THE VERY, VERY RICH AND HOW THEY GOT THAT WAY

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The spectacular success stories of 15 people who made it to the very, very top

Max Gunther

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EDITOR'S NOTE

IN 1972 Max Gunther invited readers to take a journey with him through a gallery of America's most prominent millionaires. It was a golden gallery indeed, since the inhabitants framed here are by no means merely ordinary millionaires. A minimum qualifying standard to be considered for inclusion in Gunther's list was ownership of assets valued at $100 million or more (the equivalent of $660m today).

We are dealing, then, with the astonishingly affluent, the crème de la crème of the self-made rich.

As Gunther makes plain from the outset of this inquiry into fortune, the wealthy are not just ordinary people, and among the wealthy the very, very rich are an even more specialised breed. It takes an extremely particular type of mindset and approach to accumulate the wealth that the people profiled here did – and it was the desire to discover this mindset and approach that spurred Gunther's quest.

The Very, Very Rich and How They Got That Way is a survey of the lives and character traits of 20th-century America's super rich and, most importantly, an analysis of the methods they employed to generate their huge swathes of capital.

To name but a few of the luminaries included: we meet a salesman in W. Clement Stone; massively successful 'jacks-of-all-trades' in Howard Hughes and William Lear; a stock market speculator in Joseph Hirshhorn; and exponents of OPM (other people's money) and OPW (other people's work), in Daniel Ludwig, James Ling and Ray Kroc.

Though *The Very, Very Rich and How They Got That Way* may very well be read for simple entertainment, Gunther intended it to also have a practical application as a guide for those who themselves harbour dreams of ascending the ladder to supreme fortune.

This classic is now 50 years old but its value endures since, as Gunther is keen to impress upon readers, the key steps on the route to wealth do not change with time. Those contained in this book can be learned from, adapted and applied by anyone today.

HARRIMAN HOUSE

2021

In 1972, when this book was first published, \$1 had the same buying power as \$6.61 in 2021 (according to calculations by the US Department of Labor, *www.bls.gov/data*). This table shows those featured in the book with their fortunes as they would be in US dollars today:

Self-made fortunes of the very, very rich
(in 2021 terms, adjusted for inflation)

J. Paul Getty	\$6.6bn
Howard Hughes	\$6.6bn
Daniel Ludwig	\$6.6bn
Edwin Land	\$3.3bn
W. Clement Stone	\$2.6bn
William Lear	\$1.3bn
William Benton	\$980m
Bernard Cornfeld	\$980m
Conrad Hilton	\$650m
Joseph Hirshhorn	\$650m
Ray Kroc	\$650m
The Levitts	\$650m
James Ling	\$650m
Jeno Paulucci	\$650m
Glenn Turner	\$650m

CHAPTER 1

The Golden Gallery

COME with me now, ye seekers, and stand before this great golden door. In a while we will turn the jeweled key and go in. Step softly. Speak in whispers. You in the back, there, get rid of that damned beer can. We are about to enter the presence of Wealth.

Did I pronounce it with an awestruck capital *W*? I intended to. This is not ordinary wealth we are about to study, not the mere upper crust, not even the tribe of mere millionaires. No, we are about to see Wealth in its most exaggerated – some would say gorgeous, some would say disgusting – manifestations. The very poorest individuals we'll meet will have net assets of $100 million or not far below, and some will have more than a billion.

What is the purpose of our visit to this golden gallery? Why, you ask, should we study these, the immoderately rich?

It is a sharp question, and we must acknowledge from the start that some will say there is no sensible answer. Our quest, we will be told, is foolish. A historical record stretching back some 2500 years reveals that wealth and seekers after wealth and seekers after the seekers (in which final category we now find ourselves) have all been steadfastly jeered at in every clime and culture. Wealth, the 2500-year-old platitude goes, is only an ephemeral thing and may not even be real at all. A man is better advised to spend his life in quest of something else: truth, perhaps, or beauty, but not money. Money isn't worth the seeking.

Nobody knows who first noted that you can't take it with you – probably a Cro-Magnon man bellyaching about his neighbor's flashy new leopard skin. The Greek philosopher Theognis was one of the first to put the sour old cliché in writing. "No one goes to heaven with all his immense wealth," Theognis grumped in the Fifth or Sixth Century B.C. Very probably not a single year has since gone by in which some man of intellectual stature has not reiterated the thought in hopes of cooling off whatever rat race was then afoot. Cicero said it in materialist Rome. Shakespeare said it to the earthy Elizabethans, while, across the English Channel, Rembrandt, himself a moderately rich man, was saying it to the boom-maddened Dutch. Shelley said it in reference to a departed king named Ozymandias. Thoreau said it at Walden. It would probably be a safe bet that at least 100,000 novels published in the 20th century have said it one way or another. The Bible says it not once but many times.

Every so often, however, a refreshing new intellect comes around and unsays it. One such was Jesse Livermore, a famous stock-market speculator who flourished on Wall Street in the first half of this century. "It's true you can't take it with you," said Livermore one day, contemplating a large capital gain he had just scored, "but you can sure as hell use it until you go."

Right on, dear old Jesse. It will be assumed that all visitors to this gallery share Livermore's view or at least are willing to suspend judgment about it. Those who think Livermore wrong are, of course, welcome to come in and browse, but they will find nobody here willing to debate with them. The argument for and against wealth is a proper subject of other times and places, but not now and not here.

With that prickly subject neatly sidestepped, let's now consider what we stand to gain from our visit. For one thing, we stand to be entertained. The very, very rich are an unusual and fascinating group – obviously different from you and me, as F. Scott Fitzgerald pointed out, yet not so very different that we can't see our own humanity reflected in their faces. Their stories are stories of ordinary human beings raised to stunning magnitude by forces from within and without. Each is a man who took his material environment as he found it and not only figured out how to survive in it, not only rose above it, but conquered it absolutely.

In a sense these are fairy tales. Each starts with a ragged hero pursuing some risky course, going out alone to fight giants. Each ends with the hero sitting on a bag of gold, grinning. But there is one notable difference: The reader of a fairy tale cannot hope any such adventure will ever happen to him. The reader of these rich men's tales may nurture this hope – in fact, is cordially invited to do so.

Which brings up the second good reason for our visit to the gallery: The lives of the rich men gathered here are highly instructive.

With a few exceptions, which will be justified when the time comes, all the ventures you'll meet here started from the bottom. We have categorically excluded all holders of great inherited wealth: Rockefellers, Mellons, Fords. Each of our men started as nobody in particular: an ordinary man like you or me, drifting on the great economic tides of our times with millions of other ordinary men. Some were plain middle-class salary earners; some started even lower, in conditions of actual poverty. Each, by using his own brain and backbone, rose to be one of the mighty.

By watching how they did it, you can (if you wish) think about how you will do it. The gallery is organized by the various routes these men took to the top. One man played the stock market, another developed a technological innovation, and so on. One or more of the routes may attract you by reason of temperament or past experience. Pick your route, study the man who took it to its end, and then ... well, the rest will be up to you.

You'll note that no route is easy, especially in the beginning. The first few steps are always highly risky. Every one of these rich men – *every* one – had to start by turning his back on safety and security. It is patently impossible to get rich by sticking with a salaried job. You can hope for slightly more wealth by selling a professional skill on a free-lance basis – by becoming a famous actor, surgeon, novelist – but even then your chances of becoming a hundred-millionaire or even a ten-millionaire are so close to zero that the difference isn't worth considering. To make the big money you must take the big risks. Every one of the very, very rich, as you'll see, had to be willing at some early stage to put himself in a highly vulnerable position – a position from which he could go either straight up to wealth or swiftly down to bankruptcy.

It should be pointed out that these high-stakes games produce losers as well as winners. We have collected only the winners here. Nobody knows the losers' names. It is interesting to speculate about the reasons for winning and losing, why one man goes up while another man, starting out on the same route in substantially the same way, goes down. Character has something to do with it, and so does plain luck. We will study both these phenomena in the course of our visit.

It should also be pointed out that the size of the pot raked in by each winner is partly a matter of conjecture – even, sometimes, to the winner himself. J. Paul Getty, one of the very richest of the rich, has said several times in response to reporters' questions that he honestly doesn't know just how much he is worth. If you own a million shares of stock, the value of your holding can rise or fall by a million dollars in a single day. This makes an exact assessment difficult even in cases where the stock has a known market value. If the stock isn't publicly traded, the difficulty is multiplied.

Howard Hughes, to take just one example, is sole owner of the very profitable Hughes Tool Company. There is no public market for the stock of this company and therefore it is impossible to say with precision what Hughes's holding is worth. The only way to arrive at a guess is to look at the company's sales, earnings and assets – but these are also matters of conjecture, for a privately owned company isn't required to publish such figures, and Hughes Tool, in fact, doesn't. Thus, you must be satisfied with an estimate based on an estimate – a leaky piece of arithmetic at best. You estimate how the company performs in terms of profitability, and then you estimate how the stock market might evaluate that performance if the company's common shares were ever offered for public trading. The resulting rickety figure is your guess as to your rich man's pile.

The rich man himself could offer some enlightenment, but the chances are he won't – even if, unlike Getty, he knows the answer. Only a few of the very wealthy have publicly stated their net worth. For legal and tax reasons, and because of a highly developed sense of personal privacy that seems characteristic of the very, very rich, most tend to keep their mouths shut on this subject.

For more than a century the fortunes of the rich in America have been the focus of a national guessing game. Every so often somebody comes up with a new set of guesses, only to be shot down by somebody else.

Fortune magazine, for instance, occasionally collects what it believes to be a fairly complete list of the country's richest men and women. Back in 1957 the magazine said it could identify 155 Americans with piles of $50 million or more. In 1968, with fortunes swollen by continuing prosperity and inflation, *Fortune* raised the lower limit to $100 million and said it had found 153 people on or above that line. (*Fortune* called them "centimillionaires." Somehow the word makes me think of rich centipedes. Trusting *Fortune* won't mind, I'll find other words.)

In publishing both lists, *Fortune* frankly admitted the likelihood that some important names had been omitted. "Some forms of wealth," the magazine said, "... absolutely defy detection." *Fortune* also admitted it might be wrong in some of its estimates about people on the lists. Some might be far poorer than estimated, some far richer.

But it did the magazine no good to display such charming modesty. Ferdinand Lundberg, a lifelong student of the wealthy, sailed into *Fortune* with huge and predatory delight in his odd 1968 book, *The Rich and the Super-Rich*. Many of the magazine's 1957 wealth estimates, he said, were grossly wrong. He presented estimates of his own, the majority lower than *Fortune's*. He also dredged up some new names that hadn't appeared on the magazine's list.

My own very rough calculations about some other disputed piles suggest to me that *Fortune* was often closer to the mark than Lundberg. It seems worth recognizing that

Lundberg is a lone scholar, while *Fortune* has a large staff of highly trained reporters and other financial diggers – people with the time and expense money to poke into probate records, proxy statements, company earnings reports, and the like. Moreover, Lundberg, brilliant scholar though he is, seems to labor sometimes under the weight of a heavy set of biases. He doesn't like the rich very much, says they manipulate the country and all that. His political viewpoint is decidedly not conservative. He spends many pages of his book enthusiastically roasting poor old William F. Buckley, Jr., and the *National Review*. As for *Fortune*, key spokesman of management and hence of the rich, Lundberg obviously doesn't keep that fat, square, money-loving journal on his bedside table to sweeten his night's dreams. In charging *Fortune* with error, he often seems motivated mainly by the sheer pleasure of quarreling with the magazine.

The wealth estimates presented here in our gallery cannot lay claim to being more accurate than *Fortune's*, Lundberg's or anybody else's. They must be taken as simply one more set of estimates – with which the next estimator, as usual, is privileged to argue. Nor does our list lay any kind of claim to completeness. Omitted, of course, are all holders of large inherited wealth – who made up more than half of *Fortune's* 1968 list. Others have been omitted for random reasons. In some cases, for instance, two or more men might have had substantially similar careers. The man among them whose carrer seemed the most instructive or dramatic or just plain interesting has been included; the rest must await other biographers.

It is possible, even likely, that some observers of the current business scene will quarrel with the cast of characters here assembled. "Why did you pick X instead of Y?" they'll ask. "X may have a hundred million but Y has *two* hundred million." The answer in all cases will be that sheer money hasn't been the only criterion for including or excluding any given fat cat. Money is the main criterion but not always the overriding one. Maybe X is more willing to talk to reporters than Y. Maybe X is simply a more likable fellow.

And, in any case, can it really make a difference whether a man has $100 million or $200 million? Either way, his wealth is so huge as nearly to surpass understanding. One hundred million dollars are more dollars than the mind can comfortably conceive. Laid end to end, they would stretch from here to – well, a hell of a long way. Piled up, they would surely topple over. If you had a salary of $200,000 a year, cheated on your income tax and managed to salt away half, it would take you 1000 years to accumulate $100 million. If you didn't cheat and managed to save half the after-tax take-home, it would take you at least 4000 years. (As we've noted, you can't get rich on a salary.) The sum of $100 million is so colossal that the income it would produce, if it were locked away in a savings bank at a modest 5% annual interest, would be enough to support 100 ordinary men like you and me in a style most of us would consider quite comfortable. The income would be $5 million. If 100 of us owned joint title to that $100 million in a savings bank, we could each draw $50,000 a year for all eternity, without ever touching a dime of the capital.

Yes, $100 million is a hard sum to visualize. But the fact remains that there are men alive today – not gods but plain men, made of bone and brain presumably no better in basic quality than yours or mine – who have each accumulated that much money in less than one adult lifetime.

Let's see how on earth they did it. Welcome to the gallery of the very, very rich.

CHAPTER 2

From Croesus to Crassus to Cornfeld

THE men in this gallery are all living. They are contemporaries of ours. They made their colossal fortunes in our own economic era or in recently phased-out eras that were not grossly different from our own. Each took the economic environment as it existed in his day and instead of letting it walk on him as most of us do, he grabbed it by the neck and beat it into submission.

The supremely wealthy have always done that and always will. No matter what the environment was like, some men have figured out how to beat it. There is, it turns out, always a way.

This optimistic statement seems worth enlarging. In every era, including our own, people have tended to believe that the days of great wealth-gathering opportunity are over. The era just past has almost always looked better. Today people complain that high taxes, high prices, high labor costs and other problems prevent them from getting rich, and they look back sadly to the time when Andrew Carnegie could collect a personal income of $30 million a year without paying a dime of income tax and they figure the good old days are finished and why try anymore? And yet we have before us the spectacle of such a man as Jean Paul Getty (chapter 9), who amassed a fortune of about a billion dollars in our own era. Paying the full legal tax bite all the way. Getty tartly addressed himself to the point a few years ago. To say that the modern era is hopeless from the viewpoint of wealth gathering, wrote Getty, "is only an excuse for not trying."

It is quite probable that, when the first nomadic tribes settled down to cultivate farms at the dawn of human history, there were wandering hunters who went around grumping that the world was now all staked out and the hell with it. It is equally probable that people in the 21st century will gloomily contemplate whatever economic problems beset them and will say, "Nope, you can't make it anymore today. If only we were back in the 1970s ..."

Let's see what kinds of environment men have beaten in the past. Later in the book (chapter 24) we'll speculate about possible environments of the future.

It must be admitted that through most of recorded history, up until the late-16th and the 17th centuries, the great mass of ordinary men apparently had small hope of becoming really rich. Each man worked alone on his farm or at his craft or trade. Since there was a physical limit to the amount of work one man could turn out, there was an absolute limit to his wealth. The modern corporation hadn't been invented, nor had machines that could dramatically speed up the work. There was no commonly available way to make a business grow cumulatively – that is, to set it up so that each year's profits could be used to expand the business and produce still bigger profits the year after. Until the 17th century most men were in roughly the position of the modern wage or salary earner, who can't multiply himself cumulatively and is limited by the ironbound and immutable fact that there are only 24 hours in his day. The only thing between him and starvation is the work he personally can put out.

Despite these problems, some clever and aggressive families took power into their hands and became tribal chiefs, barons, kings and queens. They, like modern tycoons, were able to build fortunes through the use of other people's work and money. This was universally acknowledged to be the surest way to get rich. In fairy tales, myths and dramas written before 1600, if the plot calls for a rich man, he is almost invariably portrayed as a king or prince. Many of the Grimm brothers' mercenary tales end with the deadbeat hero marrying a princess – the ancient boss's daughter. The two most famous rich men of ancient times were Croesus and Midas, both kings. (Croesus was real; Midas was a mythological fiction.) Both their names are embedded in most of the Western world's languages as clichés describing great wealth.

There were some common men who got uncommonly rich, of course. Generally this happened when, through some lucky series of circumstances, a commoner became friendly with the ruling powers and was granted certain business favors or outright cash gifts. Such a man was Marcus Licinius Crassus, who flourished in Rome during the 1st century B.C. His name isn't the source of our word crass, but it might as well be. Crassus did some favors for the dictator Sulla and was rewarded by being given first option to buy certain confiscated lands at ridiculously low prices. Not only that, Sulla also loaned Crassus money from the Roman treasury with which to buy the lands. Crassus borrowed, bought the lands, sold them at high prices, paid off the loan, used the profits to buy more confiscated lands (some of which were confiscated especially for his benefit), repeated the process and thus became one of history's most famous and successful real-estate speculators. In Rome they called him "Dives" – "The Rich."

But men like Crassus were exceptions. The very fact that history has bothered to remember his name and accomplishments indicates how unusual he was. In terms of modern spending power (a highly unreliable and even ridiculous comparison, but it's the only comparison we've got) his wealth was probably in the general neighborhood of one to five million dollars. That isn't enough money to put a man in history books today. But it certainly was in Crassus's day, and it remained so for 1700 years longer.

Sometime in the 16th century the first rudimentary bank-like enterprises began to appear, and a few lucky citizens got rich by this route. Notable among these was an energetic German family called Fugger. The founding father was a weaver, poor most of his life. His sons and grandsons stuck together as a family company, expanded into various kinds of merchandising and, by around 1500, had accumulated so much capital among them that they began to earn income by lending the money at interest to various governments and noble families. By the end of the 16th century the Fuggers' banks were so wealthy and powerful that at least three nations gave them official permission to coin and issue money.

Like Crassus, the Fuggers were financial freaks in their day. It wasn't usual for ordinary men to rise to such wealth. But in the 17th century the average man's chances abruptly began to look better.

The Industrial Revolution is generally pegged as having started in the 18th century, but it was the 17th century that saw the development of financial and corporate mechanisms without which the first industrial plants could never have been built or operated. Humble citizens who got in on the ground floor of these financial developments grew rich.

Following the lead of the Fuggers and a few others, money-men in the 17th century expanded and refined the idea of banking. They invented corporate structures resembling the publicly owned companies we know today. They designed the first workable credit system. And they set up the first full-scale, broad-based stock and commodity exchanges. This financial revolution took place mainly in England, Germany, Italy and, most notably and brilliantly, in the Netherlands.

While nobody was looking, the Netherlands had risen to become the world's wealthiest and most powerful nation. (Actually, it was less a nation than a chummy fraternity of nearly autonomous states, of which the biggest and richest was Holland. Ever since, people have been calling the whole country Holland. The tolerant Dutch long ago gave up trying to correct the mistake.) The Dutch navy had put on so much muscle that it virtually ruled the oceans, regularly and easily defeating the navies of Spain and England and France, which had each been thought invincible. Dutch land armies attempted no forays into other European countries but were capable of repelling invaders without even trying. Sometime later in the 16th century the more ambitious and conquest-minded of Europe's rulers, notably Philip of Spain and Elizabeth of England, woke up with a start and realized that the Netherlands simply could not be taken.

Where did all this muscle come from? Money. Without actually planning it in advance, the Dutch had set up an outrageously successful new economic system in which the common man, by enriching himself, enriched his nation.

Most of Europe's rulers felt the Dutch must be mad. These "heavy fellows" and "rude mechanicals," as Elizabeth sourly called them, were trying to run a thing called a republic. They hadn't really wanted it that way. The problem was that they couldn't find a suitable king; so they were gamely struggling along without one – temporarily, they thought at first. Their state and city governments were run by merchants and other business-oriented burghers – what we would today call middle-class citizens – and the local laws were naturally favorable to private entrepreneurship. Taxes were light. Government revenues were spent on businesslike things such as dock improvements instead of going into kings' and nobles' private coffers. There were few class or religious barriers to prevent a man from going into business. Any ragged farmer's son, any Jew fleeing from Spain or Quaker from England or Lutheran from Germany was welcome to come around, dump his money into the local economy and lose his shirt in a business venture – or make his fortune if he could.

The Dutch had always been seamen. Around 1600 they were establishing colonies and looking into business opportunities in North and South America, Africa, India and other far-off places. The opportunities looked gorgeous, and to finance the needed ships they began to develop a rudimentary stock exchange at Amsterdam. (Similar exchanges were growing up at Hamburg, London and other cities, but for sundry reasons Amsterdam's succeeded best.) If you had a little extra cash, you could go to Amsterdam and, in effect, buy stock in a shipping venture. You might buy for instance, a 1/100 or 1/1000 interest in the fortunes of a certain ship that was to be built for a trip to India. Thus you, a common citizen, helped finance the growth of your nation. If the ship sank or simply failed to return, you lost your investment. If it returned laden with silks and spices, you got your share of the possibly huge profits, which you could then plow into some other venture. Or perhaps, before the ship returned, you might have wanted to sell your share to somebody else. You did it simply by sauntering around Amsterdam and finding a buyer among the hundreds of speculators who were always milling about or drinking in the taverns.

From these simple beginnings the Amsterdam equity market expanded to great size and complexity. By 1625 it contained most of the elements we recognize today as belonging to a full-scale stock exchange. There were rules for fair and orderly trading, there were brokers, there were provisions for various sideline techniques such as short selling, and the variety of enterprises in which you could buy stock ranged all the way from shipping to tulip farming. (You could even buy stock in some profitable Amsterdam brothels.)

Since the brokers and speculators often needed large amounts of money, private syndicates sprang up to provide pools of risk capital. Thus some rudimentary investment-banking outfits came into being. Since nobody wanted to walk the streets carrying sacks of guilders and florins, some bankers and brokers offered special cash-storage facilities and a kind of checking-account system evolved.

As ever more shipping ventures were launched, money began to pour into the little nation at an astonishing rate. Amsterdam became the financial capital of Europe. Government agents of all nations went there to borrow war money, buy guns and make other big-scale deals requiring large financial resources. Private entrepreneurs from as far away as Russia went there to float stock in shipping or mining ventures or to borrow development money for the first crude laborsaving machines.

As a result, the Netherlands in the early 17th century may have been the first nation on earth in which substantial numbers of ordinary citizens got rich – in which wealth was not a startling exception to the norm. The nation's initial wealth had come from trading and shipping, but as the century progressed, the wealth came more and more from the Netherlands' central position in the flow of European money.

Some three centuries later an American named Bernard Cornfeld (chapter 7) was to remark that the best way to make money is to deal directly with money itself, rather than approach it obliquely by dealing with goods and services. It may not be best way for everybody, but it is certainly an excellent way for some. Large numbers of 17th-century Netherlanders became millionaires.

Fairly typical of the new breed was one Roemer Visscher, an Amsterdam shipping speculator, merchant and investment banker. Visscher's fortune appears to have amounted to something like one to two million guilders. As we've noted, any attempt to translate the currency and spending power of one era into those of an entirely different era is fraught with booby traps, but as a very rough comparison, a guilder back then had about the financial oomph of $10 today. Thus, Visscher was worth perhaps $10 to $20 million. The most interesting fact about him is that he was not particularly interesting to his fellow Dutchmen. Nobody said "ooh" and "ah" over his wealth. He seems to have been but one of many.

Elizabeth of England called the Dutch "heavy fellows," devoid of breeding or social grace, but it should be said in passing that Visscher and his fellow burghers provided the necessary financial support for what was later labelled the golden age of Dutch art and literature. The very wealthy have always been interested in art and still are today (see for example, the story of stock speculator Joe Hirshhorn, chapter 6). Among those who hung around Visscher's palatial home and freeloaded at his table were Rembrandt, Jan van Goyen, sometimes Peter Paul Rubens from Antwerp and the scientist Constantijn Huygens, inventor of the pendulum clock.

The 17th-century Dutch explored and developed the money-handling route to wealth, the technique for putting yourself into some money pipeline so that you can control the flow and direct some of it into your own bank account. In the next century a whole new set of possibilities opened up. The financial revolution was succeeded by the Industrial Revolution. It now became possible for an ordinary citizen to get rich by putting his money behind various technological innovations.

For many and complicated reasons the Industrial Revolution didn't quickly bring on a golden age of prosperity such as the Dutch had enjoyed 100 years before. The masses of common citizens in most nations remained trapped without money and without much hope of getting any. But some of them did make it big, and from about 1750 onward the pages of history books glitter more and more often with the names of self-made rich men. Their numbers increased steadily through the 19th century, particularly in America, the new economic colossus that had suddenly and quietly arisen across the Atlantic.

Among the best-known non-kingly names in 18th and 19th century Europe was that of Rothschild. Mayer Rothschild started as a two-bit moneylender in Frankfurt around 1765 and expanded his business step by step until he became one of Europe's most important investment bankers. He helped finance some of the first textile mills and other industrial plants in England and some of the first heavy-machinery factories in Germany. He had five sons, each of whom went to a different city to set up his own banking and venture-capital operation.

The son generally conceded to be the most brilliant of the lot was Nathan, who hung out his shingle in London. He made fortunes in the London stock market and also, later, in the young but lusty New York market. One of his secrets, in this age before telephones, was to make sure he received news of international developments before anybody else did. He had agents hanging around the fringes of the Battle of Waterloo for instance. They brought him the news of Napoleon's defeat some six hours before the rest of London knew about it. Those six hours were enough for Nathan Rothschild. He bought up depressed currencies, government bonds and industrial shares, gleefully watched them rise in a post-Waterloo bull market and walked away with a killing. Like his father, he helped finance early industrial corporations and technical innovations, among them railroads. He was just starting to put his money into the first American railroads when he died, in 1836. The House of Rothschild stayed in business, however, and lived to help finance the adventures of such 20th-century buccaneers as Bernard Cornfeld.

It was in America, starting around 1850, that the possibilities of self-made wealth reached their gaudiest and finest flowering. Never before in all history, not even in the 17th-century Netherlands, had the average man been offered such stunning opportunities to strike it rich. All kinds of routes were opening up as the huge, empty nation expanded and matured. And all kinds of men suddenly shot from obscurity to dazzling prominence.

Jay Cooke specialized in brokerage. He came from nowhere in particular, set up a small Wall Street brokerage house in the mid-19th century, watched it grow as the New York stock market grew. He made his big pile when President Lincoln's administration asked him to sell Civil

War bonds to the public. He sent agents out to sell door-to-door, and he cheerfully and shamelessly paid newspaper editors all over the country to tout the bonds financial and patriotic glories. He sold about two and a half billion dollars' worth. His commission, fees and other payoffs on this one stupendous sale totalled nearly $100 million, tax-free.

Jay Gould showed up on Wall Street around 1860 with a couple hundred dollars in his pocket and rapidly parlayed the sum into a fortune. His favorite gambit was to construct phantom companies, particularly in the railroad industry. Railroad fever had seized the country, and too many railroads were being built too fast. Many small operations, poorly capitalized and badly managed, were going bankrupt. Gould would buy up a few of them for nickels and dimes, put them together to form a new railroad company with some grand-sounding name, publicize the new company, drive up its stock price and sell out, after which the rickety structure would collapse. Gould became so famous for doing this that when he went to London to propose a European railroad deal to the House of Rothschild, the Rothschilds dismissed him with a curt note: "Dear Mr. Gould: Europe is not for sale."

Junius Spencer Morgan and his son and grandson, both named John Pierpont, were investment bankers who specialised in building monopolies. Old Junius had started as a Connecticut dry-goods merchant and had put his money into banking just as the Industrial Revolution was creeping into America. Under his son and grandson the House of Morgan grew as powerful as the House of Rothschild or, centuries before, Fugger. The Morgans loved railroads. At one time they controlled the New York Central, the New Haven, the Lehigh Valley, the Erie, the Reading, the Chesapeake and Ohio, the Northern Pacific and a bundle of others – simultaneously. They organized U.S. Steel. They engineered trusts that came to own most of the anthracite and soft-coal production in the country. The story is told of John Pierpont, Jr., that when he attended a banquet in Europe around 1900, an aged countess came up to him and said in all seriousness, "I understand, Mr. Morgan, that you're the controlling stockholder of America."

The Astor family rose to prominence by a different route. John Jacob Astor was an immigrant from Germany by way of England. He landed in New York in 1784, broke and hungry. He sold musical instruments for a while, wandered around looking for a better business, ended as a fur trader in the Mohawk Valley. Business was good: He bought furs cheaply from Indian tribes, sold them at huge mark-ups in Montreal, New York and later London. As his capital built up, he invested it in what must surely count as one of history's most glorious real-estate speculations. Even old Crassus would have been jealous. Astor bought large chunks of upper Manhattan Island, north of what were then the New York City limits. His estate was valued at about $30 million when he died. His eldest son picked up the ball by building about 1000 houses on some of the uptown lots, and late generations of Astors cleverly traded still other uptown lots for downtown ones on which they built hotels and office buildings. The family fortune rose to the neighborhood of one billion dollars.

John D. Rockefeller got in on another kind of ground floor: that of the oil industry. He started his career as a 16-year-old clerk in a Cleveland mercantile company in the 1850s, was promoted to bookkeeper and cashier because he was good at figuring, quit the job in 1858 to go into business for himself as a kind of manufacturers' representative, selling goods on a commission basis. In the 1860s he met an expert oil refiner named Samuel Andrews who convinced him money could be made in the newborn petroleum business. (The first successful American oil well had been drilled at Titusville, Pennsylvania, in 1859.) Rockefeller's little company borrowed money and built a small refinery called the Standard Oil Works. It turned out to be highly profitable. The company then began a long and not altogether honorable career of absorbing competitors or price-squeezing them to death. When the courts dissolved Standard Oil's monopoly in 1892, the former clerk had become, as far as is known, the world's first humbly born billionaire.

We could spend hours looking at the careers of early American tycoons. Never before in history, nowhere else in the world, had so many men of humble beginnings risen so high. Samuel Insull, Andrew Carnegie, Andrew Mellon, Joseph Kennedy – the list could go on and on. Each man found a way to wrestle his environment to the ground and end on top, riding it.

The economic environment has become a somewhat trickier opponent as the 20th century has progressed. Corporate and personal taxes have increased enormously. Antitrust and other business laws have been tightened. The stock market's rules have been doctored so that manipulations and killings require considerably more thought, planning and patience. The country is generally less empty and open than it once was. There is less elbowroom. You can no longer buy an acre of Manhattan for a couple hundred bucks.

And yet there are still men making fortunes. How? Let's visit some of them and find out.