He bethought himself of an old friend from Troy who was now employed in the Pequannock Bank at Bridgeport, Connecticut. Part of his small remaining surplus was spent in going up to

see this friend, whom he solicited for work. He was told that he was too young.

"Give me a chance," said Davison, "that is all I want."

The friend gave him a trial, and the new clerk speedily proved his worth. Here, as elsewhere, he followed a definite policy, which was to master his own task speedily and equip himself for the position just ahead. When you sum up his career in finance, you find that it has simply been a big dramatization of this idea.

He soon became invaluable; but Bridgeport was a small place, and his ambition was to be in New York. One day he read in a newspaper that Francis L. Hine was organizing the Astor Place Bank in New York. It was a long chance, but young Davison decided to try it. He came to the city, sought out Mr. Hine, and was promptly told that a man with New York experience was required.

Davison returned to Bridgeport, disappointed but not discouraged. In a week, however, he had returned to Mr. Hine, and once more sought a place, and again the banker insisted upon a New York training.

DAVISON'S START IN NEW YORK

Now comes a characteristic Davison performance. For a third time he made the trip to New York, determined to land a job. Mr. Hine had left his office and gone to his home in Brooklyn. The young clerk followed him there, and after apologizing for such an intrusion, said:

"Mr. Hine, I simply must have that position. I cannot get New York training without getting a start in New York."

Mr. Hine sized up the stocky, determined lad—for he was scarcely more than that—and said:

"The only way I can get rid of you is to hire you!"



CHARLES H. SABIN, VICE-PRESIDENT OF THE GUARANTY TRUST COMPANY, AND DOMINANT IN THE GREAT GROUP OF TRUST COMPANIES UNDER THE MORGAN WING

From a photograph by Brown, New York

Thus Henry P. Davison got his start in New York. The next week he was sitting on a stool in the Astor Place Bank, adding up figures.

At this point it is worth dwelling for a moment on the pranks of destiny. The meeting between these two men was fateful, for each later led the other to high station. It was through Davison that Hine became cashier of the First National Bank, and subsequently it was Hine who suggested Davison for the vice-presidency of the institution.

In less than a year, young Davison was paying-teller of the Astor Place Bank.

An episode of those days shows his resource. As he sat in his cage, a man poked through the window, with one hand, a worthless draft for a thousand dollars, and with the other a pistol.

"I want this money, or you are a dead man!"

In a flash the teller sized up the situation. Here was a lunatic, and to refuse him probably meant death. Instantly, and very calmly, Davison replied:

"How do you want the money?"

"In small bills," said the man.

Davison cautiously ran his eye over the counting-room, and saw a husky porter coming toward his window. He pretended to count the bills until the porter got within range, then he called to him, and in a moment the maniac was overpowered.

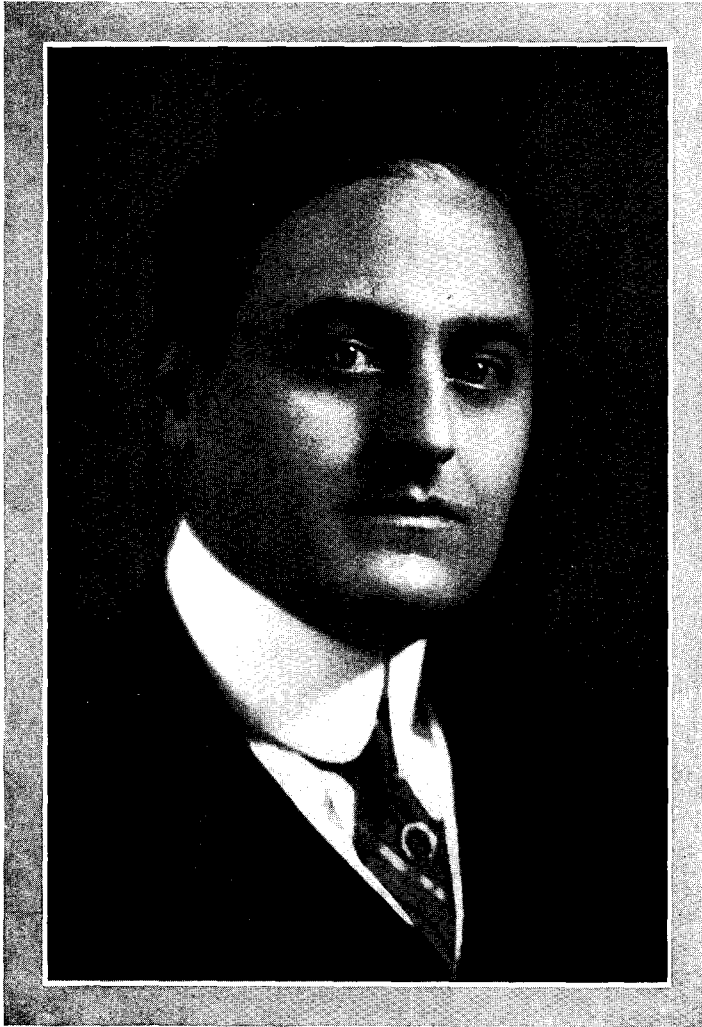
This ability to keep his head in emergency aided in his progress. In 1894, when he was twenty-nine, he was made assistant cashier of the Liberty National Bank, and within a year he was the bank's virtual head. From the Liberty, he went to the First National as vice-president, and it was here that his first big spectacular opportunity came.

The year 1907 arrived with a devastating panic. Most of us remember how, in

those stirring and soul-trying days, all old financial feuds were forgotten, and how day after day the money captains met in Mr. Morgan's library, devising plans to stem the tide of disaster. It was in these councils that Mr. Davison impressed his genius upon the old leaders, and his wisdom and foresight were much in demand.

up Mr. Davison. He said nothing, but on January 1, 1909, when the first vacancy occurred among the Morgan partners, the young man who had come to New York from a Pennsylvania village twenty years before was called to the desk.

Thus, at barely forty, he had realized the golden goal, and his career since that



MORTIMER L. SCHIFF, SON OF JACOB H. SCHIFF, AND A CROWN PRINCE OF CAPITAL IN MORE THAN NAME

From a photograph by MacDonald, New York

Here, too, he came into intimate contact with Mr. Morgan, who, besides being a connoisseur of art, is also a rare judge of men. The First National is the great Morgan bank. Mr. Morgan is a director, and frequently attends board meetings. This gave him additional opportunity to measure

time has been such as to justify Mr. Morgan's confidence. He has been assigned to practically every important foreign mission of his firm within the last two years. He consummated the delicate negotiation which ended in Mr. Morgan's acquisition of Mr. Ryan's stock in the Equitable. He brought



CHARLES D. NORTON, WHO HAS BEEN SUCCESSIVELY INSURANCE AGENT IN CHICAGO, ASSISTANT SECRETARY OF THE TREASURY, SECRETARY TO PRESIDENT TAFT, AND WHO IS NOW VICE-PRESIDENT OF THE FIRST NATIONAL BANK, NEW YORK

From a copyrighted photograph by Harris & Ewing, Washington

about the great merger of trust companies under the Morgan wing.

Nothing is more symbolic of Mr. Davison's high place among the financial powers than the fact that within the year he has moved his desk alongside that of J. P. Morgan, Jr., and thus he may be said to occupy the outer chamber of the throne-room. Here he can sit and see the seething tumult of Wall Street, flanked always by the marble portals of the Stock Exchange.

When you come face to face with Mr. Davison you find yourself looking at a compact embodiment of vigor, stability, and resource. His eyes are keen and searching; there is a square, sure set about his massive jaw; his mouth is firm and

unyielding. You carry away from him the impression that here is a man who, once determined upon a course that he believed was right, would stick to it in the face of every opposition.

He is an extraordinary combination of strength, character, and brains, and it is not saying too much of him that among all the crown princes of capital his success has been the swiftest, and his place for the future is set the highest.

THE RISE OF THOMAS W. LAMONT

In Wall Street, as in other theaters of significant happening, history repeats itself in men and events. Occasionally there is a peculiarly striking manifestation of this rule, and here is one:

On the first business day of the present year, a tall, lithe, well-set-up man took his place at a desk in that long, glass-enclosed hall of financial fame where Mr. Morgan's partners sit. He

was barely forty, yet he had well earned his place in the royal circle. His name was Thomas W. Lamont.

One interesting feature of Mr. Lamont's amazing rise is that it is so identically bound up with the progress of Mr. Davison. Both men were born poor, and in small towns; both had early struggles in New York. Mr. Davison found himself first, and then discovered Mr. Lamont. There began an intimacy between them which has spelled large success for each.

Mr. Lamont's story is cheering evidence of what a man can do for himself. He was born at Claverack, up New York State, and his father was a Methodist preacher with the traditionally large responsibilities and small resources. The elder Lamont was a college

man, and he determined that despite his lack of wealth his son should have a good education. Thomas needed no such stimulus. He had a hunger for knowledge, and after he had studied in the grammar schools at Catskill, Coxsackie, and Saugerties—the names bespeak the family wanderings—he was sent to Phillips Exeter Academy, at Exeter, New Hampshire, to prepare for college.

His means were limited, but with outside jobs he was able to get along in comfort. He “made” the editorial staffs of the three school publications, participated in sports, and stood well in his studies. It was the first concrete evidence of that easy capacity for work which afterward helped to single him out for distinction.

In 1888 he entered Harvard. Here he was thrown still more completely upon his own resources. He had the gift of terse and almost epigrammatic expression, so he turned to writing to help pay his way through college.

He started by doing some work for the Boston newspapers. They liked it, and he took on some of the New York dailies. Soon he had quite a profitable string of correspondence. The income from this, together with the scholarships that he won each year, tided him over the varsity period.

Despite all these distractions, he had his part in the college life. He was the first freshman editor from his class on the *Crimson*; he became business manager of the *Monthly*; he wrote the “Dicky” Club’s sophomore play, and acted in the Hasty Pudding shows in his junior and senior years. As one of his friends said to me:

“He worked most of the time, yet he was never a ‘grind,’ and he was welcome in every circle.”

When he graduated, in 1892, there was a *cum laude* attached to his A.B. degree—an honor which many men who did not have half his outside interests failed to get.

Young Lamont could not afford the luxury, so often indulged in by college graduates, of accepting a nominal salary, or no pay at all, to get started in business or a profession. He had to be a breadwinner at once. The practical thing that he knew best was newspaper work; so he went to New York, and got a job on the staff of the *Tribune*.

At once he displayed the first and foremost requisite of reporting, which is accuracy. This, combined with ability to run down a clue, made him valuable. In less

than two years he had been advanced to the copy desk in the city department, and his pay had more than quadrupled.

But his career lay along commercial lines, and he soon realized it. In 1894 he accepted an offer to join Cushman Brothers Company, a firm engaged in importing and exporting. The concern had been organized under adverse conditions, and had an uphill fight. After a few years it became necessary to reorganize. Mr. Lamont had made himself so indispensable that he was invited to become president of the new corporation. In order to contribute to its capital, he had to insure his life and borrow money on the policy.

In the rehabilitation of the business he displayed an unusual grasp of commercial detail. He turned debts into assets. Before long, the men who had dealings with him began to say:

“Watch out for Lamont; he is a ‘comer.’”

Meanwhile Mr. Lamont had married and set up his home at Englewood, New Jersey. Henry P. Davison also lived there. In the social life of the town, and on the commuters’ trains back and forth, they began to see a good deal of each other. The young banker was quick to appreciate the qualities of his neighbor; he was a man of his own fiber.

In 1903 Mr. Davison and some other bankers began to organize the Bankers Trust Company. Always keen and discriminating, Davison said to his associates:

“We want one of the officers to be a plain business man—a man who has been a borrower, and who has stood on the outside of the banking-counter.”

Their choice fell on Lamont, who became secretary and treasurer of the company. Then he began really to come into his own. The engaging personality which had helped him at college made him a quick business-getter. He became vice-president and a director of the company, and came into contact with the great inner circle of the Street. Wherever he went, men marveled at his quiet force and effective results. He began to “arrive” in a big way.

One activity will show the extent and variety of his talents. For years American travelers abroad had got along with an inadequate check and money-order system. Some plan was needed which would simplify the process. In 1908 Mr. Lamont was sent to Europe to reorganize the existing system

for the American Bankers' Association. After a close study, he created the plan now in operation the world over.

All the while his friendship and financial connection with Mr. Davison had grown steadily. In 1909 Mr. Davison left the vice-presidency of the First National Bank to go into the Morgan firm, and the chair that he left vacant in the great money temple at the corner of Broadway and Wall Street was taken by his friend, who now sat in the seats of the moneyed mighty.

Here his sphere of action widened at once; he entered trust and industrial directorates; he handled large deals with almost incredible ease and complete absence of friction. He came to be regarded as a negotiator of unusual skill. As such, he was master of the most difficult step in most Wall Street transactions.

Herein lies the key to Mr. Lamont's success. He has the rare faculty of being able to put himself in the other fellow's position. I have heard financial veterans say that he is one of the few men in the Street who can close a vast negotiation, involving huge sums of money, leaving every participant feeling that he has done just the right thing.

Big as was his post in the First National, it proved to be only one more mile-post in the story of this compelling career. The contemplated retirement of George W. Perkins and Edward Whitney from the Morgan firm left two important vacancies, particularly that of the former. Mr. Morgan had a larger responsibility than usual in filling these posts, because he realized that it might be the last time that he would recruit his personal aides. He wanted youth, brilliancy, and proved worth; and his unerring eye sought out Mr. Lamont for one of the vacant stations.

On January 1 of this year, Mr. Lamont was invited into the kingly family. By a curious coincidence, he took the very same desk to which his friend Davison had been called just two years before.

Thus, at forty, Mr. Lamont has achieved a career which would content most men. With the possible exception of Mr. Davison's, it is the most spectacular of recent history in Wall Street. Yet unlike most spectacular careers in finance, which are speculative and therefore unstable, his is builded on character and genuine efficiency, and is therefore permanent. You have only to look upon this clean-limbed and clear-visioned man to see in him the vivid per-

sonification of what is really and distinctively American in spirit, energy, ambition, and achievement.

THE CAREER OF OTTO KAHN

When you turn to the next figure in this line of financial succession, you depart, for the moment, from the rugged, self-made path. Yet the circumstance that Otto H. Kahn happened to be born of well-to-do parents does not mean that his present eminence came about in the natural and easy order of things. Two important facts early combined to test his mettle and make him realize that his success had to be won. The first was that he was one of eight children; the other, that indolence is not generally encouraged in German families.

Mr. Kahn's father was a banker in Mannheim, and the boy was trained for the same career. He graduated from the local *gymnasium* when he was barely eighteen. The Germans believe in thorough practical training, so Otto was sent to a bank in Carlsruhe, where he spent three years. After a year in the army, he went to the great Deutsche Bank in London. In this powerful clearing-house for a world-wide financial activity he laid the real groundwork for his knowledge of the money science. Although he was in this institution less than five years, he rose to be pro-manager, which corresponds to the vice-president in an American bank.

Now behind his course in London is a motive which helps to explain German prestige in international banking. In the case of young Kahn, as with many others of his countrymen, the purpose was to master what might be called the racial temperament of financiering.

The money game to-day is played on a vast board on which the sun never sets. There is a marked difference between trading with the Anglo-Saxon and trading with the Slav. Tradition, environment, and degree of civilization enter into the transaction. Kahn was one of many outposts that the German system threw out in its struggle for the garnering of world trade and world money.

No field of that mighty desire was more alluring than the United States. In 1893 Mr. Kahn came to New York, and entered the house of Speyer & Co. Despite his training in two countries, he was a "greenhorn" and only twenty-seven; but in a strange land, and under new conditions, he

demonstrated a high ability. Two years later he married Miss Addie Wolff, daughter of Mr. Abraham Wolff, of Kuhn, Loeb & Co., retired from the Speyer establishment, and after a year of travel abroad returned to America to become a member of his father-in-law's firm. Thus at thirty he was entrenched in one of the citadels of the Street, second only in power and importance to the Morgan stronghold.

Here he came under the wise and watchful eye of Jacob H. Schiff, head of the house, and this contact alone was a liberal financial education. The first big negotiation into which he was projected was the memorable Union Pacific reorganization—a performance that began a new era in the story of American railroading and investment. Mr. Schiff was on the reorganization committee, but Mr. Kahn looked after the details of his end of the work.

Out of this reorganization there emerged not only the nucleus of a great railroad system, but what was perhaps more important—a master railroad-builder, whose name was E. H. Harriman. The man who was to dominate the whole railway map saw rare executive qualities in the brilliant young German who was assisting Mr. Schiff, and out of the comradeship of those days began one of the closest and most valuable friendships in Mr. Harriman's life.

In later years, when financial storms—especially the Northern Pacific “corner”—broke about Mr. Harriman, one of his ablest associates and lieutenants was Mr. Kahn. Kuhn, Loeb & Co. were the so-called “Harriman bankers,” and this intimate connection continued until Mr. Harriman died. In scores of great negotiations involving railroad destinies, Mr. Kahn has shown extraordinary qualities of analysis, thoroughness, and clear-sightedness.

One little incident will show how he is ranked among the kings of to-day. Once I was walking down Nassau Street, in New York, with Thomas F. Ryan, and we were discussing the financial captains of to-morrow. Suddenly the face of the great Virginia financier lighted up, and he said, pointing to a stocky, alert figure that approached us:

“Here comes a man who will be among the first in the list.”

It was Otto H. Kahn.

Despite the turmoil of large and engrossing affairs, Mr. Kahn has found leisure to gratify a sincere appreciation of art, and

especially of music and the drama. With Mr. Morgan, he believes that large fortunes should not only serve their end in the economic development of the country, but likewise in the general esthetic uplift. Unlike many millionaires who have private galleries and collections and keep their treasures to themselves, Mr. Kahn employs his wealth in artistic enterprises within the reach of large masses of the people. For years he has been one of the mainstays of the Metropolitan Opera-House, and he is now its chairman and the virtual business head of the institution. It was mainly through his efforts that the founders of the New Theater were recruited.

In explanation of these and similar activities, Mr. Kahn develops an interesting point of view. He calls himself a “cultural altruist.” By this he means that the endowment of the opera and the drama serves a humanitarian purpose as important in its way as that achieved by hospitals. He has also helped to found and support a neurological institute, which teaches people how to live and which aims to provide an antidote for the evils resulting from the mad pace of New York life.

Mr. Kahn is short and compact, with an erect bearing and an almost precise manner that suggest his German military training. Where Mr. Morgan and others of the older guard become restive and even irascible under pressure, he remains smiling and serene; yet beneath his unruffled exterior are real force, determination, and virility.

A BRACE OF VIRILE WESTERNERS

Despite the old contention that it forms a world in itself, and is practically independent of the rest of the country, Wall Street has taken toll of all sections, and particularly of the West. Hence there is a goodly mixture of rich, red, virile blood with the blue of the crown-princely line. The National City Bank, first of our banking bulwarks, treasury of far-flung interests, and our one institution resembling the Bank of England, affords some impressive examples.

At one end of the stately corridor of this bank is a platform where the officers have their desks. To one of these there came, less than a year and a half ago, Samuel McRoberts, a lawyer with a ruddy, strong face, iron-gray hair, and a stocky, compact, athletic figure. He was not quite forty. Out in Chicago, where he had been living,

he had registered a start something like Thomas W. Lamont's, for it was a succession of brilliant strokes.

He was a newcomer in Wall Street. Today, if you ask any of the leaders if they know him, they will quickly reply:

"He is one of the liveliest wires in the Street."

Mr. McRoberts is another one of the self-made contingent. He was born on a Kansas farm near Malta Bend, and worked close to the soil while he was growing up. He went to Baker University, at Baldwin, Kansas, where he organized the first football team west of the Missouri. Then he took the law course at the University of Michigan.

In 1893 he started back home, by way of Chicago. Here he ran out of money; he was too proud to ask his father for funds, so he got a position on one of the Chicago newspapers. It was the year of the World's Fair, and most of his reporting was at the exposition grounds. He was thrifty, and by the time the great show closed its doors he had saved enough to permit him to take up the practice of his profession. He entered a law office as clerk at the munificent salary of five dollars a week.

One day in 1895, he saw in a morning paper an advertisement for a young lawyer. He answered it, and found that the advertisers were Armour & Co. He made a favorable impression when he called at the office, and got a very modest place in the law department of that great concern.

This proved to be the turning-point in his life. An association with Armour & Co. is more than a mere commercial connection. It means contact with huge financial enterprises, with chains of banks, tremendous industrial projects, and whole railroad systems. The moment he was projected into a financial negotiation, McRoberts displayed such talent and such mastery of details that he came to the personal notice of J. Ogden Armour. Before long he became assistant treasurer of the company, and in a year he was treasurer.

Mr. Armour's early interest ripened into a close friendship, and the young lawyer became the personal representative of the beef baron in many difficult transactions. This naturally brought him in contact with the money kings.

Mr. Armour is a director in the National City Bank, of which Frank A. Vanderlip is president, and McRoberts often had occa-

sion to see Vanderlip, who is himself a live Westerner. Just as Mr. Davison saw in Mr. Lamont a kindred spirit, so did the banker, who himself had graduated from obscure station, behold in the young Chicago lawyer a worthy colleague. Mr. McRoberts's next step was to the vice-presidency of the City Bank, as it is called in Wall Street. When Mr. Vanderlip went away on an extended Western trip, he entrusted much of his important work to Mr. McRoberts, and the way in which it was handled vindicated this confidence.

Perhaps the largest of Mr. McRoberts's qualities is his frank wholesomeness. Into Wall Street quarters where mystery, secrecy, and silence reigned in the old days he has brought a fresh, almost impetuous atmosphere; yet he also possesses a level and judicial head.

At the other end of the platform where Mr. McRoberts holds forth, you find his twin brother in energy, frankness, and efficiency. Joseph T. Talbert is also a newcomer in the Street, but it did not take him long to make an impression. Like his colleague, he was born to the traditional jeans. Although he first saw the light down in Mississippi, he has been identified with the West and is regarded as a Westerner.

He got his first taste of business at a frontier trading-post in Texas. When he was twenty-one, a ranchman started a bank in the town, and Talbert became its messenger and bookkeeper. In a year he was assistant cashier. When he was twenty-three he went to San Antonio, and filled the same post in the largest bank in the town.

At twenty-seven he was appointed bank examiner for the district comprising Texas, Louisiana, Arkansas, and Oklahoma. Subsequently he was assigned to the district embracing Colorado, Utah, Idaho, Arizona, New Mexico, and Wyoming. In that country and in those days bank-examining was not a kid-glove job. There were times when he had to travel for ten days on horseback, and to endure many hardships, to examine a single bank; but it was good, wholesome experience.

In 1896 he became examiner for the Chicago district. Just as soon as the Western rulers of finance met Talbert, they sized him up for a man who ought to be working for them; and in the following year he became cashier of the Commercial National Bank of Chicago. At that time it had a capital of a million dollars, and deposits of

nine millions. Before long he sat in the vice-president's chair, and was the practical dominating man. Then Frank Vanderlip singled him out, and he went to Wall Street. When he left the Commercial National its capital had grown to seven million dollars and its deposits to seventy-five millions.

Like Mr. McRoberts, he brings a peculiar quality of service to the National City Bank. In New York there is great competition for the business of the so-called "country banks"—that is, the banks located out of reserve centers. These banks have a great deal of surplus money at various times, and it is sent to New York, where it is loaned out in call and time loans. No man in Wall Street knows the "country bank" situation better than Mr. Talbert, and as an aid in attracting their funds to the City Bank he is invaluable.

He is short, deep of chest, with smooth face, and with a twinkling eye that suggests his Scottish-Irish descent.

WIGGIN OF THE CHASE NATIONAL

But the National City Bank is not the only royal financial court. Take, for example, the Chase National, an impregnable fortress, with deposits of more than one hundred millions. To be president of this institution makes a man true wearer of the money ermine.

Yet if you went to the white marble palace down in Cedar Street, where the bank is housed, and asked to see the president, you would not be ushered with chill formality into an imposing office flanked by flunkies. Instead, you would find yourself warmly greeted by a cordial and magnetic man, with a very winning manner, whose demeanor and action are the very opposite of the popular conception of the remoteness of a Wall Street bank-president. He may ask you to sit beside him at a plain oak roll-top desk, which stands out in the open, among the other officers of the institution. Accessibility and a delightful frankness mark the whole procedure with him. Such a man is Albert H. Wiggin, who at forty-three is a crown prince of capital by right and ability.

Like Mr. Lamont, he is the son of a preacher. He was born at Medfield, Massachusetts. He wanted to go to college, but had to start to work before he was eighteen. During his vacations he had done odd jobs in a Boston bank; the atmosphere fascin-

ated him, and he was ambitious to become a banker.

His first position was in the National Bank of the Commonwealth, in Boston, as clearing-house runner and settlement clerk. When he was twenty-three he became assistant national bank-examiner for the Boston district. There were two reasons why he took this position. One was that it would increase his knowledge of banking; the other, that the post had long been regarded as a stepping-stone to a good cashiership.

In his case, history failed to repeat itself promptly; but he was always resourceful. One day he went to a friend of his family, who was an officer in the Third National Bank, and asked for a position. He was told that there was no vacancy.

"Create one," he said boldly.

It was on the young man's suggestion that the office of assistant cashier was made, but unfortunately he did not get it at once. In less than a year, however, he was called to it, and then began his real banking career. When he was twenty-eight, he was made vice-president of the Eliot National Bank.

The moment he stepped into real authority, he found banking conditions that needed reform. His bank, like others, was suffering from an excess of capital—that is, so far as concerns the relation of capital to deposits. Many institutions were content to do a small business with a comparatively large profit, instead of a large business at a smaller rate of profit.

"We must get more business," he said.

He started a new era in Boston banking by absorbing the National City Bank. It was the first of the important Boston bank consolidations. Later on his bank annexed the Tremont National. Before he was past his thirtieth year, he had made all Boston bankdom sit up and admire his methods. They resulted in a profitable cutting down of the number of banking institutions in the New England capital.

Mr. Wiggin's bank was a large purchaser of commercial paper, and this often brought him to New York. He had much to do with the National Park Bank, and its officers recognized his swift judgment of credit and his unerring insight into a balance-sheet. They offered him a vice-presidency, and he accepted.

In New York he repeated his Boston success, for he became a very remarkable business-getter. He studied the whole big financial line-up in the Street, and when he

was asked to come to the Chase National as vice-president, in 1904, he was admirably equipped.

At the head of the Chase Bank was Mr. A. B. Hepburn, a really great bank president, who is both student and business man. He saw his colleagues, like James Stillman and George F. Baker, retiring from the routine of their presidencies, and yet retaining their grip on things as chairmen of the boards of directors. On January 1 last he followed their example, and Mr. Wiggin succeeded him.

It has become a tradition in Wall Street that Mr. Wiggin invests a transaction with such charm of manner, and such uncompromising fairness, that men are always anxious to go back and do business with him again. He is in a dozen boards, and his sphere of power is constantly widening. He is frank, human, cordial; and the belief among his contemporaries is that before he is ten years older he will be surpassed by few in financial authority.

SABIN OF THE GUARANTY TRUST

Up to this time I have discussed men who are in public or private banks. Let us now turn to one of the virile forces in a great New York trust company.

The average man, not familiar with the ramifications of up-to-date banking, has little conception of the new importance of the trust company, especially in Wall Street. Not so long ago it was a very restricted organization, whose principal function was to act as trustee. Suddenly its scope widened, until to-day the trust companies of the Street are vast financial factors, more important than many of the large banks.

None of these companies is more potent than the Guaranty Trust, which, with the Astor, the Equitable, the Mercantile, the New York, and the Standard, helps to form a system which has been well called "the Morgan money trust," and which is the great financier's safeguard against disaster in times of panic. The vice-president of this company is Charles H. Sabin, who has taken his place, in a very brief time, among the younger captains of the Street.

Mr. Sabin was born in Williamstown, Massachusetts, and went to Graylock Institute, where he was a classmate of Henry P. Davison. By this time you will begin to think that Mr. Davison is a sort of fairy financial godfather, and such seems to be the case, for the early friendship between

the two lads had a big bearing on Mr. Sabin's later life.

At seventeen, he went to work in a flour commission house at Albany, New York. But for a very picturesque episode, he might still be in that rather prosaic business. At school he had been a crack baseball pitcher. One day, a few years after he settled in Albany, the Ridgefield Athletic Club of that place had a ball-game scheduled with a strong out-of-town nine. On the very morning of the game it was discovered that the Ridgefield pitcher was out of commission. Sabin was pressed into service, and pitched a winning game.

The president of the athletic club was a brother of the president of the National Commercial Bank of Albany. In his joy over the victory he said to his brother:

"You have got to give Sabin a job in your bank."

Sabin was willing, and thus he became a financier by virtue of his strong right arm.

The bank president found that he had made no mistake, for the youth had a natural aptitude for banking. After a year or two, a vacancy occurred at the teller's desk in the Park, another Albany bank. Sabin applied for it, but was told that he was too young.

"If I don't make good in a month," he replied, "I will quit."

In a year he was cashier. In 1902, when he was thirty-four years of age, he went back to the National Commercial Bank as vice-president and manager.

A few years later, a group of big copper men in New York—men of the type of John D. Ryan, Charles M. Schwab, and Urban Broughton, the son-in-law of Henry H. Rogers—organized the National Copper Bank, which was to be the bank of their great industry, independent of any speculative enterprises. They wanted a live, energetic man for president. One night Mr. Ryan met Henry P. Davison at a dinner, and asked him to suggest some one.

"I've got the man, if you can persuade him to come," replied Mr. Davison.

He mentioned Mr. Sabin, who accepted the presidency of the new bank. Under his régime, it had a phenomenal growth. Later, when it was merged with the Mechanics National, Mr. Sabin became vice-president of the enlarged institution.

Subsequently, when the Guaranty Trust Company passed out of the control of the Harriman estate, and came under the Mor-

gan wing, Mr. Sabin went to it as vice-president. But he is more than this; he is a dominating power in what many people consider the largest trust company in the United States.

There is something about Mr. Sabin's appearance that suggests the late Paul Morton, for he is tall, rangy, and well set-up, and looks fit all the time. He still keeps up his athletics, and is an excellent polo-player.

Mr. Sabin's story naturally leads us on to the station occupied by Gates W. McGarrah, for they have had much in common, and were associated for a time.

In the case of Mr. McGarrah you find the familiar self-made success. He graduated from a cross-roads store into a country national bank. He found that his experience in studying human nature across the counter was very useful in banking, where the merchandising was in money instead of sugar or calico. Like his successful contemporaries, he came to New York in his teens, got a clerkship in the Produce Exchange Bank, and became assistant cashier.

Going to the Leather Manufacturers National, he rose from cashier to be president. When this bank was merged with the Mechanics National, he became president of the combination, which later on, as already recorded, took over the National Copper. The name of the institution was then changed to the Mechanics and Metals National Bank, and of this he is now president.

The significance of Mr. McGarrah's position is that he is at the head of a really great and independent Wall Street bank, which is not dominated by any of the so-called "interests," such as Standard Oil. He is big and imposing of frame and presence, with a level and constructive head.

THE NEWEST OF THE CROWN PRINCES

When the news was telegraphed from Washington that Charles D. Norton, formerly Assistant Secretary of the Treasury, and more lately secretary to President Taft, had been named as vice-president of the First National Bank, the natural comment in Wall Street was:

"Here is another financial leader of tomorrow."

Such is the commanding eminence of the post. In this case, both the man and his position combine to make the prophecy doubly strong.

Most newspaper readers know about Mr. Norton's record in Washington, but they

do not realize, perhaps, that he had a successful career before he got there. Like most of his princely brothers of the financial realm, he is just past forty. He was born in Oshkosh, worked his way through Amherst, and then went to live in Chicago, where he entered the life-insurance field.

His agreeable personality and persuasive manner made him an irresistible policy-writer, and he became agent for half of the State of Illinois. He chose his subordinates from among young college men; he organized them into classes, and taught them that insurance was a science. His force became a whirlwind of work and result, and his earnings rose to fifty thousand dollars a year. He gave up his position to become Assistant Secretary of the Treasury, under Mr. Franklin MacVeagh, for forty-five thousand dollars a year less.

He remembered, possibly, that this office had been the stepping-stone to financial heights. From it Frank A. Vanderlip had gone to the National City Bank, to take a place among the Wall Street elect. From other high official posts men like Paul Morton, George B. Cortelyou, and Leslie M. Shaw had advanced to prestige in finance.

In a year he mastered the ramified details of the Treasury Department, and deeply impressed upon them his personality and his methods. At the end of that year, dire things were happening over at the White House. The President's secretary, Frank W. Carpenter, had proved temperamentally unsuitable for the exacting position. As one very clever man remarked at that time:

"The office of secretary to the President was a total loss, and needed insurance."

Mr. Norton took the risk, and established his quarters in the executive office. He did what William Loeb did—that is, made himself a real assistant to the President. In a task that required consummate tact, unflinching courtesy, and rare knowledge of men, he made good, and harmony once more brooded over the official household.

Such a man is too big to bury even in so important an official place. In the Treasury Department he had come to know the financial leaders. When Mr. Lamont left the First National, his departure made a vacancy for a man of the same type, and Mr. Norton was summoned to it. Now he sits with a board of directors who could finance a whole kingdom. No bank in the Street, not even the National City, has such far-reaching corporate connections as this one.

The fact that he is the second of the two new partners of J. P. Morgan makes Mr. W. H. Porter highly eligible for a place in the royal succession. Although he is a few years older than most of his crown-princely colleagues, he must be reckoned among the new leaders.

Of all the commanding New York bankers, Mr. Porter is undoubtedly the most retiring. His whole career has been a record of unremitting work and solid achievement. He served his banking apprenticeship in the old Fifth Avenue Bank, long regarded as a training-school for eminent financiers. At twenty-five he was cashier of the Chase National; before he was forty, he was vice-president of the Chemical National. He was president of the Chemical when he was invited into the Morgan firm.

It is said of Mr. Porter that no banker in New York exceeds him in ripeness of judgment or in power of analyzing statistics. With these gifts he combines a rare and searching mind, a marvelous memory, and a high repute for integrity and solidity of character. The judgment of the Street is that his entry into the Morgan firm has brought still more distinction to that great banking-house.

There is another banker in Wall Street who in point of age and experience is perhaps in Mr. Porter's class—William A. Simonson. Though Mr. Simonson is not one of the Davison coterie, he is one of the brightest, keenest, and best-equipped bankers in New York. He is president of the Second National, one of Mr. Stillman's banks, and is one of the most active vice-presidents of the National City.

It is not amiss to mention here some of the men, still in the prime of life, who may be said to have passed from princeliness to kingship—men of the type of James Speyer, head of the great international house which bears his name; of Francis L. Hine, president of the First National Bank; of Paul Warburg, one of the ablest and most brilliant of the Kuhn-Loeb partners; of Frank A. Vanderlip, president of the National City Bank; of James Wallace, president of the Central Trust Company; and of William Woodward, of the Hanover National Bank. Most of these men really represent the present generation of leaders.

It only remains to speak of the sons of the rich who have a place, by virtue of their own efforts, among the crown princes of capital. In an article published in *MUNSEY'S*

MAGAZINE last August, I told their stories, so here I shall merely mention them casually in concluding.

THE SONS OF THE RICH

First and foremost among them is J. P. Morgan, Jr., a real chip of the old financial block, image of his great father in physique, and kin to him in spirit and action. He went through a grilling course of training, and came out of it a worthy colleague for the brilliant group of partners that now surround him. Then, too, there is Allan A. Ryan, who is already making a name for himself in the domain that his parent dominated so long.

John D. Rockefeller, Jr., has no ambition to shine in business, and is content with a nominal association with large affairs. On the other hand, Henry H. Rogers, Jr., has succeeded to many of the interests and responsibilities of his resourceful father. Other sons of the Standard Oil magnates include Percy and William G. Rockefeller, the heirs of William Rockefeller, who have shown ability of a marked order.

Jacob H. Schiff rests easy in the belief that his son Mortimer L. Schiff will worthily carry on the family name. He is a full partner in his father's house, and has abundantly demonstrated his efficiency. He is a college man; he roughed it on the Hill roads, where he picked up a practical knowledge of railroading; and then he served his time behind the counter of a New York trust company. In London he had a desk alongside Sir Ernest Cassel, who is the banker of kings. Then he returned to this country to take his place as a crown prince in name and deed.

Of all the Vanderbilts, only one of the younger generation—Cornelius—is really doing a man's work in the world of business. By a somewhat interesting circumstance, he received a smaller inheritance than other members of his family. His cousin, W. K. Vanderbilt, Jr., is nominally assistant to the president of the New York Central.

Young James A. Stillman is holding a vice-presidency in the National City Bank, and doing much more than merely being a Stillman, for he has shown himself worthy of his name. So, too, is it with the younger Guggenheims; with James J. Hill's sons, who inherit their sturdy father's working power; and with the Morrisises, who belong to the second generation in the Beef Trust.

Such is the fiber of the financial masters of to-morrow.

THE FUTURE OF AMERICAN OPERA

BY ANDREAS DIPPEL

MANAGER OF THE PHILADELPHIA-CHICAGO GRAND OPERA COMPANY

THE subject of American grand opera, and grand opera in English, is not a hackneyed one, despite everything that has been written and said about it within the last two or three months. To me, it is the newest topic in the realm of music, and certainly the most interesting. It is so interesting because, it appears to me, the future of grand opera in this country is the future of American opera — opera written by American composers and librettists, and sung in English by American voices, for audiences who understand what is being sung.

But before telling what my expectations are as to the splendid future of American opera, I should like to try to brush away a few mental cobwebs that seem to have obscured a clear conception of this subject in the minds of many who are interested in it from one view-point or another. Personally, I am interested in it from the stand-point of a producer, and I hope that my efforts will be so successful in the next five years that my ideas will be approved by both the public and the critics.

In the first place, we hear a great deal about the "unsingable qualities" of the English language. I regard this objection as worthy of little consideration; yet so persistently has the criticism of English as a medium of operatic music been maintained that it cannot be ignored here.

No one can deny that English has served as a vehicle for some of the most beautiful and impressive thoughts that have ever been expressed. I have read a great deal of prose and poetry in German, Italian, French, and English, and, although a German by birth, I can say sincerely that no literature makes a stronger appeal to me than that which has enriched the English tongue. No sensible reason can be advanced why English, with its wealth of poetic words and phrases, its elasticity, and its inherent strength, should

not be the medium of the great operas of the future. That it will be I have not the least doubt. Once and for all, and very quickly, we should drop the untenable claim that operas cannot be sung in English as well as in Italian, German, or French.

Another criticism, and one that is equally without justification, is that "foreign" singers cannot learn English well enough to sing it acceptably before audiences who know no other language.

It would be just as reasonable to say that American singers cannot sing Italian, German, or French to suit Italian, German, and French audiences. Of course, nobody says this since Miss Geraldine Farrar has sung *Elisabeth* in "Tannhäuser" to the delight of Berlin audiences, and since Miss Mary Garden has achieved greater success in Paris, in the new French operas, than any French soprano. It is far from being a compliment to the intelligence and ability of our talented Italian, French, and German singers to say that they cannot learn English as well as Miss Garden has learned French, or as Miss Farrar has mastered German.

I have found that "foreign" artists not only can sing in our language, but are anxious to do so. In the Victor Herbert opera, "Natoma," which I have had the honor and keen pleasure to present to American audiences, there are only four English-speaking singers in the cast—Miss Garden, Miss Lillian Grenville, Mr. John McCormack, and Mr. Frank Preisch. Mr. Hector Dufranne and Mr. Gustave Huberdeau are Frenchmen; Mr. Armand Crabbé is a Belgian; Mr. Mario Sammarco is an Italian, and Mr. Constantin Nicolay is of Greek parentage. So far as singing was concerned, English was to them a strange and unknown tongue; yet they began rehearsals eagerly, and the fair measure of their success is a pretty good